AGENDA

Regularly Scheduled Meeting PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

Thursday, April 8, 2010 2:30 P.M.

Placer County Board of Supervisors' Chambers 175 Fulweiler Avenue, Auburn, California

- 1. Call to Order
- 2. Flag Salute
- 3. Roll Call / Determination of a Quorum
- 4. Approval of Minutes: February 11, 2010, Regular Board Meeting
- 5. Public Comment
- 6. Synopsis of Agenda (information only, no action needed)
- 7. Approval of Agenda

Consent

These items are expected to be routine and non-controversial. The Board will act upon these items at one time without discussion. Any Board member, Staff member, or interested citizen may request that an item be removed from the consent calendar for discussion.

8. Hearing Board Re-appointments: (Consent)

District Staff requests that the Board approve the re-appointment of four members of the Hearing Board; Gary Hall, Paul Seday, Chuck Mather and Sheldon Lazonoff. Their terms expire July 1, 2010. Staff recommends that each be re-appointed for another three year term effective July 1, 2010.

9. Hearing Board Appointment: (Consent)

District Staff requests that the Board approve the appointment of a medical professional, Dr. Michael N. Cowan, to the District Hearing board.

Action Item 10

10. Clean Air Grants and Contract Authorization (Action)

Adopt Resolution #10-02, thereby approving the expenditure of \$1,024,751 of DMV Motor Vehicle Registration Funds, and Air Quality Mitigation Funds, for Clean Air Grants, and authorize the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant

Agenda PCAPCD Board of Directors Meeting Agenda Date: April 8, 2010 Page 2 of 2

related agreements and contracts.

Information

11. Bi-annual Audit results: (Information)

This is an information item on the statutorily required audit of District records and accounts for fiscal years ended June 30, 2008, and June 30, 2009

Closed Session

12. Annual Air Pollution Control Officer Evaluation: (Closed Session)

Pursuant to the cited authority (all references are to the Government Code), the Placer County Air Pollution Control District Board of Directors will hold a closed session to discuss the following listed item. A report on any action taken will be presented prior to adjournment.

Section 54956.9 – Air Pollution Control Officer's Annual Evaluation

13. Air Pollution Control Officer's Report

(Verbal reports and/or handouts will be provided)

a. Fiscal Update

14. Adjournment

NEXT REGULARLY SCHEDULED MEETING - Thursday, June 10, 2010, 2:30 PM

Opportunity is provided for the members of the public to address the Board on items of interest to the public, which are within the jurisdiction of the Board. A member of the public wanting to comment upon an agenda item that is not a Public Hearing item should submit their name and identify the item to the Clerk of the Board.

Placer County Air Pollution Control District is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you require disability-related modifications or accommodations, please contact the Clerk of the Board. All requests must be in writing and must be received by the Clerk five business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated only if time permits.

District Office Telephone – (530) 745-2330

AGENDA SYNOPSIS

April 8, 2010

8. Hearing Board Re-appointments: (Consent)

Approve the re-appointment of four members of the District's Hearing Board: Gary Hall, Paul Seday, Chuck Mather and Sheldon Lazonoff. Their terms expire July 1, 2010. Each has agreed to serve another three year term.

9. Hearing Board Appointment: (Consent)

Approve the appointment of a new Hearing Board member to represent the medical profession. Dr. Michael N. Cowan has agreed to join the Hearing Board and will replace Dr. Leonard Davis who resigned from the Hearing Board last year.

10. Clean Air Grants and Contract Authorization (Action)

Adopt Resolution #10-02, thereby approving the expenditure of \$1,024,751 of DMV Motor Vehicle Registration Funds, and Air Quality Mitigation Funds, for Clean Air Grants, and authorize the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant related agreements and contracts. This year the District received 45 project applications from both public and private agencies. The total project dollar amount requested was \$3,698,015. Staff reviewed and evaluated all projects and has submitted 17 of those projects for approval.

11. **Biennial Audit results:** (Information)

A brief report will be provided regarding the recently completed Biennial Audit of the District's fiscal records. The time frame for this report is for the periods ending June 30, 2008 and June 30, 2009. The District is required to have an independent audit conducted every two years and a report prepared within 12 months of the end of the last fiscal year audited. It is the opinion of the independent auditors (Macias Gini & O'Connell) that the financial statements of Placer County Air Pollution Control District "...present fairly, in all material respects, the financial position of governmental activities and the major fund of the District, as of June 30, 2009..." A copy of the audit is included with the Director's Board packet.

12. Annual Air Pollution Control Officer Evaluation: (Closed Session)

In closed section, the Board will conduct the annual performance evaluation of the Air Pollution Control Officer for the period April 9, 2009 to present.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

Thursday, February 11, 2010 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, February 11, 2010, 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 Don Duffy, Associate Engineer.

The meeting was called to order by Chairman Ucovich and the Flag Salute was led by Mike Holmes. 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, and John Allard (Mr. Allard arrived after roll call). Jennifer Montgomery, who was appointed in Kirk Uhler's place on the Board, was absent. A quorum was established.

The Minutes for the December 10, 2009, meeting were approved unanimously, as was the Agenda for the February 11, 2010, meeting.

Public Comment:

There was no public comment

Item 8: Approved Budget Revision #10-01 for budgeted revenue and expenditure for the FY2009-10 Mitigation Fund and DMV Fund: (Consent/Action)

Approved and signed the Budget Revision #10-01 thereby increasing the budgeted expenditure and revenue of the Air Quality Mitigation Fund and the DMV Fund for Clean Air Grants in FY2009-10.

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

Item 9: Rule Amendment Rule 502: New Source Review (Public Hearing /Action)

Mr. Christofk explained that this rule amendment entailed rescinding the entire rule and adopting a completely rewritten rule. This Rule, <u>New Source Review</u>, is the primary rule by which the District governs the permitting process of new stationary sources when they first apply for an Authority to Construct. This is a very complex rule and District Staff have been working on the amendment for many years. Staff has been working closely

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with both the ARB (Air Resources Board) and the EPA (Environmental Protection Agency) in order to craft a rule which will meet SIP (State Implementation Plan) approval (being SIP approved is required and allows for federal enforcement of a rule). Mr. Christofk introduced Mr. Don Duffy, Associate Engineer, who was the lead on rewriting this rule.

Mr. Duffy had prepared a Power Point presentation to assist with the explanation of the intricacies of the rule amendment and why it was necessary. The rule has its basis in the Federal Clean Air Act (adopted in 1977 and amended in 1990), the California Clean Air Act, and the California Health and Safety Code. The rule is a preconstruction permitting program for stationary sources based upon the concept that it is easiest and most cost effective to control air emissions by incorporating control equipment at the time of construction.

Mr. Duffy gave a history of the SIP status of the rule over time. The rule has not been SIP approved since the 1979-81 timeframe. In 1993, Rule 508 was rescinded in its entirety and replaced with Rule 502 which was submitted as a SIP revision in both 1993 and 1994; however, both revisions were withdrawn due to approval issues. Rule 502 was most recently amended in December of 2004, in order to address mandated changes but was not submitted for SIP approval.

Not being officially SIP approved since 1979-81 proved to be an advantage for the District when amending this rule. The State legislature in 2003, enacted SB288 the "anti-backsliding" law which prevented the relaxation of SIP approved new source review (NSR) rules in other Districts. The state did this by setting 2002 as the baseline for SIP approved rules, or for any rule under review at that time. Since Rule 502 had not been submitted for SIP approval since 1979-81, it was easier for this district to amend the rule without restriction.

Rule 502 needed to be amended for several reasons; to resolve issues with prior rule revisions, to update definitions to comply with EPA NSR reform, to add PM2.5 as a new non-attainment pollutant, to provide separate requirements for major and non-major sources and to relax some offset thresholds and ratios to be consistent with neighboring districts. But most of all this rule needs to be SIP approved and therefore federally enforceable.

Mr. Duffy went on to explain the NSR requirements for BACT (best available control technology), emission offsets and emission reduction credits (ERC). He also explained that Placer County had three air basins within its jurisdiction which is unique among air districts. The complication with this situation is that each of the air basins are in a different attainment status for the Federal National Ambient Air Quality Standards (NAAQS) and the NSR Rule needs to apply to all three air basins. Mr. Duffy also gave

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some detail as to how PM2.5 will be regulated within the rule, how the rule will have separate requirements for major and non-major sources, and the details of some of the offset changes.

The change that will have the most impact to stationary sources within the district is that the offset threshold and quantity of offsets required have been re-structured. This will make it more cost effective for businesses that might exceed the current emissions thresholds to be more competitive in this county. Mr. Duffy went on to explain the details of this process and the cost impacts in the different air basins.

Mr. Duffy concluded his presentation by stating that the proposed rule amendments were developed with extensive consultation with the EPA and ARB. The primary stakeholders were kept informed throughout the process including workshops and direct mailing. He asked that the Board rescind the text of the current rule, adopt the amended rule and direct the APCO to submit the rule for SIP approval.

After a few comments from the Board, Chairman Ucovich opened public comment. Ms. Becky Wood, Environmental Manager for Teichert, spoke in favor of the new rule as did Mr. Brett Storey, Program Manager for the Placer County Biomass to Energy Program.

Public comment was closed by the Chair and a motion on this item was entertained.

Motion to rescind existing Rule 502 and adopt amended Rule 502 New Source Review: J. Holmes/M. Holmes/Unanimous (by roll call)

Item 10: Regulatory Measures for 2010 (information)

Mr. Todd Nishikawa presented this item. He said that each year the District is required by Health & Safety Code Section 40923 to publish a list of regulatory measures which may be scheduled for consideration within that year. This year the District placed notices in the Auburn Journal, Lincoln Messenger and the Roseville Press Tribune advising the public that the list was available.

Item 11: Air Pollution Control Officer's Report:

a. Cap-to-Cap 2010: Mr. Christofk advised the Board that there is \$3500 in the FY2009-10 Budget for attendance at Cap-to-Cap. He asked the Chair to give direction on how to manage these funds. Chairman Ucovich asked the Board if any of the Directors had a need for the funds. Director Mike Holmes said that he would appreciate being able to use some of the funds and Director Allard said that he would like to as well. Both directors were asked to serve on the air quality team in Washington if they used District funds. Both directors asked for

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reimbursement for the registration fee. Mr. Christofk said that he thought since two Directors were going that the funds be split 50/50 between them allowing each to be reimbursed for up to \$1750. Chairman Ucovich asked for a motion and vote on this decision.

Motion to approve expending funds for Cap-to-Cap: Barkle/Nakata/Unanimous

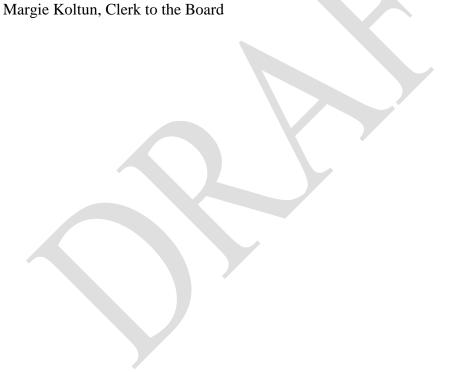
- **b. 2010 Clean Air Grant Program:** Mr. Christofk gave a brief overview of this year's Clean Air Grant Program. This year there will be \$1,024,751 available for projects. The deadline for applications is February 26, 2010 and Mr. Christofk urged the Board to encourage the submittal of applications if their jurisdictions had a project in mind.
- c. Federal Clean Air Act Failure to Attain (section 185) Fees: Mr. Christofk explained that this act imposes a penalty on major sources of pollution for failing to attain the National Ambient Air Quality Standards (NAAQS). Placer, along with Yolo-Solano, El Dorado, Sacramento, and Feather River air districts failed to attain the 1-hour standard by the deadline of the SIP. (This area would have attained the 1-hour standard if not for the wildfires in 2008.) The District is required to adopt a Section 185 fee rule or face sanctions for not doing so. The EPA has indicated that the District has four (4) alternatives in its adoption of a Section 185 Rule and can adopt one, several or all alternatives. Staff will be working on a rule to address this complicated subject, but believe that the feesequivalent or emission equivalent alternative may be utilized by this district due to the robust Clean Air Grant program as well as the work with the Rail Road and the emissions harvested through these efforts over the years.
- d. New federal National Ambient Air Quality Standards, Ozone 8 hour proposal: Mr. Christofk said that the federal government continues to review the NAAQS and with respect to ozone and are considering lowering the standard. If this happens it will be very difficult to reach attainment of the ozone standard (proposed to be 0.060 ~ 0.070 ppm). Since greater than 80% of NOx emissions come from mobile sources, which are not regulated by the District, it will be very hard to reduce any further emissions from stationary sources. Dr. Chang gave a short Power Point presentation on the history of the federal ozone standards since 1997 when the 8 hour standard was 0.084 ppm, 23% higher than the proposed new standard. The EPA will publish the final area designations in July 2011 and the new SIP should be due in to the EPA in December of 2013.
- **e. Fiscal Update:** Mr. Christofk said that as of the end of December 2009 the District finances are where they should be with regard to the budget. In April, the Clean Air Grants will be awarded and within a month of that date the funds

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> should be encumbered and the revenue to expenditure will be more balanced. Mr. Christofk also said that he hadn't seen a decrease in the number of Authority to Construct applications and that the permit revenue was within what he considered normal bounds.

Item 11: Adjournment:

Chairman Ucovich thanked Staff for their work on getting Rule 502 prepared and then adjourned the meeting stating that the next meeting would be held on April 8, 2010.



www.placer.ca.gov/apcd

Thomas J. Christofk, Air Pollution Control Officer

MEMORANDUM

TO: Board of Directors, Placer County Air Pollution Control District

FROM: Jane Bailey, Administrative Services Manager

AGENDA DATE: April 8, 2010

SUBJECT: Hearing Board Appointments (Consent)

Action Requested:

The District requests that the Board approve the reappointment of current hearing board members: Mr. Gary Hall as representative of the engineering profession, Mr. Paul Seday, Mr. Chuck Mather and Mr. Sheldon Lazanoff as alternate representatives of the public at large, to the Placer County APCD Hearing Board. Their current terms of office end July 1, 2010.

Background:

The Placer County Air Pollution Control District Hearing Board is a statutory body appointed by the District Board of Directors to hear petitions for variances or modifications of variances from air pollution rules or permit conditions; the denial, approval, or revocation of a permit; and orders for abatement. Composed of five members with three-year terms, the membership composition delineated in HSC Section 40801 is as follows:

One lawyer
One registered engineer
One member of the medical profession
Two members of the public-at-large

Discussion:

The current terms of office for Mr. Hall, Mr. Seday, Mr. Mather and Mr. Lazanoff expire July 1, 2010. All have agreed to be reappointed to serve on the Hearing Board for another three year term. The District Board of Directors may give direction to Staff to seek qualified replacements.

Hearing Board Appointment PCAPCD Board of Directors Agenda Date: April 8, 2010

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Fiscal Impact:

None

Recommendation:

Staff recommends the reappointment of Mr. Hall, Mr. Seday, Mr. Mather and Mr. Lazanoff to the District Hearing Board for the term of office indicated, effective immediately.

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Thomas J. Christofk, Air Pollution Control Officer

MEMORANDUM

TO: Board of Directors, Placer County Air Pollution Control District

FROM: John Finnell, Senior Air Pollution Control Engineer

AGENDA DATE: April 8, 2010

SUBJECT: Hearing Board Appointment – Dr. Michael Cowan (Consent)

Action Requested:

The District requests that the Board approve the appointment of a new member of the Hearing Board. Dr. Michael Cowan, MD is recommended for the medical profession vacancy.

Background:

The Placer County Air Pollution Control District Hearing Board is a statutory body appointed by the District Board of Directors. It is composed of five members and alternates with three year terms. The District Hearing Board is a statutory body appointed by the District Board of Directors as a whole to hear petitions for variances or modifications from air pollution rules or permit conditions, including the denial, approval, or revocation of a permit, and orders for abatement (per §40801 HSC).

The membership composition is delineated in Health and Safety Code section 40801 as follows:

One lawyer
One registered engineer
One member of the medical profession
Two public at large members.

Dr. Leonard Davis retired from the Hearing Board last fall. He had filled the medical profession position on the Hearing Board for many years. The District advertised for a person to fill the medical professional position and received one application which was from Dr. Cowan.

Hearing Board Appointments PCAPCD Board of Directors Meeting Agenda Date: April 8, 2010

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Discussion:

The Hearing Board Chairman, Don Gronstal, and Staff interviewed the applicant, Dr. Michael Cowan, MD. He lives in Auburn and practices medicine in the Bay Area. Dr. Cowan is qualified as a medical doctor board certified in asthma and allergy treatment. He is also active in the local community, serving on the Auburn Symphony Board.

Fiscal Impact:

Hearing Board members are paid a stipend of \$100 per hearing and are reimbursed at the established rate for mileage to and from the hearings. This appointment does not increase or decrease the current costs of hearings which are covered by established fees.

Recommendation:

District Staff recommend the APCD Board of Directors appoint Dr. Michael Cowan, MD to the District Hearing Board to fill the medical profession vacancy.



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Thomas J. Christofk, Air Pollution Control Officer

MEMORANDUM

TO: Board of Directors, Placer County Air Pollution Control District

FROM: Heather Kuklo, Air Pollution Control Specialist II

AGENDA DATE: April 8, 2010

SUBJECT: 2010 Clean Air Grants and Contract Authorization (Action)

Action Requested:

Approve Resolution #10-02 (Attachment #1), thereby approving the expenditure of DMV Motor Vehicle Registration Funds and Air Quality Mitigation Funds for Clean Air Grant projects, and authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts.

Background:

The District has solicited grant applications for the 2010 Clean Air Grant (CAG) program funds, which was authorized by your Board in the District FY 2009-10 Budget and will be funded from the following sources:

DMV Funds

Assembly Bill 2766 (Sher) and Assembly Bill 923 (Firebaugh) authorized air pollution control districts and air quality management districts to impose the Department of Motor Vehicle (DMV) surcharge fee to provide funds for air districts to meet responsibilities mandated under the California Clean Air Act. The District Board set the fee at \$4 per registered motor vehicle on June 14, 2001 and increased the fee from \$4 to \$6 on December 9, 2004. The DMV funds can be used to support programs that reduce air pollution from motor vehicles, to support implementation of the transportation control measures of the District's Air Quality Attainment Plan, and to provide public information and education.

The Board determines the amount of DMV funds that are to be budgeted annually for implementing the District's Clean Air Grant program. Your Board has allocated \$872,476 from the DMV fund in the FY 2009-10 budget to provide incentives for external projects to reduce criteria pollutant emissions, primarily from mobile sources, for the 2010 CAG program.

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Air Quality Mitigation Funds

The District is making available \$152,275 which has been paid into the District's Air Quality Mitigation Fund by new land use development projects in Placer County. The Air Quality Mitigation Funds are used primarily to reduce ozone precursor and particulate matter emissions from sources that are not required by law to reduce their emissions. District staff apply air quality mitigation funds in close proximity to the land development projects from which the fees were collected; therefore, fund usage is broken into East-side and West-side categories and applied to projects in those areas. Out of the \$152,275, there is \$116,355 specified for East-side projects and \$35,920 specified for West-side projects.

Total Funds Available for 2010 CAG

The total CAG funds available in FY2009-10 are \$1,024,751.

Discussion:

The 2010 CAG application solicitation period was open from January 1 through February 26, 2010. The CAG Information and Guidelines, along with the application package was available on the District's web site during this time. During this eight week period, the District mailed CAG information to approximately 200 private and public entities within the County, notified the Placer County Contractor's Association, ran several ads in local papers, and held three workshops (two in Auburn and one in Truckee), in order to solicit projects and inform people.

Included with this staff report is a Compact Disk (Attachment #2) which contains the following information for each application received during the solicitation period:

- A copy of each application received
- Supplemental information provided by application during project evaluation
- Cost effectivity calculations when applicable
- Project Ranking Forms
- Pre-inspection information for those projects being recommended to your Board and when required
- Additional information generated/gathered by Staff during the evaluation period

Each project application has a tracking number assigned for ease of identification and organization of the information related to evaluating that project for funding recommendations.

2010 Clean Air Grants and Contract Authorization PCAPCD Board of Directors Meeting

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Project Evaluation

After the close of the solicitation period District staff performed a systematic and comprehensive evaluation process in order to identify the most competitive and cost effective projects for recommendations in the April Board meeting. The results of this evaluation was compiled into a single summary table of all projects received, found in Attachment #3, and includes for each project its costs, cost effectivity, emission reductions, and project ranking.

Each project application was reviewed to determine if it met the program's eligibility requirements, which are defined in the program's guidelines and are specific to each funding source. Each project that had measurable emission reductions was evaluated using a cost effectivity formula which compared the amount of grant funding to the amount of emission reductions that can be achieved. Once this was done a Project Ranking Form (PR Form), was completed for each project and the score was added to the summary table of projects received. There are two versions of the PR Form. The first version is used to evaluate projects that are quantifiable (projects that are primarily based on surplus emission reductions). Examples of these types of projects are mobile on and off-road vehicle replacements and exhaust retrofits. The second version of the form is used for projects that do not have associated emission reductions or where emission reductions cannot be confidently quantified. These types of projects are referred to as qualifiable projects and include public education and congestion mitigation projects. The total points that can be earned on the PR Form is 105, plus an additional 5 to 10 bonus for those projects which provided additional benefits or are a significant source of green house gas emission reductions. There were no projects in the 2010 CAG that received additional bonus points.

Once preliminary evaluations were conducted for each project, Staff scheduled a Technical Peer Review Panel comprised of Planning, Engineering, and Administrative Staff in order to evaluate projects and prepare draft recommendations. Primary recommendations were based on a project's cost effectivity (when applicable) and competitiveness as established by the PR Form. The availability of program funds may also have played a critical role in how much funding a project was recommended for in order to maintain a balanced budget. Once a list of recommended projects was generated, the Technical Peer Review Committee provided it the APCO for final comment before submitting recommendations to your Board.

In 2010, there were a total of 45 applications that were received before the close of the application solicitation deadline and which went through the Districts evaluation process as outlined above. Out of this total, nine of the applications were submitted by public agencies and 13 were submitted by non-public agencies (private businesses & nonprofit organizations). Many applicants submitted more than one application. The total funds requested were \$3,698,015 (a three and one half times greater amount than funds available). Each application received fit into one of the following six grant categories:

2010 Clean Air Grants and Contract Authorization

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- Heavy Duty On and Off Road
- Alternative Fuels Infrastructure
- New and Expanding Transit Services
- Public Education
- Diesel Agriculture Pump Re-power
- Other Emission Reducing/Energy Conserving Projects

Figure 1 displays the total number of applications received per category in the 2010 CAG program. The Heavy Duty On and Off Road category received the greatest amount of applications. In the CAG program, this is an ideal trend because the guidelines state that the primary goal of DMV funding is to reduce NOx, PM, and ROG from motor vehicle sources. Three out of the six categories above did not receive applications (Alternate Fuels Infrastructure, New and Expanding Transit Services, and Diesel Agriculture Pump Repower).

Figure 1

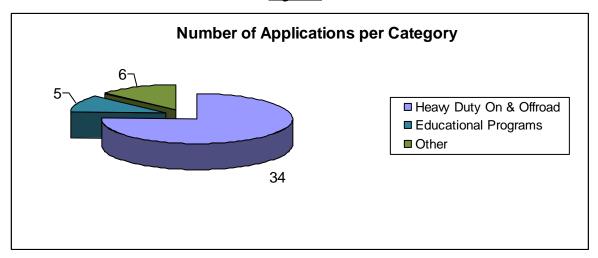


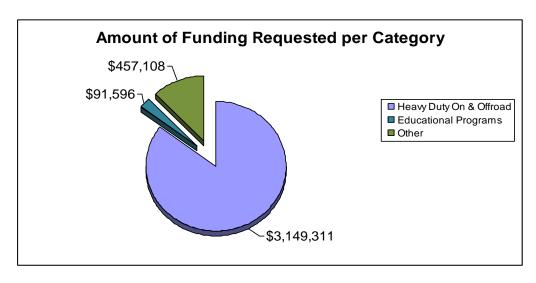
Figure 2 displays the total amount of money requested per category. The total amount of funds requested was \$3,698,015.

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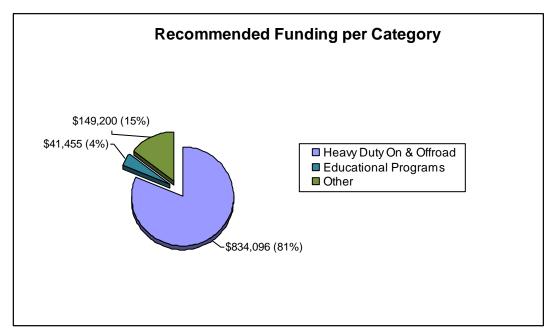
Figure 2



Projects Recommended for Funding

There are 17 projects that are being recommended for funding. The total project costs from the recommended projects are \$2,179,673. This is approximately a 53% cost share provided by the grant applicants. Each project that is being recommended for funding received a Project Ranking score of 70 or higher. A list of recommended projects can be found in Attachment #4. Figure 3 below displays the amount of funding recommended per category.

Figure 3



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Beyond just reducing criteria pollutants from mobile sources and educational programs, the District has a direct interest in supporting projects that reduce open burning and the risk of wildfires within the county. Supporting projects such as biomass programs offer positive alternatives to open burning and wild land management. Funding these types of projects has the potential to reduce significant levels of PM and NOx and is made possible by the integration of mitigation funds into the District's CAG program. As seen in Figure 4 below, \$97,000 is being recommended for projects that reduce open burning.

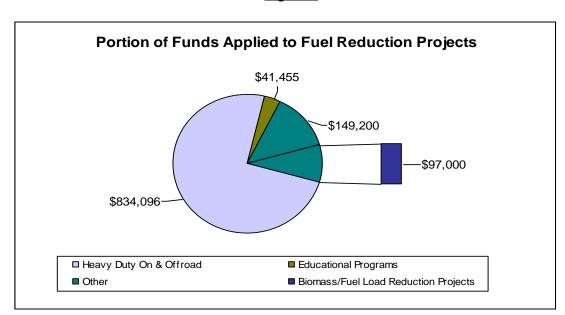


Figure 4

Projects not Recommended for Funding

There are 28 projects that Staff is not recommending for funding due to: 1) project ineligibility (conflicts with program requirements for funding); 2) limited funds; and 3) projects not being cost effective or receiving a less than competitive PR score. A list of these projects and details as to why these projects are not being recommended for funding can be seen in Attachment #5.

Emissions Summary of Recommended Projects

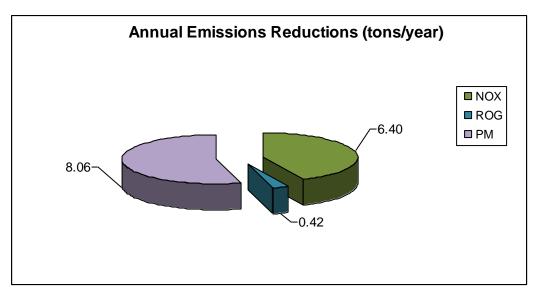
Based on the recommendations submitted to your Board in this report, there will be an estimated total of 14.88 tons of NOx, PM, and ROG reduced annually from the projects. Figure 5 displays the types and amounts of annual emission reductions from the 2010 CAG program.

2010 Clean Air Grants and Contract Authorization PCAPCD Board of Directors Meeting

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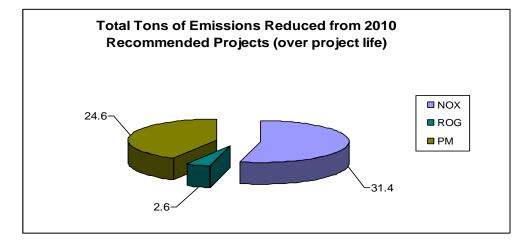
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Figure 5



The District uses the State's Carl Moyer Guidelines to establish a project life for each project that is evaluated. It is the length of the project life that is used in determining the overall surplus emission reductions of a project and its cost effectivity. For example, heavy duty vehicle replacement or retrofit projects have a maximum project life of five years. When all of the annual project emissions from the 2010 proposed projects are multiplied by their project lives, the total reduction of emissions is approximately 58.61 tons. This will be the total estimated emission reduction benefits observed from the recommended projects of the 2010 CAG program as shown in Figure 6 below.

Figure 6



Assuming this year's recommended projects are approved for funding, a maximum of 842.87

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tons of NOx, ROG, and PM will have been reduced since 2001 through the District's CAG program. In future years, projects will continue to be impacted by the On-Road, Off-Road, and other State regulations that have gone into effect. It is becoming additionally challenging in soliciting projects that are eligible and cost effective.

Fiscal Impact:

AB2766 surcharge funds are restricted use funds that are used to reduce emissions from motor vehicles through external grants and internal programs to implement provisions of the California Clean Air Act. AB 923 surcharge funds are restricted use funds that can only be used for the Lower Emission School Bus Program, Carl Moyer type projects, agriculture sources, and voluntary vehicle retirement programs. Currently, the District is recommending funding for Carl Moyer type projects and Lower Emission School Bus projects under AB 923. Staff have committed to provide not less than 50% of AB 2766 and 100% of AB 923 funds collected in a year towards "external" grants. As previously stated, the District's budget for the FY2009-10 Clean Air Grant program totals \$1,024,751, with \$436,238 budgeted from AB2766 funds, \$436,238 from AB 923 funds, and \$152,275 from Air Quality Mitigation Funds. Application of the mitigation funds is consistent with the Board approved Policy Regarding Land Use Air Quality Mitigation Funds of April 12, 2001 and as amended on December 11, 2008,

For the 2010 CAG program, 100% of the budgeted funds are being recommended for application towards Clean Air Grant projects.

Recommendation:

Staff recommends that the District Board adopt Resolution #10-02 (Attachment #1), thereby approving the expenditure of DMV Motor Vehicle Registration Funds, and Air Quality Mitigation Funds for projects identified in Attachment #4, and authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, grant agreements and contracts.

Attachment(s)

- **#1:** Resolution #10-02
- **#2:** Compact disk with copies of all applications received and all associated documentation
- **#3:** Summary Table of all Project Applications Received 2010 CAG/PCAPCD, including brief project descriptions, emission reductions, and cost effectivity
- **#4:** Table of Project Applications Recommended for Funding 2010 CAG/PCAPCD
- **#5:** Table of Project Applications not Recommended for Funding 2010 CAG/PCAPCD

ATTACHMENT #1

SUBJECT:

Resolution #10-02

		BEFOR	RE THE BOAL	CD OF D	IRECTORS	
	PLA	CER COUNT	Y AIR POLL	UTION (CONTROL DIS	TRICT
			STATE OF C	ALIFOR	RNIA	
					RESC	DLUTION NO: <u>10-02</u>
In the	matter of:	Approve the	e expenditure o	of DMV	Motor Vehicle R	Registration Funds and
		Air Quality	Mitigation Fu	nds that	includes West R	oseville MOU Funds
		and authori	ize the Air Pol	llution C	Control Officer to	o negotiate, sign, and
		amend as	needed, grant	agreeme	ents and contrac	cts for the approved
		projects in	the Table "Plac	er Coun	ty Air Pollution	Control District Clear
		Air Projects	s 2010" (attache	ed).		
The fo	llowing RES	OLUTION w	vas duly passed	l by the	Board of Directo	ors, Placer County Air
Pollution	on Control D	istrict, at a reg	gular meeting he	eld <u>April</u>	8, 2010 by the fo	ollowing vote:
Ayes:	Holmes, M	l Ucovi	ch Weyg	andt	Holmes, J	Barkle
	Nakata	Hill	Montgomery _	All:	ard	
Noes:	Holmes, M	l Ucovi	ch Weyg	gandt	Holmes, J	Barkle
	Nakata	Hill	Montgomery _	All:	ard	
Abstaiı	n: Holmes, M	I Ucovi	ch Weyg	gandt	Holmes, J	Barkle
	Nakata	Hill	Montgomery _	All	ard	
Signed	and approve	d by me after i	its passage.			
			Chairperson	1		
			-			
Attest:						
			Clerk of said	d Board		
						

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- 1 WHEREAS, pursuant to Health and Safety Code Section 44220 et seq. the Placer County Air
- 2 Pollution Control District receives DMV Motor Vehicle Registration Fees (AB2766 and
- 3 AB923); and

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- 5 WHEREAS, The Placer County Air Pollution Control District is required to utilize the DMV
- 6 Motor Vehicle Registration Fee funds for mobile source emission reduction and California Clean
- 7 Air Act implementation; and

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- 9 WHEREAS, the District has received Air Quality Mitigation Funds to off-set the impact of new
- development in Placer County by reducing emissions, primarily ozone precursor emissions, from
- sources that are not required by law to reduce emissions; and

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- 13 WHEREAS, Placer County Air Pollution Control District continues to strive to reduce
- emissions from all sources in order to meet both State and Federal ambient air quality standards;
- 15 and

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- 17 **WHEREAS**, The Placer County Air Pollution Control District is required as part of the 2008
- 18 Sacramento Area Regional Ozone Attainment Plan to implement programs to reduce mobile
- 19 source emissions; and

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- 21 **WHEREAS**, The Placer County Air Pollution Control District is required as part of the 1991
- 22 California Clean Air Act Attainment Plan to implement programs to reduce mobile source
- emissions; and

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- 25 WHEREAS, The Placer County Air Pollution Control District may obtain reductions in
- 26 emissions, not otherwise mandated by existing rules or regulations, by providing incentive funds
- 27 for projects that reduce air pollutant emissions;

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1	IT IS HEREBY RESOLVED that the Placer County Air Pollution Control District Board does
2	hereby approve the expenditure of DMV Motor Vehicle Registration Funds, and Air Quality
3	Mitigation Funds for Clean Air Grants, and authorizing the Air Pollution Control Officer to
4	negotiate, sign, and amend, as needed, grant agreements and contracts for the approved projects
5	in the Table "Placer County Air Pollution Control District Clean Air Projects 2010" (attached).
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Placer County Air Pollution Control District Clean Air Projects 2010

Application Number	Applicant	Project Title	Amount Requested	Recommended Funding	Project Ranking Score
10-03	North Tahoe Cruises	Marine Repower (3 engines)	\$263,748	\$174,353	89
10-04	SPI	Off-Road Equipment Replacement	\$412,360	\$176,631	102
10-06	Volcano Creek Enterprises	Off-Road Equipment Replacement	\$234,880	\$75,000	81
10-10	Rocklin Unified School District	School Bus Replacement	\$115,716	\$115,716	92
10-15	Diamond Well Drilling	Off-Road Equipment Retrofit	\$32,500	\$19,750	71
10-23	Diamond Well Drilling	Off-Road Equipment Retrofit	\$32,500	\$19,750	71
10-30	Westcon Construction Corp.	Off-Road Equipment Replacement	\$58,568	\$36,784	73
10-32	Westcon Construction Corp.	Off-Road Equipment Replacement	\$72,853	\$56,640	73
10-39	PC DPW	Off-Road Eqipment Retrofit (5)	\$163,735	\$94,968	75
10-45	Roseville JUHSD	School Bus Replacement	\$64,504	\$64,504	85
10-12	PCTPA	Congestion Mitigation Program	\$50,000	\$34,000	90
10-37	Breathe California	Air Quality Flag Program	\$12,214	\$7,455	74
10-13	PCTPA	Freeway Service Patrol	\$60,000	\$40,000	85
10-38	City of Auburn	Bike Rack Installation	\$13,200	\$12,200	80
10-34	PC Planning Dept.	Community Biomass Program	\$75,000	\$17,000	82
10-35	PC Planning Dept.	LTBMU Biomass Program - USFS	\$75,000	\$40,000	82
10-36	PC Planning Dept.	Tahoe Basin Biomass Program - State	\$75,000	\$40,000	82

ATTACHMENT #2 SUBJECT: Compact disk with copies of all applications received and all associated documentation

ATTACHMENT #3

SUBJECT:

Summary Table of all Project Applications Received

Summary Table of All Project Applications Received 2010 CAG/PCAPCD

												Nox Reduction	PM Reduction	ROG Reduction	Nox + PM + ROG Reduction	Nox + PM + ROG Project Life	Cost Effectivity	
Category	Application Number	Applicant	Project Title	Potal Project	Amount Requesting	Recommended Funding	Project Life	482766	48.823	West Mit	EastMit	per Year	per Year	per Year asured in T	Per Year	Reduction	\$/Ton	Project Ranking (105 total pts.)
								\$436,238	\$436,238	\$35,920	\$116,355							maximum extra points - 10
	10-01	Dry Creek Joint Elementary School District	School Bus Replacement	\$144,647	\$119,647	\$0	3					0.16	0.01	0.01	0.18	0.54	n/a*	77
	10-02	PCWA	Off-Road Equipment Replacement	\$29,094	\$29,094	\$0	4					0.00	0.00	0.00	0.00	0.00	\$1,813,189	35
	10-03	North Tahoe Cruises	Marine Repower (3 engines)	\$263,748	\$263,748	\$174,353	6	\$42,684	\$112,314		\$19,355	1.14	0.04	0.03	1.21	7.26	\$15,930	89
	10-04	SPI	Off-Road Equipment Replacement	\$412,360	\$412,360	\$176,631	7	\$9,207	\$167,424			1.79	0.05	0.24	2.08	14.56	\$9,327	102
	10-05	SPI	Off-Road Equipment Replacement	\$334,848	\$334,848	\$0	7					0.98	0.04	0.16	1.18	8.26	\$13,808	94
	10-06	Volcano Creek Enterprises	Off-Road Equipment Replacement	\$234,880	\$234,880	\$75,000	7	\$75,000				0.28	0.01	0.04	0.33	2.31	\$21,053	81
	10-08	Placer Hills Union School District	School Bus Replacement	\$144,000	\$114,000	\$0	2					0.00	0.00	0.00	0.00	0.00	n/a*	90
	10-10	Rocklin Unified School District	School Bus Replacement	\$115,716	\$115,716	\$115,716	2		\$115,716			0.28	0.02	0.01	0.31	0.62	n/a*	92
	10-14	Diamond Well Drilling	Off-Road Engine Retrofit	\$20,300	\$20,300	\$0	4					0.01	0.00	0.00	0.01	0.04	\$581,447	33
	10-15	Diamond Well Drilling	Off-Road Equipment Retrofit	\$32,500	\$32,500	\$19,750	4	\$19,750				0.00	0.02	0.00	0.02	0.08	\$13,331	71
	10-16	Diamond Well Drilling	On-Road Vehicle Replacement	\$135,000	\$135,000	\$0	2					0.01	0.00	0.00	0.01	0.02	\$9,175,447	28
	10-17	Diamond Well Drilling	On-Road Vehicle retrofit	\$35,000	\$35,000	\$0	2					0.02	0.00	0.00	0.02	0.04	\$1,569,014	28
	10-18	Diamond Well Drilling	On-Road Vehicle Retrofit	\$20,300	\$20,300	\$0	2					0.04	0.00	0.00	0.04	0.08	\$299,787	28
	10-19	Diamond Well Drilling	On-Road Vehicle retrofit	\$19,200	\$19,200	\$0	2					0.00	0.00	0.00	0.00	0.00	\$1,079,074	28
	10-20	Diamond Well Drilling	On-Road Vehicle Replacement	\$35,000	\$35,000	\$0	2					0.06	0.00	0.00	0.06	0.12	\$556,942	28
	10-21	Diamond Well Drilling	On-Road Vehicle Retrofit	\$20,300	\$20,300	\$0	2					0.02	0.00	0.00	0.02	0.04	\$949,677	28
On/Off Road HD	10-22	Diamond Well Drilling	On-Road Engine Repower	\$10,400	\$10,400	\$0	2					0.00	0.00	0.00	0.00	0.00	\$1,989,381	28
Vehicles	10-23	Diamond Well Drilling	Off-Road Equipment Retrofit	\$32,500	\$32,500	\$19,750	4	\$19,750				0.00	0.02	0.00	0.02	0.08	\$13,331	71
	10-24	Diamond Well Drilling	Off-Road Equipment Retrofit	\$20,300	\$20,300	\$0	4					0.00	0.00	0.00	0.00	0.00	\$1,616,663	33
	10-25	Diamond Well Drilling	On-Road Vehicle Replacement	\$67,000	\$67,000	\$0	2					0.00	0.00	0.00	0.00	0.00	\$1,397,735	28
	10-26	Diamond Well Drilling	On-Road Vehicle Retrofit	\$20,300	\$20,300	\$0	2					0.02	0.00	0.00	0.02	0.04	\$1,194,433	28
	10-27	Diamond Well Drilling	On-Road Vehicle Replacement	\$67,000	\$67,000	\$0	2					0.01	0.00	0.00	0.01	0.02	\$10,035,905	28
	10-28	Diamond Well Drilling	On-Road Vehicle Replacement	\$35,000	\$35,000	\$0	2					0.10	0.00	0.00	0.10	0.20	\$354,951	28
	10-29	Diamond Well Drilling	On-Road Vehicle Retrofit	\$20,300	\$20,300	\$0	2					0.02	0.00	0.00	0.02	0.04	\$999,037	28
	10-30	Westcon Construction Corp.	Off-Road Equipment Replacement	\$73,568	\$58,568	\$36,784	4	\$36,784				0.23	0.01	0.05	0.29	1.16	\$20,691	73
	10-31	Westcon Construction Corp.	Off-Road Equipment Replacement	\$197,381	\$152,381	\$0	4					0.29	0.01	0.04	0.34	1.36	\$77,628	42
	10-32	Westcon Construction Corp.	Off-Road Equipment Replacement	\$91,067	\$72,853	\$56,640	4	\$56,640				0.26	0.02	0.05	0.33	1.32	\$21,539	73
	10-39	PC DPW	Off-Road Eqipment Retrofit (5)	\$163,735	\$163,735	\$94,968	4	\$94,968				0.46	0.05	0.00	0.51	2.04	\$17,444	75
	10-40	PC DPW	On-Road Vehicle Replacement	\$309,933	\$309,933	\$0	0					0.15	0.00	0.00	0.15	0.00	\$2,025,111	34
	10-41	Mid-Sierra Towing	On-Road Vehicle Retrofit	\$15,707	\$15,707	\$0	0					0.00	0.01	0.00	0.01	0.00	\$1,457,708	28
	10-42	The Gathering Inn	On-Road Vehicle Retrofit	\$17,752	\$15,226	\$0	0					0.00	0.00	0.00	0.00	0.00	n/a	30
	10-43	Livingston's Grading & Paving	On-Road Vehicle retrofit	\$17,207	\$17,207	\$0	0					0.00	0.00	0.00	0.00	0.00	n/a	65
	10-44	Roseville JUHSD	School Bus Replacement	\$79,504	\$64,504	\$0	2					0.11	0.00	0.00	0.11	0.22	n/a*	85
	10-45	Roseville JUHSD	School Bus Replacement	\$79,504	\$64,504	\$64,504	2		\$40,784	\$23,720		0.15	0.01	0.00	0.16	0.32	n/a*	85

^{*} school bus replacement projects are not required to meet cost effectivity requirements under the Lower Emission School Bus Guidelines.

Summary Table of All Applications Received 2010 CAG/PCAPCD

												Nox Reduction per Year	PM Reduction per Year	ROG Reduction per Year	Nox + PM + ROG Reduction Per Year	Nox + PM + ROG Project Life Reduction	Cost Effectivity	
Category	Application Number	Applicant	Project Title	Total Proper	Amount Requesting	Recommended Funding	ProjectLife	⁴⁸ ²⁷ 66	18 g ₂₃	WestAMi	East Mit.		Мє	easured in To	ns		\$/Ton	Project Ranking (105 total pts.)
	10-09	First Congregational Church of	AIR Conference	\$3,350	\$1,350	\$0	1	<i>\$100,230</i>	\$130,E30	930,020		0.00	0.00	0.00	0.00	0.00	n/a	points - 10 54
	10-11	Auburn Strategic Energy Innovations	Protect Your Climate Curriculum	\$19,782	\$17.982	\$0	1					0.00	0.00	0.00	0.00	0.00	n/a	47
Educational/ Outreach	10-12	PCTPA	Congestion Mitigation Program	\$78,681	\$50,000	\$34,000	1	\$34,000				0.00	0.00	0.00	0.00	0.00	n/a	90
Program	10-33	Sustainable Transportation	New Vehicle Tech. For Better Air	\$36,290	\$10.050	\$0	1	ψο 1,000				0.00	0.00	0.00	0.00	0.00	n/a	27
	10-37	Solutions Breathe California	Quality Air Quality Flag Program	\$12,214	\$12,214	\$7,455	1	\$7,455				0.00	0.00	0.00	0.00	0.00	n/a	74
	10-07	Tenable	Business Startup	\$159,908	\$158.908	\$0	1	\$7,100				0.00	0.00	0.00	0.00	0.00	n/a	17
Other	10-13	PCTPA	Freeway Service Patrol	\$275,000	\$60,000	\$40,000	1	\$40,000				0.00	0.00	0.00	0.00	0.00	n/a	85
	10-38	City of Auburn	Bike Rack Installation	\$14,200	\$13,200	\$12,200	10	¥ 10,000		\$12,200		0.00	0.00	0.00	0.00	0.00	n/a	80
"Other" Subcategory:	10-34	PC Planning Dept.	Community Biomass Program	\$100,000	\$75,000	\$22,000	3				\$22,000	0.41	1.77	0.00	2.18	6.54	\$3,532	82
Fuel Land Management/	10-35	PC Planning Dept.	LTBMU Biomass Program - USFS	\$100,000	\$75,000	\$40,000	3				\$40,000	0.75	3.22	0.00	3.97	11.91	\$3,556	82
Biomass Programs	10-36	PC Planning Dept.	Tahoe Basin Biomass Program - State	\$100,000	\$75,000	\$35,000	3				\$35,000	0.65	2.82	0.00	3.47	10.41	\$3,530	82
			State	\$4,214,476	\$3,698,015	\$1,024,751		\$436,238	\$436,238	\$35,920	\$116,355	Redu	ced Emission	otals from Re	ecommend Pro	jects	Avg. C.E.	Avg. Ranking
								AB 2766	AB923	West Mit.	East Mit.	6.40	8.06	0.42	14.88	58.61	\$13,024	82
	Total CAG Budg	et: \$1,024,751		Remaining CAG Balance:	\$0	Remaining Fu	nd Balance:	\$0	\$0	\$0	\$0	Reduce	d Emission To	als from non-	Recommend F	rojects	Avg. C.E.	Avg. Ranking
		·										2.00	0.07	0.21	2.28	11.02	\$1,957,207	41

ATTACHMENT # 4

SUBJECT:

Table of Project Applications Recommended for Funding 2010 CAG/PCAPCD

Table of Project Applications Recommended for Funding 2010 CAG/PCAPCD

Reasons for Recommended Funding (check all that apply)

Application Number	Applicant	Project Title	Amount Requested	Recommended Funding	Cost Effective	Strong Community Benefit	Educational Benefit	Cost Effectivity not Required	Helps applicant w/State compliance	Project Ranking Score
10-03	North Tahoe Cruises	Marine Repower (3 engines)	\$263,748	\$174,353	х				х	89
10-04	SPI	Off-Road Equipment Replacement	\$412,360	\$176,631	х					102
10-06	Volcano Creek Enterprises	Off-Road Equipment Replacement	\$234,880	\$75,000	х					81
10-10	Rocklin Unified School District	School Bus Replacement	\$115,716	\$115,716				х	х	92
10-15	Diamond Well Drilling	Off-Road Equipment Retrofit	\$32,500	\$19,750	х				х	71
10-23	Diamond Well Drilling	Off-Road Equipment Retrofit	\$32,500	\$19,750	х				x	71
10-30	Westcon Construction Corp.	Off-Road Equipment Replacement	\$58,568	\$36,784	х				x	73
10-32	Westcon Construction Corp.	Off-Road Equipment Replacement	\$72,853	\$56,640	x				х	73
10-39	PC DPW	Off-Road Eqipment Retrofit (5)	\$163,735	\$94,968	х				х	75
10-45	Roseville JUHSD	School Bus Replacement	\$64,504	\$64,504		х		х	х	85
10-12	РСТРА	Congestion Mitigation Program	\$50,000	\$34,000			х	х		90
10-37	Breathe California	Air Quality Flag Program	\$12,214	\$7,455			х	x		74
10-13	PCTPA	Freeway Service Patrol	\$60,000	\$40,000			х	х		85
10-38	City of Auburn	Bike Rack Installation	\$13,200	\$12,200		х		х		80
10-34	PC Planning Dept.	Community Biomass Program	\$75,000	\$17,000	х	х				82
10-35	PC Planning Dept.	LTBMU Biomass Program - USFS	\$75,000	\$40,000	х	х				82
10-36	PC Planning Dept.	Tahoe Basin Biomass Program - State	\$75,000	\$40,000	х	х				82

ATTACHMENT # 5

SUBJECT:

Table of Project Applications not Recommended for Funding 2010 CAG/PCAPCD

Table of Project Applications not Recommended for Funding 2010 CAG/PCAPCD

						Re	asons for not Rec	ommending Funding (check all that app	ly)
Application Number	Applicant	Project Title	Amount Requested	Recommended Funding	Not Cost Effective	Does not maintain the scope of the program funding	Not enough Funding to implement Project	Does not meet program eligibility criteria or funding source requirements	Project Ranking Score	Additional Comments
10-01	Dry Creek Joint Elementary School District	School Bus Replacement	\$119,647	\$0			x		77	See Note 1 below
10-02	PCWA	Off-Road Equipment Replacement	\$29,094	\$0	х				35	
10-05	SPI	Off-Road Equipment Replacement	\$334,848	\$0			x		94	See Note 2 below
10-08	Placer Hills Union School District	School Bus Replacement	\$114,000	\$0			x		90	See Note 1 below
10-14	Diamond Well Drilling	Off-Road Engine Retrofit	\$20,300	\$0	х				33	
10-16	Diamond Well Drilling	On-Road Vehicle Replacement	\$135,000	\$0	х			х	28	See Note 3 below
10-17	Diamond Well Drilling	On-Road Vehicle retrofit	\$35,000	\$0	х			х	28	See Note 3 below
10-18	Diamond Well Drilling	On-Road Vehicle Retrofit	\$20,300	\$0	х			х	28	See Note 3 below
10-19	Diamond Well Drilling	On-Road Vehicle retrofit	\$19,200	\$0	х			х	28	See Note 3 below
10-20	Diamond Well Drilling	On-Road Vehicle Replacement	\$35,000	\$0	х			x	28	See Note 3 below
10-21	Diamond Well Drilling	On-Road Vehicle Retrofit	\$20,300	\$0	х			х	28	See Note 3 below
10-22	Diamond Well Drilling	On-Road Engine Repower	\$10,400	\$0	х			х	28	See Note 3 below
10-24	Diamond Well Drilling	Off-Road Equipment Retrofit	\$20,300	\$0	х				33	
10-25	Diamond Well Drilling	On-Road Vehicle Replacement	\$67,000	\$0	х			х	28	See Note 3 below
10-26	Diamond Well Drilling	On-Road Vehicle Retrofit	\$20,300	\$0	х			х	28	See Note 3 below
10-27	Diamond Well Drilling	On-Road Vehicle Replacement	\$67,000	\$0	х			х	28	See Note 3 below
10-28	Diamond Well Drilling	On-Road Vehicle Replacement	\$35,000	\$0	х			x	28	See Note 3 below
10-29	Diamond Well Drilling	On-Road Vehicle Retrofit	\$20,300	\$0	х			x	28	See Note 3 below
10-31	Westcon Construction Corp.	Off-Road Equipment Replacement	\$152,381	\$0	х				42	
10-40	PC DPW	On-Road Vehicle Replacement	\$309,933	\$0	x			x	34	See Note 3 below
10-41	Mid-Sierra Towing	On-Road Vehicle Retrofit	\$15,707	\$0	х			х	28	See Note 3 below
10-42	The Gathering Inn	On-Road Vehicle Retrofit	\$15,226	\$0	х			х	30	See Note 3 below
10-44	Roseville JUHSD	School Bus Replacement	\$64,504	\$0			х		85	See Note 1 below
10-43	Livingston's Grading & Paving	On-Road Vehicle retrofit	\$17,207	\$0				x	65	See Note 3 below
10-09	First Congregational Church of Auburn	AIR Conference	\$1,350	\$0		x	x	x	54	See Note 4 below
10-11	Strategic Energy Innovations	Protect Your Climate Curriculum	\$17,982	\$0		x	x	х	47	See Note 4 below
10-33	Sustainable Transportation Solutions	New Vehicle Tech. For Better Air Quality	\$10,050	\$0		x	x	x	27	See Note 4 below
10-07	Tenable	Business Startup	\$158,908	\$0		x	x	x	17	See Note 4 below

Note 1. This is a school bus replacement project that is eligible for funding under AB 923, but due to a large number of bus replacement project applications received and limited funding, the District chose the top two competitive bus projects that also do not compete with Proposition 1B State funding. The Proposition 1B funds, which are being managed by the Sacramento Metropolitan Air Quality Management District, on behalf of the PCAPCD, are expected to replace many of the pre-1987 school buses within the County as well as a large number of school bus exhaust retrofits. The 1B funds, totaling \$2,700,000 (and future CAG programs), will help pick up any remaining eligible school buses within the County over the next couple of years.

- Note 2. Despite the competitiveness of this project, high project costs and limited funding prevented it from being recommended for funding.
- Note 3. Near term compliance deadlines (within the next three years) as set forth in State ARB regulations has reduced or eliminated the opportunity for achieving surplus emission reductions in a cost effective manner for this project.

Note 4. Public Education and outreach projects which primarily focus on Climate change and green house gas emissions, projects that are solely designed to reduce green house gas emission reductions, or are speculative in nature are not eligible for funding with DMV and mitigation funds. Basic business expenses such as costs for equipment and business supplies are also not eligible for funding under this program. DMV and mitigation funds are made available to primarily reduce criteria pollutants such as NOx. ROG, and PM.

www.placer.ca.gov/apcd

Thomas J. Christofk. Air Pollution Control Officer

MEMORANDUM

TO: Board of Directors, Placer County Air Pollution Control District

FROM: Jane Bailey, Administrative Services Manager

AGENDA DATE: April 8, 2010

SUBJECT: Biennial Audit Report for Period Ended June 30, 2009 (Information Only)

Action Requested:

No action requested. This is an information item on the statutorily required audit of District records and accounts for fiscal years ended June 30, 2008, and June 30, 2009.

Background:

Due to the Placer County Air Pollution Control District's status as a special District, an audit of records and accounts is required by Government Code Section 26909. In years previous to FY 1994-95, the District was included in the audit arranged for by the County Auditor Controller's Office in conjunction with the County Audit. In FY 1994-95, the District Board became independent, and the District was required to obtain third party audit services.

On December 12, 1996, the District Board of Directors sent a request to the Placer County Board of Supervisors to approve the replacement of the annual special audit for the Placer County Air Pollution Control District with a biennial audit covering a two-year period (Resolution #96-26). Since that time, the bi-annual audit report has been presented to the board every two years at the regular board meeting following the conclusion of the audit.

The current audit requirement is for the two-year period that ended June 30, 2009. Statute prescribes that the audit must be completed and a report prepared within 12 months of the end of the fiscal year (i.e. by June 30, 2010).

The District had the necessary audit performed this year under an agreement between Placer County and Macias Gini & O'Connell LLP; with the cost of the audit charged to the District.

Biennial Audit Report PCAPCD Board of Directors Agenda Date: April 8, 2010

Page 2 of 2

Discussion:

The biennial audit of the District for the period beginning July 1, 2007, and ending June 30, 2009, was done during the months of October 2009, to February 2010. It is the opinion of the independent auditors (Macias Gini & O'Connell) that the financial statements of Placer County Air Pollution Control District "...present fairly, in all material respects, the financial position of governmental activities and the major fund of the District, as of June 30, 2009, and the respective changes in its financial position for the two years then ended, in conformity with accounting principles generally accepted in the United States of America." (Page 1 of the Independent Auditor's Report)

Concerning the subject <u>Internal Control Over Financial Reporting</u>, found on page 26 of the audit, it is the auditors' opinion that "We did not identify any deficiencies in internal control over financial reporting and its operation that we consider to be material weaknesses, as defined above."

Under <u>Compliance and Other Matters</u> (page 27 of the audit) the auditors noted "...no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*."

The audit shows that the District ended the above-mentioned fiscal period with an increase of \$2,693,704 to the Net Assets (page 6 of the audit). All fund balances shown on page 12 of the audit are reflective of the fund balances as of June 30, 2009, which were reported by the District to the Board in the District's fiscal reports. No differences between the audit and the District's fiscal reports were found.

Fiscal Impact:

The District budgeted \$7,000 in the FY 2009-10 Budget for the audit expenditure. The actual cost of the audit has yet to be determined.

Recommendation:

A copy of the Independent Auditor's Report is enclosed. A bound copy is provided for the information of the District Board of Directors. There were no findings. No action is necessary.

Enclosure #1: Biennial Audit Reports for the two fiscal years ended June 30, 2009.

www.placer.ca.gov/apcd

Thomas J. Christofk, Air Pollution Control Officer

MEMORANDUM

TO: Board of Directors, Placer County Air Pollution Control District

FROM: Thomas J. Christofk, Air Pollution Control Officer

AGENDA DATE: April 8, 2010

SUBJECT: Air Pollution Control Officer's Evaluation (Closed Session)

Action Requested:

Conduct the annual performance evaluation of the Air Pollution Control Officer for the period April 9, 2009, through the present.

Background:

The Employment Agreement between Placer County, the Placer County Air Pollution Control District and Thomas Christofk (Air Pollution Control Officer/Director of Air Pollution Control) specifies that the Employer shall evaluate the Employee's performance at least annually. Section 3 of the Memorandum of Understanding (MOU) between the District and the County specifies that with respect to District business: 1) the APCO receives his/her direction from and reports only to the District Board (§3B); 2) the District Board shall have the authority to set the salary of the APCO (§3C); 3) All performance and other personnel-type related evaluations of the APCO will be performed by the District Board (§3D).

The Board of Directors and the Placer County Executive Officer (CEO) are identified in the Employment Agreement as Employers, and in the past the CEO has asked that the Board conduct the evaluation. The MOU indicates that the CEO may, at the CEO's discretion, provide input to the District Board and/or the APCO, and that input may be given to the District Board in closed session, and furthermore, when authorized by the Chairman such input may be given to the Board in closed session without the APCO present.

Discussion:

In past evaluations a form has been utilized to capture comments from individual Board members, and has proven to be an effective tool in conducting the review. A copy of that form is included as Attachment #1. Additionally, the CEO has been provided a copy of this staff report and briefed on the opportunity to provide input with respect to it, and has

Annual Evaluation of the APCO PCAPCD Board of Directors Agenda Date: April 8, 2010

Page 2

indicated that he would provide verbal input if asked by your Board and would prefer that it be done in a session with at least two Directors present.

As was indicated within the materials that were provided with the 2010 Director's Handbook, the District has a number of projects and initiatives underway that will continue with internal process improvements, public service enhancements, and overall air quality benefits. Many of these are work projects or initiatives beyond the mandated regulatory functions required of our agency, and were identified by the APCO as being needed to continue the forward momentum towards achievement of our Mission through the accomplishment of our Goals & Objectives. The specifics of these are identified as 2009-2010 Specific Section Goals, and a copy is attached for reference (Attachment #2).

There has been good progress made with respect to many of these items, with some of them having been completed and others on track for completion within the year. Others will need additional time and resource applications as their priority with respect to overall District operations is lower.

Recommendation:

It is recommended that your Board conduct the annual performance evaluation of the APCO/Director of Air Pollution Control.

Attachment(s) #1: Annual Evaluation Form

#2: PCAPCD 2009-2010 Specific Section Goals

ATTACHMENT #1

SUBJECT:

Annual Evaluation Form

Annual Performance Evaluation for Tom Christork, APCO, for 2009-2010

Annual Ferformance Evaluation for	Tom Christork, AFCO,	, 101 2009-2010	ard
		unacceptable needs improvement standard exceeds	, standard outstanding
COMMUNICATIONS			5
Clearly states staff positions during Board meetings			
Keeps Board Members informed of his activities			
Responds to communications in a timely manner			
Provides concise, clean and sound advise			
DECISION MAKING		$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	5
Effectively defends Board positions			
Considers the needs of all Board Members			\equiv
Accepts responsibility for decisions			
Protects the Air Pollution Control District interests			
BUDGET			5
Keeps the Air Pollution Control District within budget			
Implements budget saving measures		8888	\dashv
Implemente Budget daving medealee		1 2 3 4	
PERSONNEL			Ď
Effectively delegates tasks and responsibilities			
Monitors staff for their effectiveness			
Maintains good relationships with Board Members			
RESOURCE ALLOCATION AND PLANNING		$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	5
Develops and implements plans to achieve District goa	als and objectives		
Establishes cooperative Agreements with governmenta			\exists
Leverages District resources to meet regulatory and op			
ASSETS AND STRENGTHS:			
			_
AREAS FOR IMPROVEMENT:			_ _ _
			<u> </u>
Miguel Ucovich, Chairman	Tom Christofk,		
PCAPCD Board of Directors	Air Pollution Control	Officier	
Date		Date	

ATTACHMENT #2

SUBJECT:

PCAPCD 2009-2010 Specific Section Goals

Placer County Air Pollution Control District 2009-2010 Specific Section Goals

Compliance & Enforcement Section:

The Compliance and Enforcement Section is responsible for permitting stationary sources of emissions in accordance with applicable State and Federal laws and District regulations; identifying and permitting new sources of pollution for permitting and regulation compliance education and response to business inquiries; enforcement of burning regulations, conduct of the smoke management program, and implementation of the conditional rice straw burning program; control measure development and rulemaking, and assisting in air quality plan development; inspecting and investigating to ensure compliance with regulations and permits; alleviating toxic and public nuisance problems through education, intervention, and field enforcement actions; administering the Emission Reduction Credit banking program; and initiating enforcement actions and resolving cases through the mutual settlement process, DA involvement, or litigation, as necessary.

In addition to the section functions noted above, specific tasks to be completed within this 2009-2010 fiscal year are:

- Development of new rules, the amendment of existing rules, and the analysis of whether adopted District rules meet standards. The full extent of rules that the District may seek to adopt or re-adopt is identified in the "Regulatory Measures List: List of Rules to be Considered for Adoption in 2009". Among the rules proposed are:
 - The amendment of new source review and general permit requirement rules for federal approval; and
 - The updating to meet current standards of Rule 245, Surface Coating of Metal Parts and Products, and
 - The amendment of Rule 233, Biomass Boilers, to address EPA concerns regarding an earlier amendment.
- Identification of potential emission sources (businesses) that should be permitted. The effort will increase compliance, level the playing field for businesses that are already permitted and complying, and broaden the permitting base of the District. Categories of sources to be looked at include graphic arts/printers, tree services (portable engines), wood coaters, and automotive refinishing operations.
- Completion and development of a Naturally Occurring Asbestos (NOA) Guidance and Building Department Supplemental Questionnaire: Review of the NOA Dust Mitigation Plan Guidance document for use by project proponents. In addition, the Section will work on a supplemental questionnaire to aid building departments and the District in meeting legal project review requirements, and a related tool that will help laypersons determine if a permit from the District is likely to be required for a specific project.

- Work to assure that portable diesel engines subject to the State's Airborne Toxic Control Measures (ATCMs) compliance deadline of January 1, 2010 (e.g. Tier 0 engines) are identified and are brought into compliance as soon as possible.
- Work on the backlog of overdue inspections created by an earlier focus on enforcement activities and due to the permitting of large numbers of engines and boilers in recent years which was due to a change in State emphasis to regulate diesel combustion sources. The focus will shift from reducing the backlog to assuring the inspections are conducted as required to keep on schedule.

Planning & Monitoring Section:

The Planning and Monitoring Section is responsible for developing regional Planning Documents to attain State and Federal ambient air quality standards; ensuring compliance with federal conformity requirements; developing emission inventories; developing rules for adoption; assisting in the development of land use plans; reviewing environmental documents submitted by lead agencies in compliance with the California Environmental Quality Act; preparing environmental documents when the District is the lead agency; inspecting new development to verify mitigation measures were implemented; administering the Clean Air Grant and Offsite Mitigation Programs; providing public outreach and information; operating air monitoring equipment at three existing locations and developing additional ones; and submitting air monitoring data to the State and Federal governments.

In addition to the section functions noted above, specific tasks to be completed within this 2009-2010 fiscal year are:

- Finalization of the year four data analysis for the Roseville Railyard Air Monitoring Project (RRAMP) to characterize the concentration of diesel particulate matter (DPM) around this facility and conduct a trend analysis for the four consecutive summer monitoring periods to verify if any reduction in concentration could be due to mitigation measures negotiated with the Union Pacific Railroad Company (UPRR). The final RRAMP report is scheduled to be presented to the Board in October, 2009.
 - o In addition to the final report, Staff is working with UPRR and CARB to propose a study which would quantify the level of potential bias between the results from the air dispersion modeling analysis and real monitoring data collected from the RRAMP. This study may provide useful information regarding the future air modeling analysis improvement, which is one of four major objectives stated by the RRAMP.
- Continuation of the annual Clean Air Grant Program including the specific funding from offsite mitigation fees paid by land use development projects and AB 923 to target the replacement and retrofit projects for heavy duty diesel trucks and old school buses within Placer County in order to maximize air toxic emission reductions and to protect the health of the County residents.

- Implementation of the annual wood-burning appliance exchange incentive program to offer financial incentives for upgrades of non-certified appliances to ones that meet EPA Phase II standards. This incentive program is a four-year program applied countywide and started in the early summer of 2008.
- Investigation of a light-duty vehicle scrapping program to accelerate the retirement of old light duty vehicles in Placer County. This accelerated retirement program will be a voluntary incentive program that takes older vehicles off the road permanently in order to reduce air pollution from the onroad mobile source. This is one type of program authorized by AB 923 which allows the District to reduce air pollution.
- Participation with CARB and other local air districts in the preparation and development of guidelines used to analyze and mitigate GHG emission impacts for land use development projects. Staff participates in the working group primarily focused on the establishment of CEQA significant thresholds and development of the mitigation strategies. The work plan includes investigating the methodology to set the thresholds of significance and identifying the appropriate mitigation measures to offset the project's related GHG emissions. The final output will provide the recommendation to the local jurisdictions on how to determine the level of the land use project's related GHG impacts and to identify the appropriate mitigation measures to offset the project's impacts with the project's environmental documents.
- Participation in a work group to update the URBEMIS (urban emissions) model and enhance the functions for the land use project's GHG emission estimates. Currently, the existing version of URBEMIS provides the estimates of carbon dioxide (CO₂) emissions resulting from the land use projects. The proposed enhancements will allow users to generate more robust GHG emission estimates including the other five greenhouse gases defined in AB32. In addition, the updates will include the emission estimates resulting from the project's energy use such as electricity demands. The proposed updates will offer the decision makers a more complete analysis of the project's related GHG impacts.
- Development of an air district CEQA Guide/Handbook for facilitating the evaluation and review of air quality impacts for land use development projects in the County which will address the review process for the project's related emissions for criteria pollutants as well as greenhouse gases.
- Review and reconcile the emission data of the stationary sources in the County. Currently, some emission data discrepancy exists between the District permit database and CARB emission inventories. Staff is planning to review the data, identify the discrepancy, and reconcile the data in order to produce more accurate emission data for future rule development and regional planning work.
- Work with the other local air districts in Sacramento Region to prepare the PM_{2.5} State Implementation Plan (SIP) for the nonattainment designation determined by U.S. EPA. Staff will need to review the air quality data, establish the baseline emission inventory, and work with CARB to conduct a

modeling analysis, review the existing control strategies, and identify any additional control strategy to help the region meet the federal 24-hour $PM_{2.5}$ standard which was promulgated in 2006 by U.S. EPA. The $PM_{2.5}$ SIP should be submitted to EPA by 2012 deadline.

• Improvement of the existing monitoring stations in the county including adding and upgrading monitoring instruments to enhance the ability for providing real time air monitoring data.

Administrative Services Section:

The Administrative Services Section is responsible for providing administrative support to the APCO, technical staff and the Board of Directors, including: Clerk of the Board functions; preparation of Board information and action items; tracking, filing, and archiving of documents; fiscal matters to include budget preparation, payroll, accounts receivable, accounts payable, purchasing, and cost accounting/cost allocation; scheduling for staff; oversight of network computers and office equipment; database management and training; maintenance and control of personnel files and training logs; customer service; and the overall office management functions including facility maintenance.

In addition to the section functions noted above, specific tasks to be completed within 2010 are:

- Implementation of an electronic document handling system (EDHS) that will electronically file all documents. The District will file electronically those documents that are created and retained in the District, as well as, documents that are sent out. All documents received by the District will be electronically scanned into the EDHS. The District database program will be used to store the "electronic files" created by the electronic document handling system.
- Maintenance of the District's centralized filing system to include revision of the current manual filing system supported by the use of the EDHS.
- Implementation of a "Retention Policy".
- Continued upgrade of the District's database program by reviewing, researching and making recommendations to the programmer for requests made by technical staff.
- Implementation of a process for receiving electronic payments for fees and fines.