### PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

## Thursday, June 12, 2008 3:30 P.M.

#### **Meeting Minutes**

The Board of Directors of the Placer County Air Pollution Control District met in session at 3:30 P.M., Thursday, April 10, 2008 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; and Ann Hobbs, Air Pollution Control Specialist II.

- 1. Call to Order: Done in preceding Preliminary Budget Special Meeting
- 2. Flag Salute: Done in preceding Preliminary Budget Special Meeting
- **3. Roll Call / Determination of a Quorum:** Done in preceding Preliminary Budget Special Meeting
- **4. Approval of Minutes:** April 10, 2008 Regular Board Meeting **Motion:** M. Holmes/Gray/Unanimous
- **5. Public Comment:** None
- **6. Synopsis of Agenda** (information only, no action needed)
- 7. Approval of Agenda:

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

Consent Calendar Items: 8 & 9

#### 8. Budget Revision #08-04: (Consent/Action)

Approve BR #08-04 thereby increasing the budgeted revenue and expenditure for the District/County Biomass Project. The funding for this project comes as part of the settlement agreement between the District and Sierra Pacific Industries (SPI) to fund supplemental environmental projects.

#### 9. Budget Revision #08-05 Mori enterprises: (Consent/Action)

Approve BR #08-05 thereby increasing the budgeted revenue and expenditure for software upgrades to the District's database program.

Motion for approval of Consent Items: Gray/J. Holmes/Unanimous

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**Information Items: 10, 11, 12 & 13** 

#### **10.** Contingency Contract with TSS Consultants: (Information)

Mr. Christofk reminded the Board that in April of 2006 a new section was added to the District's Administrative Rules and Regulations. The new section is called "District Business Practices" and section 5.1 gives authority to the APCO to enter into agreements, under specific conditions, in the period of time between regular District board meetings. In April of this year a situation arose where this authority was exercised. One of the elements of the new rule is to inform the Board of the details of the contract/agreement at the next regularly scheduled board meeting.

Mr. Christofk, as APCO, entered into a contract with TSS Consultants on May 7, 2008 after advising the Board Chair and gaining approval of the agreement from him. If the contract had been delayed until the Board Meeting of June 12, 2008, it would have resulted in a loss of time for data collection associated with the project.

The Consultants will assist the District in a series of tasks to assess the forest fuels reduction activities' ability to reduce criteria pollutants resulting in improved Placer County air quality, and assess if these activities have the ability to reduce greenhouse gases. The utilization of actual field data from these activities, and the evaluation of this data will assist in forming the basis of the development of formal protocols for the Placer County carbon-credit program.

The project is being sponsored by the District and SPI in order to collect data on a number of issues associated mainly with reduction/removal of woody biomass and its effects on forest health, wildfire reduction and air quality mitigation. SPI is funding this project from the Biomass Supplemental Environmental Project (SEP) component of the SPI settlement. This contract is for \$25,000 of the SEP funds.

#### 11. Biennial Audit Report: (Information)

Ms. Bailey gave a brief report on the biennial audit which found "no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*". This audit is required by government code and is performed by an outside agency every two years. It is a requirement of the code that a report is prepared within 12 months of the end of the fiscal years being audited.

# 12. Gas Dispensing Facilities and Enhanced Vapor Recovery requirements: (Information)

Mr. Christofk asked that Ann Hobbs, Air Pollution Control Specialist II and the District's expert on gas dispensing facilities (GDF), address this item. Ms. Hobbs gave an informative PowerPoint presentation that explained the new requirements for equipment and maintenance of GDFs and gave a general overview of what is going on with the regulation of GDFs.

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Ms. Hobbs began with an overview of the inventory of reactive organic gasses (ROG) in Placer County. She described vapor recovery rules, changes in vapor recovery with the new enhanced vapor recovery system (EVR) systems and what is happening with compliance to the EVR rules. She also provided information on what vapor recovery is, the improvements to the systems, what the systems look like and what they are expected to do.

The California Air Resources Board (CARB) has enacted executive orders designed to certify that vapor recovery from the transfer of fuel is maintained at a 95% efficiency rate. Vapor recovery is the process of collecting gasoline vapors that would otherwise escape during the transfer of fuel. There are two phases of vapor recovery: Phase I is the transfer of gasoline from the tank truck to the facility storage tank. Phase II is the transfer of gasoline from the storage tank into a vehicle. In 1979 CARB placed requirements on all GDFs with storage tanks over 250 gallons to install and operate Phase I EVR equipment in order to limit ozone forming gasses emitted during fuel transfer processes. The deadline for compliance with this order was April 1, 2005. EVR standards are being phased in with different effective dates based on the time needed to develop and certify equipment to the new standards.

In April 1, 2005 there were 19 facilities in Placer County that did not meet the deadline for the Phase I EVR requirement. These facilities were required to get a variance from the District in order to continue to operate.

Phase II EVR upgrades are required for all stations with underground tanks by April 1, 2009. Some facilities, depending on their throughput, may have to install "In Station Diagnostic" (ISD) systems. The ISD systems identify failures automatically and notify the station operator. They reduce emissions by early detection and prompt repair and can tie in to existing underground storage tank leak monitors. These upgrades are very expensive starting at an estimated \$30,800 for two dispensers and up to \$85,200 for 12 dispensers (combined cost for EVR Phase II and ISD).

The District has been making a concerted effort to reach the facilities to determine which level of upgrade the facilities are required to install and to see where they are in the process. There are 78 GDFs in Placer County that will need to upgrade within the next 10 months. If a facility cannot meet the deadline, they will have to obtain an abatement order from the District in order to continue to operate. There may be penalties involved with this process and compliance milestones that will have to be met. District Staff believe that there will be some facilities that will cease to operate due to the expense of installing and operating the Phase II equipment. However, Staff will do their best to work with the non-compliant facilities in order to allow them to continue to operate as they work toward compliance.

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#### 13. Air Pollution Control Officer's Report

#### a. Woodstove Incentive Program Update

Mr. Christofk updated the Board on the success of the Woodstove Replacement Incentive Program. The information and application forms were placed on the District website and were tested by a panel to assess how "user friendly" they are. District Staff did some public outreach through media, Earth Day events and the Auburn Home Show. Once the program was launched, the FY2007-08 money was expended within nine days. There are approximately 48 stoves that have vouchers for an upgrade with the funds that were available and there is now a waiting list for the fall program.

Mr. Christofk said that Staff are considering lowering the incentive amount from \$1000 to \$750 for the fall program but keeping the low income amount at \$1500. Several low income applications have come in and Staff are pleased that the District is able to help low income applicants replace their old stoves with more fuel efficient and cleaner burning ones. Overall the program has been very successful and the District plan is to continue to fund it over the next few years.

#### b. Fiscal Update

Ms. Bailey said that about half of the Clean Air Grants (approved in the April Board Meeting) have been encumbered and that the remainder will be encumbered by the end of June. The expenditures overall are down 29% and the revenues are up 21% compared to the current budget.

<b>14. Motion to adjourn:</b> J. Holmes/Uhler/Unani	mous
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Margie Koltun, Clerk of the Board