PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

Thursday, April 12, 2007 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 12, 2007 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; Don Duffy, Associate Engineer; Yu-Shuo Chang, Planning and Monitoring Manager; Heather Kuklo, Air Quality Specialist II and Jane Bailey, Administrative Services Manager.

- 1. Call to Order
- 2. Flag Salute
- 3. Roll Call / Determination of a Quorum

Present: Mike Holmes, Tom Millward, Sherrie Blackmun, Jim Holmes, Kent

Nakata, Robert Weygandt, Kirk Uhler and Jim Gray

Absent: Peter Hill

4. Approval of Minutes: February 8, 2007, Regular Board Meeting

Motion: Kent Nakata, second: Mike Holmes; approved unanimously

- **5. Public Comment:** No public comment
- 6. Synopsis of Agenda (information only, no action needed)
- 7. Approval of Agenda:

Motion: Jim Gray, second: Tom Millward; approved unanimously

Action:

8. Clean Air Grants: (Action)

Ms. Heather Kuklo, Air Pollution Control Specialist II and Program Manager for the 2007 Clean Air Grant (CAG) program gave a verbal and power-point presentation to explain how District Staff went about soliciting CAG applications and the process

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used to determine which applications should be recommended to the Board for funding. She said that the goals of the program this year were: to offset emissions from motor vehicles and other sources based on the criteria pollutants of NOx (nitrogen oxides), PM (particulate matter) and ROG (reactive organic gasses); to choose projects that were cost effective and had community health benefit; to support education and public awareness; to support the regional air quality attainment plan; to modernize pre-1987 school bus fleets; and to reduce open burning by providing alternative methods of dealing with biomass accumulation.

The District received 45 applications which included 112 individual projects totaling over five million dollars. The dollar amount requested was almost three times what the available grant funds were. Each project within an application had to be evaluated on its own merit. Ms. Kuklo showed several charts and graphs to illustrate the CAG funding sources and how they would be expended on the recommended projects. Each type of fund has very specific requirements on how the money may be expended. She explained the emission harvest criteria for each funding source and which projects qualified for each source. There were several projects submitted that had no emission reduction requirements such as the education and outreach projects. Several board members had questions as to why certain projects were chosen over the others submitted. Ms. Kuklo answered their questions and explained in further detail regarding the funding sources and how each project was screened based on the specific criteria that governed each fund and the availability of each fund.

Director Uhler made a suggestion that all of the applications be provided to board members in an electronic file prior to the April meeting next year. He felt that if the Board had the information in advance they may not need to ask so many questions at the meeting. Ms. Kuklo said she would look into it for the 2008 CAG program.

There were many members of the public in attendance, most of whom had been notified that their project was being recommended for funding. Chairman Jim Holmes asked if anyone wanted to speak to the Board before the motion was brought for approval. Several individuals took the floor to express gratitude that their projects had been recommended and to give accolades to Ms. Kuklo for all of her help with the process.

Chairman Jim Holmes also thanked Ms. Kuklo on behalf of the Board for all of her hard work then asked for a motion.

Motion for approval of Resolution #07-02: Mike Holmes, second: Tom Millward; approved unanimously.

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Information Items:

9. Advanced Locomotive Emission Control System (ALECS) Demonstration Report: (Information)

Mr. Don Duffy, Associate Engineer and Project Manager for the ALECS demonstration project gave a verbal and power-point presentation on this subject. He began by reminding the board of the genesis of the project and said he would finish with the current status of the ALECS project. The final report and analysis have been drafted and published with the assistance of TIAX, LLC, the firm contracted with the District for this purpose.

As was anticipated, the final numbers on the emission harvest were very good. In some instances they were better than expected with a few slightly less than expected. There were some areas where the hardware could have been better, such as the bonnet connection to the locomotive. Over all, the project received high marks from those involved.

In conjunction with the emission removal testing, noise measurements were done on some of the high power runs to assess the noise reduction when the bonnet was attached. These measurements yielded noise reductions of 70 to 79%. The noise reduction was a bonus outcome of this technology because the noise of the engines at full power is quite significant. UPRR employees and the public living nearby will benefit from the noise reduction if this equipment is installed at the rail yard

While the proof-of-concept tests met most of the project objectives, there needs to be more work done in order to support an operational and cost effective system in a rail yard. The test system was set up for a single locomotive, while the full scale system will be able to accommodate up to six locomotives at a time. The total capital investment for a fully operational system is estimated to be about 8.7 million dollars and there will be ongoing operational costs of almost one million dollars per year to keep it working at design capacity and fully staffed.

Per the data obtained during the demonstration project, the cost of reducing one ton of emissions ranged between \$18,437 per ton to \$7,297 per ton depending on which type of locomotive was being tested and how the system was used. The bigger emissions came from the older Tier 0 engines and therefore the harvest on them was greater and more cost effective.

Mr. Duffy said there was more testing that needed to be don on the collection

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system and recommended that a partial system be installed initially at the rail yard to assess the impact of having the system in place at that location. Installing a collection system with six bonnets and piping without the scrubbing system would be less costly and would give the rail road an idea of what it takes in time and manpower to connect and disconnect the bonnets. It would also give them the opportunity to do additional studies on the system such as durability and reliability testing to see how well the equipment holds up over time.

There may be incentive funds and bonds available to help with the expense of installing the system, such as the Moyer program. There are currently one billion dollars in bond money available in California earmarked for environmental projects. This emission collection system should qualify for some of that money. District Staff are also working with CAPCOA to research the possibility of obtaining emission reduction credits for this sort of technology.

Mr. Duffy explained that the next phase of the project will be to get public and private support in order to implement the technology. The USEPA Region IX has been briefed on the findings and will be involved in developing and implementing the next phases of this technology.

10. UPRR Air Monitoring Project Report Year II: (Information)

Dr. Yu-Shuo Chang, Planning and Monitoring Manager gave a verbal and power-point presentation to the Board on the year two data analysis collected for the Roseville rail yard. He said that in this past sampling year, the summer of 2006, the District was able to utilize four additional filter based samplers obtained from Sacramento Metropolitan Air Quality Management District and USEPA Region IX. The second set of four samplers was added to the existing up-wind and downwind sites which allowed for data collection of particulate matter 2.5 (PM2.5) mass and organic/elemental carbon to occur simultaneously.

Based on the first year data, the collection times were modified to collect data from 10:00 PM to 5:00 AM due to the predominate wind direction during that time of day which blew from up-wind to down-wind consistently. This change was made to maximize the collection of pollutants from within the rail yard and exclude those from outside sources. In the first year study, samples were collected on a 24 hour basis.

The downwind sites showed significant impacts from black carbon (BC), nitrogen oxide (NO), nitrogen oxides (NOx), and PM2.5. The ratio of NO/NOx indicates that the downwind sites are dominated by fresh NO emissions while upwind sites

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are more indicative of aged NO emissions from other sources outside of the rail yard. The data showed that the downwind sites captured a very high percentage of pollutants from the rail yard.

There were two equipment audits conducted on the instruments at all four sites during the study period. These audits were done to verify that the instruments were working properly. An audit was conducted before the second-year monitoring project began and again at the end of the study. The audits concluded that the equipment was working well during the study period.

Overall, the results of this year's study were very similar to those found after the first year's study. The results are consistent with each other and indicate that the monitors are capturing the effects of the rail yard emissions. This coming summer will be the third and last year of the study. The multiple year analysis will be conducted at the end of the third year of sampling and presented to the Board.

Closed Session:

11. Adjourn to Closed Session: Air Pollution Control Officer's Evaluation

The Placer County Air Pollution Control District Board of Directors held a closed session to discuss the Air Pollution Control Officer's annual evaluation. Upon their return to open session Chairman Jim Holmes stated that Mr. Christofk received a favorable evaluation and that the Board is very pleased with his services.

Information Items:

12. Report from Board Sub-Committee Recommending Guidelines for Air Pollution Control Officer (APCO) Compensation: (Information)

The sub-committee of Jim Holmes and Jim Gray provided an update on this subject: Director Jim Holmes said that he and Director Gray met with the Placer County Personnel Director, Nancy Nittler. They shared with her information they had gathered from Placer County department heads and she shared with them the information her staff had gathered from nearby air pollution control districts of similar size. Chairman Jim Holmes gave the other Directors a list of options for the salary increase for the APCO. Chairman Jim Holmes asked that the Directors look over the information and make some recommendations for an action item for the next board meeting in June.

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Chairman Jim Holmes summarized the two options listed; one option was to take the average of the San Luis Obispo APCO, Placer County Chief Building Inspector and Placer county Agricultural Commissioner salaries which would result in a 12% increase. The second option was an average of the San Luis Obispo APCO, the Yolo-Solano Air Quality Management District APCO and the Placer County Chief Building Inspector which would result in a 13.5% increase. He asked that the rest of the Board get back to him on their recommendations by the end of April or the first week of May.

Director Gray asked when it was that the Placer County department heads had been given their salary increases. After some discussion it was concluded that the increases had taken place sometime around December 2006. Director Gray suggested that Mr. Christofk's increase be made retroactive to today (April 12, 2007) since it will be two more months until the next APCD board meeting. There were no objections to this from the rest of the Board.

The board members agreed to either call or email Chairman Jim Holmes with their comments. Chairman Jim Holmes said he would meet with Mr. Christofk prior to the next board meeting to present a salary increase proposal. Director Mike Holmes was concerned as to whether the increase had been provided for in the budget and Ms. Jane Bailey, APCD Administrative Services Manager, assured him that it had.

13. Air Pollution Control Officer's Report

a. 2006-2007 8 Hour Ozone Plan Update

Dr. Chang gave a brief update on the status of the 8 Hour Ozone SIP (State Implementation Plan) and provided the Board with the most recent schedule. He pointed out that the date for this Board to approve the final plan is tentatively scheduled for December 13, 2007. The original date was June 14, 2007, which had been the EPA deadline. However, the date had to be pushed back because the VMT (vehicle miles traveled) data has not been completely analyzed and the projection of the data cannot be made as yet. District Staff has to wait for other agencies such as the ARB and SACOG to provide information regarding the VMT and other statistics in order to submit APCD's emission inventory for the SIP. If this information is not submitted correctly, the federal standard may not be met and the region could again be in a conformity lapse.

b. Breathe California Clean Air Award for Government notice

Mr. Christofk announced that the District had been chosen to receive the Government award by the Breathe California Sacramento Emigrant Trails Corporation mainly for the work done at the Roseville rail yard. There will be an awards luncheon on May 24th in Sacramento and the Board members are invited.

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More information will be provided to the Board as it becomes available.

c. Portable Equipment Registration Program Update

Mr. Todd Nishikawa, Compliance and Enforcement Manager, gave an update on this subject. He said the issues with the portable equipment, mainly engines, is that they require permits if they are of a certain size or exceed a certain quantity of emissions. The District requires a permit for any engine greater than 50 horsepower whether it is portable or stationary. The State implemented a program in 1997 called the Portable Equipment Registration Program (PERP) and if a piece of equipment (engine, chipper, drilling rig etc.) is registered with the State, that piece of equipment can be operated in any of the State's 35 air districts. This program was voluntary and was intended to assist business owners by providing a way for them to not have to get an individual permit for each air district in which they did business.

The State then adopted an Air Toxics Control Measure (ATCM) to phase out the older, dirtier, diesel powered engines. This ATCM focused on pre 1996 engines that do not meet any state or federal emission standards (Tier 0 engines). The District also has stringent rules regarding these engines and has been doing outreach to find these portable engines and to work with the owners by giving them some additional time to upgrade or replace their engines. Most of the owners have small businesses and the new regulations would make it financially difficult for them to operate.

The District has added four extra help personnel to find the engines and to enter into agreements with the owners and/or issue notices of violation (NOV). These engines with a District agreement can only operate until January 1, 2009. The District, under the authority of the APCO, has determined that similar engines have been registered with the state and can continue to operate; therefore it is allowable for the ones that did not get into the state registry to be allowed to operate under an agreement wit the District.

This District along with the Sacramento Air Quality Management District, Yolo-Solano Air Quality Management District, Feather River Air Quality Management District and the El Dorado Air Quality Management District are working together to develop a standardized compliance agreement that would allow engine owners to have one agreement allowing operation throughout the Sacramento Region through January 1, 2010; the same as the engines that were earlier allowed into the State's program. The proposal for the Region would require a Memorandum of Understanding between the four air districts signed by each APCO. It is the goal of the districts to implement a regional compliance agreement for owners of

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the older non-registered engines within the next month.

In order to make it equitable for the compliant and non-compliant engine owners, there will be a substantial fee for this regional program. The proposed amount is \$2,850 per engine and the fee will increase each year in order to provide incentive for the owners to register earlier. Owners who currently have an agreement with the PCAPCD will be allowed to have the monies already paid be applied to this penalty in order to obtain the regional permit. After January 1, 2010, however, all the Tier 0 engines must be removed from service in California.

d. Fiscal Update

Mr. Christofk said that at the end of March the revenues were about 16% ahead and expenses were under by about 50%. With the action today of approving the expenditure of \$2.17 million for clean air grants, the expenditures will be where they should be by the fiscal year end. Ms. Bailey said that after the grants are encumbered there will be approximately \$800,000 to run the District for the rest of the fiscal year which is a healthy amount for the District.

NEXT REGULARLY SCHEDULED MEETING - Thursday, June 14, 2007 at 2:30 PM