PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

Thursday, December 10, 2009 2:30 P.M. Board of Directors Meeting Minutes

The Board of Directors of the Placer County Air Pollution Control District met in session at 2:30 P.M., Thursday, December 10, 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; Jane Bailey, Administrative Services Manager; John Finnell, Senior Engineer; and Don Duffy, Associate Engineer.

The meeting was called to order by Chairman Weygandt and the Flag Salute was led by John Allard. Roll call was taken by the Board Clerk with the following members in attendance: Mike Holmes, Donna Barkle, Kent Nakata, Miguel Ucovich, Robert Weygandt, Jim Holmes, Peter Hill, Jennifer Montgomery (alternate for Kirk Uhler who was absent), and John Allard. A quorum was established.

The Minutes for the August 20, 2009, meeting were approved unanimously as was the Agenda for the December 10, 2009, meeting.

Public Comment:

Alison Schwedner, Director of the Community Collaborative of Tahoe Truckee, came forward and gave a short report on the work her organization has been doing in Placer County in partnership with several other agencies including Placer County Health and Human Services. The project centered around an effort to examine the health effects of air pollution on asthma. Ms. Schwender provided a handout which contained the results of the survey and educational workshops conducted by her group in both the Tahoe-Truckee (Kings Beach) area and in Western Placer County. She expressed her hope that the findings and recommendations of the study and subsequent action plan would be acted upon by the key stakeholders.

Chairman Weygandt closed Public Comment and opened the Public Hearing.

Item 8: Public Hearing/Action: Rule Amendment to Rule 233: Biomass Boilers

Mr. John Finnell, Senior Air Pollution Control Engineer, presented this item. He explained that after the board packet was delivered he received communications from the EPA recommending some different wording for the staff report. Mr. Finnell prepared a

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memo for the Board detailing these changes. He went on to explain that this is the second amendment to this rule which was originally adopted in October of 1994 per a requirement of the 1990 Clean Air Act. The first amendment, adopted by this board in October of 2007, was not approved by the Environmental Protection Agency (EPA) due to inconsistencies with the federal regulations. The District withdrew the amendment from State Implementation Plan (SIP) consideration in October of 2008 with the intention of re-wording the rule to address the EPA's objections.

The issues with this rule amendment, which only affects two sources in Placer County, occurs during the startup and shut down of their boilers. The EPA was concerned that the limits for NOx during the start-up and shut down of the equipment were not placed within the rule itself even though they were addressed in the permit conditions and that the exact pounds per hour limitations were not specified in the rule.

This version of the amendment adds the definitions for circulating fluidized bed boilers and stoker boilers. The definition of shutdown was changed as well. There were several changes to the emission limitations and provisions all of which were either suggested by or given tacit approval by California Air Resources Board (CARB) and EPA. The proposed amendment also removes a section of the rule which requires limits on the number of startups and shutdowns in a calendar year. These limitations are expressed on the Permits to Operate and are believed to be unnecessary within the Rule.

Staff intend for this rule to satisfy the EPA's concerns and meet SIP approval requirements without placing additional burdens on the affected sources. The two sources involved, Rio Bravo Rocklin and Sierra Pacific Industries Lincoln, are aware of and have agreed to comply with the proposed changes to the rule.

Mr. Finnell concluded his presentation and asked if there were any questions. Director Mike Holmes asked if there were any other districts facing this same issue. Mr. Finnell said that other counties have sources with wood fired boilers, but that District Staff could find no similar rules in effect in other counties.

Mr. Nishikawa, Compliance and Enforcement Manager, explained that the issue was discovered through a review of the CEMS (continuous emissions monitoring system) data which is required of Title V sources. Since it was a technically a violation, the District wanted to clarify the rule so that the sources don't have a violation at startup and shut down when it is beyond their control. He said it is generally recognized that the low CO₂ effect gives a false reading of high NOx when there isn't actually high NOx emissions. (During startup and shut down the CO₂ levels drop below 10% when the normal level is between 12-17 %. The correction to 12%/CO₂ measured makes the NOx reading too high and causes an exceedence in the corrected NOx concentration.) He said that most other districts understand the process and just ignore it. This District wanted to

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come to a resolution through the rule amendment process that would alleviate the technical violation and allow the source to proceed with business without being in violation of emission standards in the future.

Director Nakata asked how the CEMS data was delivered to the District. Mr. Finnell said that Staff have internet access to the data and can monitor it any time it is necessary. Director Ucovich had a question on the CO emissions of the different types of boilers that are affected by this rule. Mr. Finnell explained that the two boilers were completely different in the way they operate and that NOx is the emission which needs to be regulated. There are currently no CO limits. Director Montgomery wanted to confirm that there were no economic impacts on the two companies that are affected by this rule. Mr. Finnell explained that the sources already were operating under these conditions within the current Permit to Operate so there were no additional economic impacts due to the amendments to the rule.

Chairman Weygandt asked for public comment and as there was none brought the item back to the board for action.

Motion to approve Item 8: Hill/J. Holmes/Unanimous

Item 9: Information: Final Update Pertaining to the Mitigation Measures and Monitoring Activities for the Union Pacific Roseville Railyard (UPRR):

Mr. Christofk began the report by reminding the Board that over the past 5-6 years there have been several reports presented to them regarding the many plans, projects and activities that the District and UPRR had been collaborating on at the JR Davis Railyard in Roseville. This report is the culmination of those reports. The rail yard projects were made possible by a several different agreements and MOUs made between UPRR, the District and various other entities since 2004.

Mr. Christofk gave an overview of the history of the emissions clean-up and air monitoring at the Roseville Railyard which began as a response to a study done by the California Air resources Board (CARB). This study addressed diesel emissions at the facility and their related health risks. Subsequently, the District and UPRR entered into an Agreement (December 9, 2004) which had provisions for a mitigation plan, a grant program and a monitoring project. The following year, June 24, 2005, CARB, UPRR and BNSF Railway Company signed a new MOU to mitigate emissions in and around California's major rail yards. This agreement took effect on June 30, 2005, and to some extent was modeled on this District's agreement with UPRR in 2004.

Mr. Christofk then asked Mr. Don Duffy, Associate Engineer, to present the information regarding the mitigation aspect of the Agreement. Mr. Duffy explained the main details

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of the mitigation plan which included: reducing unnecessary idling, switching to low sulfur diesel, replacing "hump and trim" switchers with cleaner gen-set switchers and completing Phase I of the ALECS (advanced locomotive emission control system) proof of concept testing. UPRR complied with all aspects of the mitigation plan and the monitoring project analyses showed that even with increased activity at the rail yard in 2005-2008, emissions were reduced by the amounts agreed upon.

Regarding the Grant Program, UPRR agreed to reduce the DPM (diesel particulate matter) in the background and from other sources by one ton and they provided \$150,000 towards that goal. Overall, from 2005-2007, UPRR provided a total of \$227,000 to achieve a one ton reduction in the background. Through a grant program managed by District Staff the money was used to retrofit four City of Roseville refuse trucks, and replace two older diesel school busses within the Roseville Joint Union High School District.

Mr. Duffy introduced Dr. Yu-Shuo Chang, Senior Planner, who presented the final results of the monitoring Project. The agreement stated that UPRR would provide \$100,000 to conduct an air-toxics monitoring study of the impacts of the emissions from the Rail yard. The project was originally designed to be conducted over a three year period. After the third year, the technical advisory committee (TAC) recommended that the study proceed for a fourth year which concluded in September 2008. The rationale for the extension was to take advantage of ongoing emission reducing mitigation measures which were being phased into operations during and after 2007.

Data was collected from monitoring stations upwind and downwind of the rail yard between June and October of each study year (2005-08). The data was sent to Desert Research Institute for analysis after each year of collection. UPRR contributed \$30,000 towards the completion of this study.

The Monitoring Project analyses show that there was significant emissions impact from the rail yard between the upwind and downwind sites. However, it also shows that mitigation measures taken by UPRR did reduce the air toxics impacts at the downwind sites even with increased activity at the rail yard in 2006-08 and that the measured NOx reductions are much larger than the original estimates.

With the data collected from the monitoring and mitigation efforts and the reduction of one ton of DPM, it can be said that UPRR has met the terms of the agreement. There is a modeling evaluation being performed now, funded by UPRR and the District, which was established in a separate Contract. This evaluation will compare the DPM levels around the Railyard estimated from the Trends Report, with measured levels from the monitoring project. Both the District and UPRR are committed to completing Phase II of the ALECS project (establishing a structure at the rail yard where the ALECS can be installed and

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utilized) with additional funding already secured from several other air districts and cities.

Mr. Christofk asked the Board if they had any questions about the information presented. Ms. Montgomery had a question about one of the graphs which Mr. Christofk addressed. Mr. Lanny Schmid, Director of Environmental Operations with UPRR, asked to speak to the Board about this summary report. He said it had been interesting and beneficial to work with District Staff on this project. He complimented District Staff and the Board for making the positive outcomes possible.

Director Nakata said that when the original Agreement was signed in 2004, there was some skepticism that the terms of the Agreement would be met, but over time UPRR has stepped up and done even more than was required in the Agreement. He complimented Mr. Schmid and UPRR as a whole for their cooperation and diligence in finding solutions to the problems at the Railyard. He said the Roseville Railyard project should be a model for the state and other air districts.

Chairman Weygandt also added his compliments to Mr. Christofk and District Staff for all the accomplishments achieved during this project.

Item 10: Air Pollution Control Officer's Report:

a. Report on AB811: Mr. Christofk introduced Ms. Jenine Windeshausen, Placer County Treasurer-Tax Collector, who gave a PowerPoint presentation regarding AB811 (2008). The bill has to do with providing loans (at approximately 7%) to homeowners in order to do "environmentally efficient" and "green" upgrades to their existing homes and pay it back with their property tax bill over 20 years. The District is interested in the program because it may include green house gas reductions in the criteria for some of the improvement projects allowed by the program.

The County Board of Supervisors accepted the program proposal from the Treasurer-Tax Collector on October 6, 2009 and directed them to proceed with the program. The Treasurer-Tax Collector's office is targeting an early February program implementation.

b. **Update on Rule 502:** New Source Review: Mr. Nishikawa explained that Staff had intended to bring this rule to the Board at this December meeting and had even sent out public notices and held workshops, but the EPA sent back comments on the draft that required substantial revisions to the rule. Staff plans to bring the rule back in February for approval of an amended version of the rule. This rule is one of the most important, fundamental and complicated rules of the

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District and will require more of an effort to finish preparing it for amendment.

- c. **Board Chair and Vice Chair for 2010:** The Board Chair for 2010 will be town of Loomis (Miguel Ucovich) and Vice Chair will be City of Rocklin (Peter Hill).
- d. **APCO California Air Pollution Control Officers Association (CAPCOA) Board:** Mr. Christofk said that he has been the CFO for the CAPCOA over the past year and in 2010 he will be the Vice President and legislative representative for the organization. In 2011 he will become the President of CAPCOA and he anticipates that will be the year when Cap & Trade will be one of the bigger issues.
- e. **Fiscal Update:** Mr. Christofk said that as of the end of November the District finances are where they should be with regard to the budget. As is usual at this time of year, there is an excess in revenue and an under run of expenses due to the monies held for the Clean Air Grant Program.

Item 11: Adjournment:

Chairman	Weygandt	adjourned	the	meeting	and	stated	that	the	next	meeting	would	be
held on February 11, 2010.												

Margie Koltun, Clerk to the Board