

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

Thursday, December 9, 2010, 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, December 9, 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, Deputy Air Pollution Control Officer; 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 Miguel Ucovich and the flag salute was led by Kent Nakata. Roll call was taken by the Board Clerk with the following members in attendance: Mike Holmes, Donna Barkle, Kent Nakata, Robert Weygandt, Miguel Ucovich, Jim Holmes, Peter Hill, Jennifer Montgomery and John Allard. No members were absent and a quorum was established.

Both the minutes for the October 14, 2010, meeting and the agenda for the December 9, 2010, meeting were approved unanimously.

Consent Calendar:

Budget Revision: Increase Budgeted Expenditures for the Purchase of Air Quality Monitoring Equipment.

Budget Revision BR# 10-03 for Thirty-One Thousand Five Hundred Dollars (\$31,500.00) was passed unanimously.

Motion: Montgomery/Barkle/Unanimous

Action Item

Approval of Building Purchase

Mr. Christofk presented this item. He brought the Board's attention to an erratum which was prepared for this meeting due to changes in the original packet which had been delivered December 3, 2010. Mr. Christofk then proceeded with the presentation. He reminded the Board that District Staff had been working on the possible relocation of the District since early summer. He said that now the time has come to complete the process with a purchase agreement. Mr. Christofk went on to talk about the details of the purchase which includes leasing approximately 1,236 square feet of the lower floor back to the sellers from close of escrow until December 31, 2011.

During the last 30 days the purchase has been in a "due diligence" status which allowed time for determining the building's condition and investigating potential issues and for the District do some investigation into other repairs and upgrades that will need to be done either before and/or after close of escrow. During the due diligence period, a building inspection was done which

disclosed some potential wood damage on the exterior of the building. A follow up pest inspection concluded that there was some dry rot which was estimated at \$2,210 to repair. This amount was credited by the seller against the purchase price.

Mr. Christofk listed the other items that needed to be addressed and the possible solutions for them. None of these issues were substantial and most have either been addressed by the seller or will be by the close of escrow.

All of the costs and expenditures are still within the amounts anticipated by District Staff. The District plans to establish a fund for future repairs and maintenance of \$50,000 in 2011-2012. The money for this will come from the savings realized from the difference of what the District would have been paying in rent at the CDRC. The plan to pay back the funds used for the purchase will also come from the savings in rent. District Staff are proposing to establish a goal to pay back the funds at \$100,000 per year which can be revisited by the Board at any time as necessary. If this goal is realized it will allow the District to own the building and recover the costs within 18 years.

Mr. Christofk concluded his presentation and the Chairman Ucovich asked the Board if there were any questions. Director Allard asked if there would be any impact to the County for the loss of a tenant at the CDRC. Mr. Christofk said that he had tried to re-negotiate the lease, but that the Director of Facilities did not respond. He also said that it is his understanding that other County departments may be moved into the space vacated by the District.

Director Holmes also had some questions regarding the ADA accessibility issues and what was going to happen with the unpermitted shower that the sellers had installed. Mr. Christofk said that the ADA issues were being looked at and the seller had credited \$5,000 toward the purchase price to have the front entrance be made ADA compliant. The issue with the shower will be addressed at the close of escrow, depending on what resolution is reached.

Chairman Ucovich asked for a motion. Jennifer Montgomery made a motion to approve the adoption of Resolution #10-14 as written in the errata memorandum of December 9, 2010, thereby approving the purchase of the building at 110 Maple Street, and to approve Budget Revision #10-02 for the expenditure of funds for the purchase.

Motion: Montgomery/Hill/Unanimous

Public Hearing/Action Items

Adoption of Proposed Amendments to Rules 601 Permit Fees

Mr. Don Duffy, Associate Air Quality Engineer, presented this item. This rule is being proposed for amendment to add a fee for a new proposed rule, Rule 518 - Prevention of Significant Deterioration (PSD) Permit Program, and to create a new fee category for semiconductor manufacturing equipment. He explained that Rule 518 was supposed to be presented in conjunction with another new rule which addressed Federal Green House Gas permitting

requirements at this meeting but both had been pulled from the agenda due to last minute comments. However, the District had committed to creating a new category in the fee schedule for semiconductor manufacturing equipment at the December meeting and Staff felt it was prudent to amend the rule for both issues at this time rather than amending it again when the PSD rule is presented.

The PSD fees are needed to recover the cost to the District for the manpower necessary to issue the permit. As with all current fees, the new fees would be subject to a CPI increase each year.

Currently the PSD permits are performed by the EPA. PSD is a pre-construction permit which means it must be obtained before a facility can start construction. Currently it takes at least two years for the EPA to develop these permits and will probably be longer when green house gasses are added to the permit requirements. If the District adopts this rule, any future PSD applications can be done by District Staff in a timelier manner. District Staff plan to bring the PSD rule to the Board in February 2011.

The District has only one permitted facility in the semiconductor manufacturing category which up to now had been treated as a permit fee exception because it is not specified in any other fee category. Adding a fee category for semiconductor manufacturing equipment will make the annual permit renewal fee for this facility more equitable and will be effective immediately upon adoption. The new fees would be enough to obtain cost recovery for Staff time. This change would result in approximately \$10,000 per year savings for this one source, Renesas Electronics America, Inc, formerly NEC Electronics. Currently they pay the highest permit renewal fees in the District.

Mr. Duffy mentioned the recently passed Proposition 26. Staff has determined that the fees in Rule 601 are not affected by this new law. He concluded his presentation and Chairman Ucovich asked if the Board had any questions. Director Nakata mentioned that he had worked in the semiconductor industry and that there are a lot of tools required for the fabrication. Chairman Ucovich asked about the annual renewal fees, he was concerned that the amount needed to be actual cost. Mr. Nishikawa said that the District was allowed to charge enough fees to support the programs, including inspection, education of staff and the actual cost of the engineering necessary to develop the permit.

Chairman Ucovich opened the public hearing, no one came forward so he closed the public hearing and asked for a motion to approve and adopt the findings of the Staff Report and approve Resolution #10-15 there by amending Rule 601 Permit Fees.

Motion: Hill/J. Holmes/Unanimous

Information

Air Pollution Control Officer's Report

Mr. Christofk said that according to the District Administrative Rules, the Chair for 2011 will be the

representative from Rocklin, Peter Hill, and the Vice-Chair will be the new representative from Roseville, Carol Garcia. This will be in effect for the next meeting on February 10, 2011.

Director Ucovich asked Director Kent Nakata to come to the podium to be recognized for his service to the District. Since 2003, Mr. Nakata served as Chairman twice, served on the Sacramento Valley Basin Control Council since 2006, assisted in securing an MOU with the JRR Davis Rail Yard in 2004, is a supporter of the Cleaner Air Partnership and a member of the selection committee for the Breathe California Annual Clean Air Awards. Chairman Ucovich presented Mr. Nakata with a certificate of appreciation from the District.

The fiscal report as of November 30, 2010, shows that the District is ahead on revenues by about 20% and under running on expenditures by about 47% due to the monies held for the Clean Air Grants (CAG) which will come to the Board in April, 2011. Mr. Christofk said that he expects to have close to one million dollars for the CAG in 2011 and that the application period for the program will be opening in January.

Adjournment:

Motion to adjourn: Barkle/Nakata/Unanimous

Margie Koltun, Clerk to the Board