PLACER COUNTY AIR POLLUTION CONTROL DISTRICT BOARD OF DIRECTORS

Thursday, June 9, 2011, Board of Directors' Special Meeting for the Proposed Budget and Regularly Scheduled Meeting Minutes

The Board of Directors of the Placer County Air Pollution Control District met in session at 2:30 PM, Thursday, June 9, 2011, at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, California. Representing the District: Tom Christofk, Air Pollution Control Officer; Yu-Shuo Chang, Planning and Monitoring Manager; Bruce Springsteen, Compliance and Enforcement Manager; and Jane Bailey, Fiscal Officer.

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, Donna Barkle, Stan Nader, Miguel Ucovich, Jim Holmes, Peter Hill, Jennifer Montgomery and Carol Garcia. Robert Weygandt was absent. A quorum was established.

Proposed Budget Special Meeting and Public Hearing Minutes:

Ms. Jane Bailey, Fiscal Officer for the District, presented the FY 2011-12 proposed budget. Ms. Bailey began by explaining the District's fund types and their usage. She said that this proposed budget is based on projected ending balances for the revenue and expense accounts. The actual ending balances and final proposed budget will be presented at the August 11, 2011, Board meeting. Ms. Bailey used a PowerPoint presentation to show the charts and graphs that she referred to during her narrative.

She said that the proposed budget shows that there is a net decrease of 36.36% in the proposed FY 2011-12 budget for both funds available and fund usage compared to the revised budget of FY 2010-11. The proposed salaries and benefits increased by 3.7% over the FY 2010-11 budget due to negotiated merit increases. Ms. Bailey showed a slide that listed the proposed expenditures which included current ongoing contracts for technical support, county services, grant/incentive programs and salaries and benefits totaling \$3,747,173 for FY 2011-12.

Ms. Bailey said that this public hearing is a requirement of the California Health and Safety code and that once the fiscal year end closes she will obtain the actual numbers to present to the Board in August. She said that this is the time for the Board to ask questions and provide direction on what to include or exclude from the FY 2011-12 proposed budget.

After a few quick questions from Board members, Chairman Hill opened the Public Hearing. No one from the public came up to speak. The public hearing was closed and the item was brought back to the Board for discussion.

Chairman Hill said he wanted to discuss a letter that was sent to the District from the City of Rocklin asking that the District re-institute the FY 2009-10 per-capita fee structure for FY 2011-12. This letter also asked that there be no fee increase until the economic conditions in the region improve. Chairman Hill made it clear that he had been out of the country when the letter was sent and that he does not agree with it. Within the board package there were similar letters which

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the District had received from the City of Colfax, City of Lincoln, City of Roseville and the Town of Loomis.

Chairman Hill gave a brief re-cap of the reasons the District instituted the per-capita fee in October of 2002, which was to help the District recover from having a deficit in the operations budget each year. The per-capita fees constitute 4% of the proposed FY 2011-12 budget and less than 1% of any jurisdiction's budget. Chairman Hill asked each Board member to speak to this issue.

Director Mike Holmes said that the City of Auburn felt that the per-capita should remain in place at the current rate and yearly CPI adjustment (the City of Auburn did not send a letter to the District). He said that the per-capita fee had been included in the city's preliminary budget for the next fiscal year. Director Barkle (Colfax) said that it was her understanding that the City Manager and Mayor of Colfax had spoken with District Staff about this subject. Ms. Bailey said that to her knowledge, they had not contacted anyone at the District about this issue. Director Nader (Lincoln) said that his city manager had approached him about it and that the City of Lincoln had gone along with Roseville and Rocklin. Director Ucovich said that it had never come up on the Town of Loomis council agenda therefore the council had not approved it. Director Jim Holmes (District III) said that he didn't think the per-capita amount should change and Director Montgomery (District V) stated that the county saw no problem with paying the amount and that there is good value received for the fees paid. Director Montgomery also said that she had spoken with Director Weygandt (District II) about this and that he definitely did not want the fee to be altered. Director Garcia (Roseville) said that the City of Roseville sent the letter due to the fact that they are trying to cut costs wherever possible. She said that last year the City of Roseville had difficulty paying the per-capita, so they were trying to see if the fee could be decreased.

Director Hill said that he (as the representative from Rocklin) believed the fee should stay as it is. He then stated that the Board had a consensus on this subject and directed Ms. Bailey to keep the per-capita rate at \$.50.

Chairman Hill adjourned the Proposed Budget Special Meeting and Public Hearing.

Regularly Scheduled Meeting Minutes:

Chairman Hill opened the Regularly Scheduled Meeting at 3:00 PM. Roll call was not taken as all of the members of Board of Directors who had been at the proposed budget meeting were still in attendance.

Chairman Hill asked for a motion on the minutes of the April 14, 2011, Board meeting.

Motion to approve the minutes: M. Holmes/Ucovich/Unanimous

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Public Comment:

Director Mike Holmes said that he had attended the recent Cap-to-Cap event, which is held in Washington D. C. each year, as part of the Air Quality Team. He was pleased to announce that the EPA had approved an "exceptional event" exemption for regional air quality standards which would take into account events such as major forest fires, volcanic eruptions and such. The exemption was placed in the federal register on May 18th 2011, and barring any negative comments in the 30 day comment period, would be effective at the end of June. He also said that the Air Quality Team had not asked for any additional funding, but asked that funding levels remain the same as in the past. Director Holmes said that he'd had a chance to speak with Senator McClintock's Chief of Staff, Igor Birman, about biomass and that Mr. Birman now had a better understanding of what biomass is and what the ramifications of dealing with it properly are now. Mr. Birman indicated to Director Holmes that Senator McClintock's office would send letters of support for Biomass projects including support for grant funding.

Director Holmes also said that he had received a letter from Congresswoman Doris Matsui (D-CA) thanking the Board for efforts in improving air quality. He said that the Cap-to-Cap trip had been very useful and he thanked the District for assisting with his trip.

Director Jim Holmes said that he and Mr. Christofk had just been in Washington D.C. to accept a Clean Air Award from the EPA. The award was for all the work this district, this county and the private sector has done in the biomass arena. He said that the co-operation between all the partners was a tribute to the relationships that Mr. Christofk had developed over time and he thanked Staff for all the work they have done testing and proving the science. He said that without this team approach, the biomass program would not be as successful and widely recognized as it is.

Director Montgomery said that she had enjoyed going to the Breathe California Clean Air Awards luncheon (May 20th) and being able to get to know some more members of the District staff. She said she was also happy to be there since she and Dr. Chang had been on the awards selection committee.

Mr. Christofk mentioned that the Roseville Railyard Monitoring Project was coming to a close and that a final report would be out at the end of the year. He said there had been significant progress in making the air downwind from the rail yard safer for the residents of Roseville. He also said that the "Hood" Project Phase II was not going forward due a number of circumstances beyond the control of the District. The monies collected from other agencies that were slated to help fund the project were being returned.

Approval of Agenda:

Motion to approve agenda: Montgomery/J. Holmes/Unanimous

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Consent Items 1 & 2:

Item 1: Budget Revision:

Approve and authorize the Board Chair to sign Budget Revision #11-02, on behalf of the Board, thereby increasing the FY 2010-11 Budget by \$7,000 for expenditures associated with the consultant work for the DOE Placer County Biomass Utilization Project.

Item 2: District Credit Card Policy:

Adopt Resolution #11-11, thereby designating and authorizing the Placer County Auditor-Controller to act as the approving official for Placer County credit card purchases made by the Air Pollution Control Officer (APCO).

Motion to approve Consent Calendar Items 1 & 2: M. Holmes/Garcia/Unanimous

Action Item 3:

Item 3: RACT/SIP Analysis:

Mr. Bruce Springsteen, Compliance and Enforcement Manager, presented this item. He started by saying that parts of Placer County do not meet the federal air quality standards for ozone. As a consequence of that, the District needed to prepare a Reasonable Available Control Technology (RACT) evaluation to assess the District Rules and determine if they appropriately target nitrogen oxides (NOx) and volatile organic compounds (VOC) which react to form ground level ozone. Once the rules are reviewed they are included into the District's State Implementation Plan (SIP) which is then approved by the EPA. These is a process that takes place on a regular basis as technology improves as to what can be controlled cost effectively changes and as new guidelines are issued by the EPA.

Since the District last did this evaluation (2009), comments were received from the EPA on certain rules stating that some rules are not meeting the most recent guidelines. The District is obliged to update and implement the affected rules within 12 months of receiving these comments. During this evaluation it was determined that the District needs to develop one new rule, amend seven rules and submit negative declarations that there are no sources to regulate for 15 source categories (listed in table 4 of the RACT SIP Analysis Staff Report, attachment #3 to this item in the Board packet).

Mr. Springsteen went on to explain more of the details of the affected rules and then asked that the Board adopt Resolution #11-12 to adopt the findings of the RACT SIP Analysis Staff Report dated June 2011 and adopt Resolution #11-13 declaring that there are no sources to regulate for 15 source categories.

Motion to approve RACT/SIP Analysis Resolution #11-12: J. Holmes/Garcia/Unanimous Motion to approve Negative Declaration Resolution #11-13 J. Holmes/Ucovich/ Unanimous

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Information: Item 4

Air Pollution Control Officer Report:

Move update: Mr. Christofk gave a brief update on the move slated for the weekend of June 25th. He said there was still some work in progress, but that there was no "show stopper" for the move in date. He also said that he planned to host a CAPCOA board meeting at the new building on June 27th, so staff would be very busy unpacking and organizing their offices the first two days of business, but that normal business should resume shortly.

Open house planned: Mr. Christofk reminded the Board that the District will be hosting an open house on July 20th and that "save the date" cards had been passed out to them before the meeting. Invitations would be on the way within the next few weeks. He asked that they let their City Managers, and any other staff, know as well.

Fiscal Report:

The Fiscal Statement shows that the District is under running in expenditures by 26% and there was a 9.7% increase in revenues compared to the Budget. This is typical for this time of year and the District is in sound shape.

Chairman Hill adjourned the meeting.

Margie Koltun, Clerk to the Board