PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

Thursday, February 10, 2011, Board of Directors' Meeting Minutes

The Board of Directors of the Placer County Air Pollution Control District met in session at 2:30 PM, Thursday, February 10, 2011, at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, California. Representing the District: Tom Christofk, Air Pollution Control Officer; Todd Nishikawa, Deputy Air Pollution Control Officer; Jane Bailey, Administrative Services Manager; John Finnell, Senior Engineer; Don Duffy, Associate Engineer, and Ann Hobbs, Air Quality Specialist II.

The meeting was called to order by Chairman Peter Hill. Roll call was taken by the Board Clerk with the following members in attendance: Mike Holmes, Stan Nader (arrived after consent calendar), Robert Weygandt, Miguel Ucovich, Jim Holmes, Peter Hill, and Carol Garcia. Jennifer Montgomery and Donna Barkle were absent. A quorum was established.

The minutes from the December 9, 2010, meeting were approved.

Motion: J. Holmes/Ucovich/Unanimous

Consent Calendar Items 1-4:

Item #4 was removed from consent for further discussion at the request of Director Ucovich.

Consent items 1-3: Motion J. Holmes/Weygandt/Unanimous

Item 4: District Representative to the Sacramento Basin Control Council (SVBCC).

Director Ucovich questioned having a new member to the District Board being the District's representative to the SVBCC. Director Weygandt explained that he had been on the SVBCC board for many years and Kent Nakata eventually volunteered to take his seat. Since the SVBCC oversees the rice burning program, it seemed logical that the representative from the rice growing area be involved. Jennifer Montgomery, County Supervisor for District 5, had volunteered to attend if no one else stepped up. As there was no further discussion, Chairman Hill asked for a motion.

Motion: Weygandt/Garcia; yeses 6, noes 1, with Director Ucovich casting the dissenting vote.

Public Hearing/Action Items 5, 6 & 7

5. Adoption of New Rule 517, <u>Permitting Requirements for Stationary Sources Emitting</u> Greenhouse Gases (GHG).

Mr. John Finnell, Senior Engineer presented this item. He said that this rule is needed because the US Environmental Protection Agency (EPA) requires air pollution agencies to implement a "GHG Tailoring" rule. The District would face disapproval for its permitting programs and possible sanctions from the EPA if a rule regarding GHG were not adopted.

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The main requirements of the rule are: beginning January 1, 2011, any major source of GHGs that is required to obtain a Title V permit for other reasons besides GHGs, must include any GHG requirements in that permit and, beginning on July 1, 2011, any existing source with potential emissions of very high levels of GHGs must get a Title V permit. The District currently does not have any existing sources to which this rule would apply.

Chairman Hill opened the public hearing. There was no public comment and no further discussion from the Board.

Motion to approve Rule 517, <u>Permitting Requirements for Stationary Sources Emitting Greenhouse Gases</u>: J. Holmes/ Weygandt/ Unanimous

6. Adoption of New Rule: 518, <u>Prevention of Significant Deterioration (PSD)</u>

Mr. Don Duffy, Associate Engineer, presented this item. He said that PSD is a federal major source permitting program for attainment pollutants. It is a pre-construction permit which means the applicant must obtain this permit before starting construction. Up to now, the District has been involved in permitting for the Title V program which is an operating permit as opposed to PSD which is a permit required before construction on a new large source can begin.

The purpose of the permit is to ensure that a new source will not affect the District's attainment status by degrading air quality. Mr. Duffy listed the pollutants considered in determining attainment status which includes carbon monoxide, PM10, nitrogen or sulfur dioxide, lead and several others. In addition to new sources, a PSD permit is required for an existing source that is major for PSD applicable pollutants and is planning a modification that may result in a significant increase of that pollutant.

Currently in the District only one source has a PSD permit, which is Sierra Pacific Industries. Three other sources may need a PSD permit due to new regulations regarding GHG. However, these businesses will not need to obtain a PSD permit unless they make a modification that adds at least 75,000 TPY of GHGs.

Mr. Duffy went on to explain the benefits of the District doing the permitting for PSD as opposed to the EPA where it could take up to two years to process. He also explained the fiscal impact of the rule.

Chairman Hill opened the public hearing. There was no public comment and no further discussion from the Board.

Motion to approve new Rule 518, <u>Prevention of Significant Deterioration Permit (PSD)</u> Program: J. Holmes/Ucovich/Unanimous

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7. Adoption of Amended Regulation 3, Open Burning:

Ms. Ann Hobbs, Air Quality Specialist II, presented this item. She explained that the current 25 burn rules in Regulation 3 had been restructured into six new rules. The new rules were streamlined into an updated format, clarified or deleted language as needed, and updated to incorporate changes with CARB's burning regulations. The District worked with EPA to make sure that the changes would be acceptable in the State Implementation Plan (SIP). The new rules remain the same in that there was no tightening or loosening of any of the restrictions or requirements of the regulation.

Since there were so many changes in the rules structure, Staff is asking for the entire regulation to be rescinded and re-adopted as presented. Along with Regulation 3, there are 3 associated rules that were amended to include definitions and references: Rule 102 - Definitions, Rule 607 – Burn Permit Fees, and Rule 608 – Control Council Fees.

Ms. Hobbs stated that the District had done extensive outreach including four workshops, direct mailings to burn permit holders, numerous Municipal Advisory Committee presentations and direct contact with local fire chiefs. The Western Placer Fire Chiefs Association sent a letter of support for the new rules and they have been generally well received.

Ms. Hobbs then asked that the Board adopt Resolutions #11-03 to #11-07 to rescind Regulation 3 - Open Burning, in its entirety; adopt new Rules 301-306; and amend Rules 102, 607 and 608. She also brought to the Board's attention that there was an erratum to the original Board Memo which added a definition to Rule 102, an additional recital to Resolution #11-05 and a request to approve and adopt the findings of the staff report which are required for both the six new rules of Regulation 3 and for the 3 amended rules.

Chairman Hill opened the public hearing. There was no public comment and no further discussion from the Board. He then asked for a motion to adopt all of the resolutions (#11-03 to 11-07) and the rules with the additions and changes in the errata.

Motion: Garcia/Weygandt/Unanimous

Action: Item 8

8. Purchasing Policy

Ms. Christa Darlington, Counsel for the District presented this item. She said that in the past the District relied on the County's Procurement Manual for its purchasing policy. Recently, the County updated and revised its Procurement Manual. These changes made it more difficult for the District to use due to the unique needs of the District, especially since a building has been purchased and the District is now a landlord. Also, the Government Code requires that local agencies adopt policies and procedures including bidding regulations governing the purchase of supplies and equipment.

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Ms. Darlington explained some of the main points of the purchasing manual. It has been streamlined to allow for an approach to purchasing and contracting that is more consistent with a small local agency and clarifies at what point the District would need to go to the Board as opposed to allowing the APCO to enter into an agreement (on a budgeted item) without direct Board approval. The manual consolidates contracting into a modified RFP format with specific criteria available for goods and services and includes procedures related to ethics in purchasing, and disposal of surplus property.

She also made the point that the manual exempts contracts related to grants, such as the Clean Air Grant contracts, since there are already specific criteria and restrictions placed on how those funds may be used.

There was an erratum for this item as well; correcting sections 3.3 and 3.5 on page 9 of the manual. Ms. Darlington asked that approval of the item include the changes made in the erratum.

Chairman Hill asked for a motion on adopting the District Purchasing Manual, as amended. Motion: J. Holmes/Garcia/Unanimous.

Information: Item 9

9. Publication of the Regulatory Measures List for 2011

Information only, no discussion took place. This is a list that is required to be published each year and can be found on the District's website.

Air Pollution Control Officer Report

Cap-to-Cap:

Mr. Christofk mentioned that the current District budget contains funds to help support one or more Board members for the 2011 Cap-to-Cap program. Director Mike Holmes asked if the District could cover the participation fee (\$1,595) and that he would support the air board team. Director Ucovich said he hasn't decided if he would go yet, but may be asking for some funds. Director Hill said that both Directors should work with District Staff to secure reimbursement for the trip since no other Director indicated a desire to attend. The rest of the Board agreed.

Clean Air Grant Program:

Mr. Christofk then took a moment to update the Board on the 2011 Clean Air Grant program. He said the application period was currently open until February 28, 2011, and that there would be approximately \$1 million available this year for qualifying projects.

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Update on New building:

Mr. Christofk advised the Board that Staff have been working on getting all the details arranged for the move to the new building. The move is scheduled for the weekend of June 25-26 and the District plans to be open for business there on June 27th. In the meantime there are several things that need to take place at the new building such as purchasing furniture, installing a fireproof filing vault, installing data and phone lines, security and fire alarm upgrades, ADA upgrades, and parking lot re-surfacing. He said he would be bringing a budget revision to the Board in April to cover additional costs associated with the renovation and occupancy as well as energy efficiency enhancements.

Fiscal Report:

The fiscal Statement shows that the District is right where it should be for this time of year; over running in revenue by about 28% and under running in expenditures by 15%. This should right itself once the Clean Air Grant contracts are encumbered in May.

Chairman Hill adjourned the meeting.
Margie Koltun, Clerk to the Board