



**AGENDA:**  
**PCAPCD Board of Directors Meeting**  
**Thursday, August 11, 2011, 2:30P.M.**  
**Placer County Board of Supervisors' Chambers**  
**175 Fulweiler Avenue, Auburn, California**

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**Call to Order**

**Flag Salute**

**Roll Call / Determination of a Quorum**

**Approval of Minutes:** June 9, 2011, Regular Board Meeting and Special Proposed Budget Meeting.

**Public Comment:** Any person wishing to address the Board on any item not on the agenda may do so at this time.

**Approval of Agenda**

**Consent: Items 1, & 2**

<p>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.</p>
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- 1. Budget Revision to reclassify remainder of FY 2010-11 building funds to FY 2011-12 budget:** Approve Budget Revision #11-03 thereby reclassifying upgrade expenditures for the facility located at 110 Maple Street, Auburn, CA
- 2. Hearing Board Reappointment:** Approve the reappointment of current Hearing Board member, Ms. Diane Przepiorski, as representative of the public at large to the Placer County APCD Hearing Board.

**Public Hearing / Action: Items 3, 4 & 5**

- 3. Adoption of FY 2011-12 Final Budget:** Hold a public hearing regarding the FY 2011-12 budget and adopt Resolution #11-16 thereby approving the proposed FY 2011-12 final budget.
- 4. Indirect Source Review/State Implementation Plan Revision:** Adopt Resolution #11-15 thereby approving a Revision to the Placer County Portion of the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan
- 5. Revision to Rule 412, Agricultural Engines:** Conduct a public hearing to consider the amendment of Rule 412: Registration Requirements for Stationary and Portable Compression

Ignition Engines Used in Agricultural Operations and approve Resolution #11-14 thereby adopting the amended rule and the recommendations and findings of the Staff Report. This amendment is being proposed in order to add a “low-use” and an “intermittent-use” exemption from the emission requirements of the Airborne Toxics Control Measure for Stationary Compression Engines.

## **Information: Item 6**

- 6. Air Pollution Control Officer Report** (*Verbal reports and/or handouts will be provided*)
- a Facility recap
  - b Biomass, Renewable energy update:
    - i) Governor’s conference on local renewable energy resources
    - ii) Biomass Program update
  - c Art Walk August 11, 2011, from 6 to 9 PM
  - d Fiscal Update

## **Adjournment**

**Next Regularly Scheduled Board Meeting: - Thursday, October 13, 2011, 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

The minutes for the June 9, 2011 board meeting will be available on the PCAPCD website after approval by the Board at the August 11, 2011, meeting.

Contact the Board Clerk, Margie Koltun, if you would like to have them emailed to you after the meeting: [mkoltun@placer.ca.gov](mailto:mkoltun@placer.ca.gov) or 530-745-2318.



## Board Agenda

### *Consent/Action*

**Agenda Date:** August 11, 2011

**Prepared By:** Jane Bailey, Fiscal Officer

A handwritten signature in blue ink, appearing to be "J. Bailey", is written over the name of the preparer.

**Topic:** Budget Revision #11-03 to reclassify special expenditures (OL3 #2840) to the capital outlay account – Building Purchase (OL3 #4151)

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#### **Action Requested:**

Approve and sign the Budget Revision #11-03 (Attachment #1) thereby reclassifying upgrade expenditures for the facility located at 110 Maple Street, Auburn, CA. These funds were expended from the special expenditure account (OL3 #2840) and are to be added to the cost of the facility in the Building Purchase account (OL3 #4151).

#### **Discussion:**

In the FY 2010-11 Budget approved on August 12, 2010, provision was made for \$182,000 to be spent on relocating to a new facility yet to be determined (Attachment #2). At the December 9, 2010 Board Meeting, the Board authorized the District to purchase the property located at 110 Maple Street, Auburn, California (APN: 002-171-021) for \$1,500,000 (see Resolution #10-14 and Budget Revision #10-02, Attachment #3). At the April 14, 2011, Board Meeting, the Board authorized the District to expend an additional \$179,500 for further upgrades and enhancements to the building and parking lot located at 110 Maple Street prior to the District's move to the new facility (see Attachment #4, Budget Revision #11-01).

The District purchased the building at 110 Maple Street on December 21, 2011. Work to do the upgrades and enhancements to the property began on February 2011. The cost to do the upgrades and prepare the facility for the District's relocation was \$369,023.48. The District moved to the new facility on June 25, 2011, and opened for business on June 27, 2011, before the close of FY 2010-11 on June 30, 2011. Placer County Auditors have reviewed the costs and determined that these expenditures should be moved to the Building Purchase account (OL3 #4151). These costs bring the total cost of the 110 Maple Street property to \$1,869,023.48; hence the need for Budget Revision #11-03. This will allow the District to capitalize the move costs along with the original purchase price and amortize these costs over the life of the building.

#### **Fiscal Impact:**

Budget Revision #11-03 is for reclassification purposes only and will not impact the FY 2010-11 Budget. This budget revision will impact future fiscal years by the amortization of the purchase price of the building – now totaling \$1,869,023.48 with the addition of upgrades and building improvements.

**Recommendation:**

Staff recommends that the Board approve and sign Budget Revision #11-03 in order to reclassify the expenditures used for the purposes of upgrading and improving the facility located at 110 Maple Street, Auburn, California (APN: 002-171-021) to the Building Purchase account (OL3 #4151).

- Attachment (s):** #1: Budget Revision #11-03 for FY 2010-11 – reclassification of building expenditures for upgrades to the capital building outlay account.
- #2: Chart listing approved expenditure of \$182,000 for facility relocation in the District’s FY 2010-11 Budget.
- #3: Resolution #10-14 and Budget Revision #10-02 authorizing the District to purchase the property at 110 Maple Street, Auburn CA and to fund the purchase price of \$1,500,000.
- #4: Budget revision #11-01 for an additional \$179,500 to be spent for facility relocation.

**ATTACHMENT #1**

**SUBJECT:**

Budget Revision #11-03 for FY 2010-11 –  
reclassification of building expenditures for upgrades to the capital building outlay account

PLACER COUNTY  
**BUDGET REVISION**

PAS DOCUMENT NO.

Cash Transfer Required       Auditor-Controller  
 Reserve Cancellation Required       County Executive  
 Establish Reserve Required       District Board

Dept No.	Doc Type	Total \$ Amount	Total Lines
73	BR	\$ 738,046.96	2

**ESTIMATED REVENUE ADJUSTMENT**

Dept No.	T Code	Rev	OCA	PCA	OBJ L-3	Proj. No.	G/L Sub GL	AMOUNT
073	014		000040	90753	4151			\$369,023.48
<b>TOTAL</b>								369,023.48

**APPROPRIATION ADJUSTMENT**

Dept No.	T Code	Rev	OCA	PCA	Obj L-3	Proj. No.	G/L Sub GL	AMOUNT
			000040	90753	2840	Special Expense		\$ 369,023.48
<b>TOTAL</b>								369,023.48

REASON FOR REVISION: TO APPROPRIATE \$369,023.48 OF BLDG IMPROVEMENTS IN FY 2010-11 FROM SPECIAL EXPENSE OL3 #2840.  
by the same amount.

Distribution: District APCO  
 All copies to APCD District Board Chairman  
 Auditor Auditor-Controller  
 Rev 9/14/98

Date: 8/11/2011  
 Page: 1  
 Budget Revision #11-3

**ATTACHMENT #2**

**SUBJECT:**

Chart listing approved expenditure of \$182,000 for facility relocation in the FY 2010-11 Budget

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT Listing of Programs, Projects and District Enhancements for the PROPOSED BUDGET FOR FY 2010-11		APPROVED EXPENDITURES FY 2010-11	ENCUMBERED FUNDS IN FY 2009-10
Item #	Name:	Amount	Amount
1	Public Outreach/Public Relations Assistance - Endicott Contract	975	14,025
2	Participation Funding w/ Other Air Districts	20,000	
3	Spare the Air Program (#5) - CMAQ Match	10,883	
4	Air Monitoring Projects - site development	15,000	
5	Equipment Purchase - Air Monitoring Equipment	10,000	
6	Jones & Stokes Contract (Indirect Source Rule Analysis/Rule Development PH II)	-	13,191
7	Richard Countess Contract (UPRR Air Monitoring Projects)	-	5,289
8	TIAX Contract (Mobile Source Analysis Support)	-	37,963
9	Sierra Research (SRI) - Rail Yard Emissions Analysis	-	11,299
10	Air Permitting Specialists Contracts (Rule Development )	-	38,622
11	Endicott Contract - Public Relations (Biomass Project)	-	4,976
12	SIG Contract (Biomass Project Support)	20,000	
13	TSS Associates Contract (Biomass Project Support)	15,000	4,077
14	Air Permitting Specialists Contract (Operations Support - includes \$8,188 - Biomass Project )	66,238	9,458
15	Database Programming Software Support	70,000	
16	Monterey AQMD MOU - Air Toxic Program Support	-	5,045
17	Entek Contract (Grab Sampling Incident Response)	-	7,000
18	NSAQMD MOU (Tahoe Inspections)	2,643	2,957
19	CAP to CAP attendance - APCO and 1 director	7,000	
20	Mowdown (Mower replacement program)	5,000	
21	Technology Assessment Program (TAP)	60,000	30,000
22	County Administrative Services/Personnel/Fleet Maintenance	187,168	
23	CDRC Facility Rent	173,014	
24	County DA MOU - enforcement services	20,000	
25	County Council MOU	20,000	
26	Supplemental Legal Support	30,000	
27	County IPSS (Data Processing) Charges	74,266	
28	AG Dept MOU - Gasoline Dispensing Facility Inspections	15,555	
29	District Facility Relocation Costs *	182,000	
30	Extra-Help - Administrative Support/1,000 hours	17,215	
31	Extra-Help - Permitting/Inspection Specialist/1,235 hours	48,319	
32	Extra-Help - Continuing Enforcement Specialists/480 hours	14,558	
33	Extra-Help - Planning Support/960 hours	39,671	
34	Less Furlough Savings (5 MTO days)	(24,872)	
35	GASB 45 - Provision for Post Employment Benefits	119,029	
36	Core of the Operational Budget (Minus the above projects and service contracts)	1,036,355	
37	Core of the DMV Fund Budget (Minus the above projects and \$800,000 in CAGs)**	1,036,885	
38	Core of the Mitigation Fund Budget (Minus the above projects and 90,000 in CAGs)**	2,550	
39	Locomotive Emission Hood Project - Phase II Test - Other Agency Funding	152,000	
40	Locomotive Emission Hood Project - Phase II Test - District Portion	100,000	
41	Woodstove Replacement Incentive Program**	83,821	
42	Clean Air Grants for 2011**	890,000	1,800,038
TOTAL		4,520,272	1,983,940

\*The proposed \$182,000 for the District Facility Relocation Project will only be spent if the District does not renew the facility lease with the County. Since it is a one-time expenditure that will only be expended if relocation is necessary, it is proposed to come from the Litigation Cost Recovery Fund.

\*\*The Clean Air Grants and Incentive Programs will be increased by available Mitigation Funds in February 2011. Because the District can not yet determine the amount that will be available from the Mitigation Plans, they are not included in this budget.

**COLOR CODED KEY:**

\$ 56,858	DMV FUNDED ELIGIBLE PROJECTS AND SERVICES
43,188	BIOMASS PROJECT EXPENDITURES
202,693	OPERATIONS SUPPORT AND PROJECTS
520,003	COUNTY SERVICES AND CDRC FACILITY RENT
182,000	FACILITY RELOCATION COSTS*
2,289,710	DISTRICT LABOR AND OVERHEAD COSTS
\$ 252,000	ALECS (HOOD PROJECT) - DMV ELIGIBLE
973,821	CLEAN AIR GRANTS AND WOODSTOVE REPLACEMENT PROGRAM
\$ 4,520,272	TOTAL PROPOSED EXPENDITURES FOR FY 2010-11

**ATTACHMENT #3**

**SUBJECT:**

Resolution #10-14 and Budget Revision #10-02 authorizing the District to purchase the property at 110 Maple Street, Auburn CA and to fund the purchase price of \$1,500,000

1 **BEFORE THE BOARD OF DIRECTORS**  
2 **PLACER COUNTY AIR POLLUTION CONTROL DISTRICT**  
3 **STATE OF CALIFORNIA**

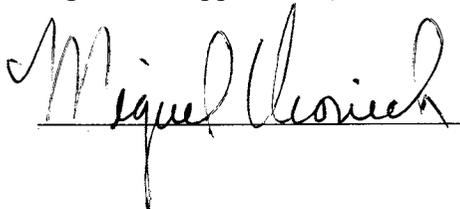
4  
5 **RESOLUTION NO: 10-14**

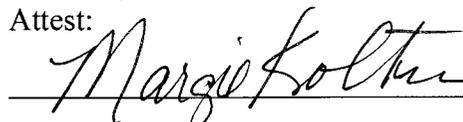
6  
7 **In the matter of:** Delegation of the Authority of the Board to the Air Pollution Control  
8 Officer, or His Designee, to Execute All Necessary Documents and to  
9 Take All Actions to Complete the Purchase of the Property Located at 110  
10 Maple Street, Auburn, California (APN: 002-171-021), and to Approve a  
11 Budget Revision for Funds to be Applied to Said Purchase in the Amount  
12 of One Million Five Hundred Thousand Dollars (\$1,500,000.00).  
13

14 The following **RESOLUTION** was duly passed by the Board of Directors, Placer County Air  
15 Pollution Control District, at a regular meeting held **December 9, 2010**, by the following vote:  
16

17 Ayes: Holmes, M.  Ucovich  Weygandt  Holmes, J.  Barkle   
18 Nakata  Hill  Montgomery  Allard   
19 Noes: Holmes, M.  Ucovich  Weygandt  Holmes, J.  Barkle   
20 Nakata  Hill  Montgomery  Allard   
21 Abstain: Holmes, M.  Ucovich  Weygandt  Holmes, J.  Barkle   
22 Nakata  Hill  Montgomery  Allard   
23

24 Signed and approved by me after its passage.

25   
26 \_\_\_\_\_ Chairperson  
27

28 Attest:  
29  Clerk of said Board

1 **WHEREAS**, the Placer County Air Pollution Control District is a body corporate and politic and  
2 a public agency of the state, pursuant to California Health and Safety Code Section 40700; and

3  
4 **WHEREAS**, the Placer County Air Pollution Control District has the power to take by grant,  
5 purchase, gift, devise, or lease, to hold, use, and enjoy, and to lease or dispose of any real or  
6 personal property within or without the District necessary to the full exercise of its powers,  
7 pursuant to California Health and Safety Code Section 40701; and

8  
9 **WHEREAS**, the existing lease agreement with Placer County expires in July 2011 for the  
10 offices of the District situated in the Community Development and Resources Center Building;  
11 and

12  
13 **WHEREAS**, at the regular District Board meeting on August 12, 2010, the District Board  
14 authorized the Air Pollution Control Officer and a Subcommittee of the Board to investigate  
15 opportunities for the District to obtain leased or purchased office space in circumstances  
16 advantageous to the District, especially in comparison to the Placer County lease for the housing  
17 of the District Offices; and

18  
19 **WHEREAS**, the District's FY 2010-2011 Final Budget allocated one hundred eighty two  
20 thousand dollars (\$182,000) for potential District office relocation expenses; and

21  
22 **WHEREAS**, at the regular District Board meeting on October 14, 2010, the District Board  
23 authorized the Air Pollution Control Officer to negotiate a purchase agreement for the building  
24 located at 110 Maple Street in Auburn; and

25  
26 **WHEREAS**, the Air Pollution Control Officer has determined that the 110 Maple Street,  
27 Auburn, California (Assessor's Parcel Number: 002-171-021) property (hereinafter "Property")  
28 owned by 110 Maple Street Associates, LLC, may be purchased at terms favorable to the

1 District, and will meet the near and long term needs of the District with regard to office space;  
2 and

3

4 **WHEREAS**, the Air Pollution Control Officer has entered into a purchase agreement for the  
5 Property, subject to the final approval of the purchase terms by the District Board; and

6

7 **WHEREAS**, the Commercial Property Purchase Agreement and Joint Escrow Instructions  
8 provides for the District, to enter into a lease agreement commencing at the close of escrow and  
9 ending December 31, 2011 for a 1,236 square feet portion of the lower floor of 110 Maple Street,  
10 Auburn with Jeff Glazner; and

11

12 **WHEREAS**, the Commercial Property Purchase Agreement and Joint Escrow Instructions also  
13 provides for an agreement with the neighboring Pioneer Methodist Church (Church) for shared  
14 use of the parking area that is located on portions of both 110 Maple Street and Church  
15 properties, formalizing a longstanding understanding between 110 Maple Street Associates,  
16 LLC, and the Church; and

17

18 **WHEREAS**, the District Board has considered the terms to purchase the Property and the merits  
19 of the Property and has determined that the acquisition of the Property is in the best interests of  
20 the District and of the public.

21

22 **NOW THEREFORE, BE IT RESOLVED** that the Placer County Air Pollution Control  
23 District's Board of Directors hereby authorizes the Air Pollution Control Officer, on behalf of  
24 the District, to enter into a lease agreement commencing at the close of escrow and ending  
25 December 31, 2011 for a 1,236 square feet portion of the lower floor of 110 Maple Street,  
26 Auburn, with Jeff Glazner.

27

28 **FURTHERMORE, BE IT RESOLVED** that the Placer County Air Pollution Control District's  
29 Board of Directors hereby authorizes the Air Pollution Control Officer, on behalf of the District,

1 to sign a Reciprocal Parking Agreement with the neighboring Pioneer Methodist Church for  
2 shared use of the parking area that is located on portions of both 110 Maple Street and Church  
3 properties.

4  
5 **FURTHERMORE, BE IT RESOLVED** that the Placer County Air Pollution Control District's  
6 Board of Directors (1) does hereby authorize the Air Pollution Control Officer, or his designee,  
7 upon satisfaction of the terms of the Commercial Property Purchase Agreement and Joint Escrow  
8 Instructions, to execute upon behalf of the District any and all documentation and to take all  
9 other actions necessary to acquire the property located at 110 Maple Street, Auburn, California  
10 (APN: 002-171-021); (2) does hereby authorize the allocation of One Million Five Hundred  
11 Thousand Dollars (\$1,500,000.00) for the purchase, through a Budget Revision, and the  
12 disbursement of these funds as necessary to complete the purchase transaction; and (3) does  
13 hereby consent to the acceptance and recordation of the deeds for said property.

# BUDGET REVISIC

Dept No.	Doc Type	Total \$ Amount	Total Lines
73	BR	\$ 3,000,000.00	2

Cash Transfer Required  
 Fund 541 Subfund 160  
 Reserve Cancellation Required  
 Establish Reserve Required

Auditor-Controller  
 County Executive  
 District Board

ESTIMATED REVENUE ADJUSTMENT						APPROPRIATION ADJUSTMENT									
Dept No.	T Code/Rev	OCA	PCA	OBJ L-3	Proj. No.	G/L Sub GL	AMOUNT	Dept No.	T Code/Rev	OCA	PCA	Obj L-3	Proj. No.	G/L Sub GL	AMOUNT
073	006	000040	01020	8954			\$1,500,000.00	73	014	000040	01020	4151	Bldg Purchase		\$1,500,000.00
TOTAL							1,500,000.00	TOTAL							1,500,000.00

REASON FOR REVISION: To appropriate from the Settlement Fund the purchase price of a building located at 110 Maple Street, Auburn, CA (APN: 002-171-030)

Distribution: District APCO T. Brown Date: 12/9/2010  
 All copies to APCD District Board Chairman [Signature] Page: 1  
 Auditor [Signature] Auditor-Controller Budget Revision #10-02  
 Rev 9/14/98

**ATTACHMENT #4**

**SUBJECT:**

Budget revision #11-01 for an additional \$179,500 to be spent for facility relocation.





## Board Agenda Item

*Consent*

**Agenda Date:** August 11, 2011

**Prepared By:** Margie Koltun, Administrative Technician 

**Topic:** **Hearing Board Re-appointment:** Re-appointment of Ms. Diane Przepiorski to the District Hearing Board as a member of the public at large.

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**Action Requested:** The District requests that the Board approve the reappointment of current Hearing Board member, Ms. Diane Przepiorski, as representative of the public at large to the Placer County APCD Hearing Board. Ms. Przepiorski was first appointed to the Hearing Board in October of 2002, and her current term of office expires October 1, 2011.

**Discussion:** 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

The current term of office for Ms. Przepiorski expires October 1, 2011. Ms. Przepiorski has agreed to serve on the Hearing Board for another three year term ending September 30, 2014. The District Board of Directors may give direction to Staff to seek qualified replacements.

**Fiscal Impact:** Hearing Board members meet on an as needed basis and are paid a stipend of \$100 per meeting plus mileage to and from the meeting place per current IRS mileage reimbursement rate.

**Recommendation:** Staff recommends the reappointment of Ms. Przepiorski to the District Hearing Board for the term of office indicated, effective October 1, 2011.

## Board Agenda

### *Public Hearing/Action*

**Agenda Date:** August 11, 2011

**Prepared By:** Jane Bailey, Fiscal Officer



**Topic:** Proposed Final Budget FY 2011-12 (Public Hearing/Action)

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#### **Action Requested:**

- 1) Conduct a Public Hearing regarding the District's Fiscal Year 2011-12 Proposed Final Budget.
- 2) Adopt Resolution #11-16, thereby approving the District's budget for Fiscal Year 2011-12.

#### **Discussion:**

Attachment #1 is Resolution #11-16 for FY 2011-12 Budget Approval. Attachment #2 is a pie chart that shows the segments and percentages of each funded item for the Proposed Final Budget for FY 2011-12. Attachment #3 is the Funds Available and Fund Usage for the Proposed Final Budget for FY 2011-12 in comparison to the Approved Revised Final Budget for FY 2010-11. Attachment #4 is a listing of all the expenditures proposed for the Final Budget FY 2011-12. Attachment #5 is the Summary of the Proposed Budget for FY 2011-12 in comparison to the Approved Budget for FY 2010-11 and the Actual Revenue and Expenditures for FY 2010-11 by line item.

The District offers the following analysis of the differences between the *Proposed Final Budget* for FY 2011-12 and the *Approved Revised Budget* for FY 2010-11. Please use Table 1 (see Attachment #3) for the following discussion.<sup>1</sup>

**Proposed Revenue:** \$1,940,193 net decrease of the approved FY 2010-11 Budget for a total proposed Revenue of **\$3,397,791** in FY 2011-12 as compared to **\$5,337,984** in FY 2010-11. The net decrease picture is distorted by the building purchase, relocation costs and by the additional purchase of air monitoring equipment totaling \$1,893,000. If the building purchase, relocation costs and air monitoring equipment purchase are removed from the Revenue for Fiscal Year 2010-11 the proposed revenue is **decreased by \$47,193** as shown below:

- The District is proposing a \$4,355 increase in permit revenue compared to the FY 2010-11 Budget.
- Interest is expected to be lower than previously budgeted by \$45,000.
- An analysis of the Statewide Portable Equipment Registration Program (PERP) indicates an \$18,675 increase in revenue.

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<sup>1</sup>The Approved Budget for FY 2010-11 has been revised three times since the original approval. It was revised once to include the purchase of the District Facility located at 110 Maple Street in Auburn (\$1,500,000), a second time to increase the District Relocation Budget from \$182,000 to \$361,500, and a third time to increase the Air Monitoring Equipment purchase from \$10,000 to \$41,500.

- Actual revenue received for Mitigation Fees were included in the budget - \$82,107.
- The District does not expect to receive \$105,404 in Other Government Assistance in FY 2011-12.
- Burn/Land/Other Permit Revenue is expected to decrease by \$8,981.
- The Per Capita Assessment will decrease by \$407 based on the estimated population for calendar year 2011 at 50 cents per capita. This is an adjusted estimate reflecting the actual census in 2010.
- A new source of revenue is shown in the FY 2011-12 Proposed Final Budget. Revenue totaling \$14,862 is expected from the District's tenant – Helix Environmental Planning Inc. The lease agreement currently in effect will expire on December 31, 2011.
- Miscellaneous Revenue for FY 2011-12 is expected to be \$7,400 lower than the previous fiscal year.

**Proposed Expenditures:** There is an expected \$450,535 net decrease from the Approved Revised Budget for FY 2010-11 for a total proposed Expense of **\$3,887,737** for FY 2011-12. This comparison excludes the purchase of the District's facility and equipment purchases totaling \$1,893,000.

- "Salaries and Benefits" are proposed to be \$54,544 higher in FY 2011-12. See the third bullet on page 11 of the enclosed Proposed Final Budget for FY 2011-12 for a detailed explanation.
- "Supplies and Services" are proposed to be reduced by \$156,876.
- "Clean Air Grants & Incentive Programs" are proposed to be \$397,821 lower than the Approved Revised Budget for FY 2010-11. This reduction is detailed in the second bullet on page 11 of Proposed Final Budget for FY 2011-12.

The total proposed Revenue -- **\$3,397,791** for FY 2011-12 combined with the total "Fund Carry-Over" -- **\$811,772** from FY 2010-11 are the "Total Funds Available" -- **\$4,209,564** (See the top half of the pie chart shown in Attachment #2.)

The total proposed Expenditures -- **\$3,828,119** for FY 2011-12 plus the projected Total Ending Fund Balance -- **\$381,445** for FY 2011-12 equal the "Total Fund Usage" -- **\$4,209,564**. (See the bottom half of the pie chart shown in Attachment #2.)

**Summary of the Proposed Final Budget for FY 2011-12:** The Proposed Final Budget for FY 2011-12 allows the District to cover its operational costs, maintain services and program delivery, and increase selected critical resource needs. See Attachment #5.

With this proposed budget the following scenario is expected:

- An Operations Ending Fund Balance of \$379,124 at June 30, 2012. Included in the \$379,124 is the Non-Tort Defense funding of \$90,000, a Reserve Fund of \$95,000 for contingencies, a Building Capital Maintenance Fund of \$50,000 and a Vehicle Replacement Fund of \$45,000. This is 12.64% of the District's Operational Budget.<sup>2</sup>

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<sup>2</sup>It is recommended by the National Advisory Council on State and Local Budgeting for the Government Finance Officers Association to maintain an ending balance in the operation fund of between 5 and 15% in case of any unforeseeable catastrophic event.

- \$10,000 is proposed in this budget for growing the Contingency (Reserve) fund to \$95,000.
- Newly proposed for FY 2011-12 is the Building Capital Maintenance Fund - \$50,000 earmarked for major repair costs to the District's facility such as painting, roof replacement, or other major structural repair costs.
- A \$15,000 increase to the Vehicle Replacement Fund because the District proposes to set aside \$15,000 per fiscal year to purchase a new fleet vehicle every three years. Since the District fleet is no longer managed by Placer County and is *not paying replacement costs to the County*, the District has a need to set aside funds for the replacement of District Fleet vehicles beginning in FY 2012-13. If approved the Vehicle Replacement Fund will total \$45,000.
- The DMV Fund will be spent down to \$410, as previously planned, while providing for \$600,000 in Clean Air Grant Awards funded by the DMV vehicle surcharge.
- The Mitigation Fund will be spent down to \$1,911 (this does not reflect the revenue from mitigation plans that have not yet been approved by the Land Use Authorities). Prior to the 2012 Clean Air Grant Program the District will present a budget revision to the Board requesting that the available mitigation funds be allocated to the Clean Air Grant Program. In the Proposed Budget for FY 2011-12, \$203,000 is earmarked for Clean Air Grants and \$25,000 for the Woodstove Replacement Incentive Program.
- This proposed Final budget for FY 2011-12 provides **\$3,828,119** to sustain the existing programs. No new programs are proposed in this fiscal cycle.

### **Fiscal Impact:**

The Proposed Final Budget for FY 2011-12 for \$4,209,564 is 36.03% lower (or 10.19% lower if the building purchase - \$1,500,000 and relocation costs - \$361,500 are excluded) than the budget presented and approved for FY 2010-11. This proposed budget has \$510,153 less in expenditures (10.19% lower if the building purchase and relocation costs are excluded) than the FY 2010-11 budget and still covers the operational costs, maintains services and program delivery, and provides for selected critical resource needs. It also maintains an Operations Fund Balance of \$379,124 which is 12.64% of the total Proposed Operations Budget for FY 2011-12.

### **Recommendation:**

The purpose of presenting the Board this proposed final budget for FY 2011-12 is that the District is required by the Health and Safety Code in section 40131(3)(A) to do the following:

“The district shall notice and hold a public hearing for the exclusive purpose of reviewing its budget and of providing the public with the opportunity to comment upon the proposed district budget.” *Done on June 9, 2011.*

And in 40131(3)(B) to do the following:

“The public hearing required to be held pursuant to this paragraph shall be held separately, by a period of not less than two weeks, from the hearing at which the district adopts its budget.

Having complied with the Health and Safety Code in regards to adoption of a board approved budget, it is recommended that the Board adopt Resolution #11-16, thereby approving the District's budget for Fiscal Year 2011-12.

**Enclosure (s) #1:** Proposed Final Budget FY 2011-12

**Attachment(s)**

- #1: Resolution #11-16 for FY 2011-12 Budget Approval
- #2: Pie Chart showing Funds Available and Fund Usage
- #3: Table 1 showing comparison of Proposed Final Budget FY 2011-12 and the Revised Final Budget FY 2010-11
- #4: List of Expenditures for the Proposed Final Budget FY 2011-12
- #5: Budget Summary for the Proposed Final Budget FY 2011-12, the Revised Final Budget FY 2010-11 and the Actual Revenue and Expenditures for FY 2010-11

**ATTACHMENT #1**

**SUBJECT:**

**Resolution #11-16 for the FY 2011-12 Budget Approval**



Board Resolution:  
*Resolution #11-16*

Before the Placer County  
Air Pollution Control District Board of Directors

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**In the Matter Of:**

A Resolution approving the adoption of the Placer County Air Pollution Control District’s Fiscal Year 2011-12 Final Budget.

The following Resolution was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **August 11, 2011**, by the following vote:

- Ayes: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
 Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_
- Noes: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
 Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_
- Abstain: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
 Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_

Signed and approved by me after its passage:

\_\_\_\_\_  
 Chairman of the Placer County Air Pollution Control District Board of Directors

\_\_\_\_\_  
 Attest: Clerk of said Board

**WHEREAS**, on June 09, 2011, the District held a Public Hearing for the exclusive purpose of reviewing its budget and providing the public with an opportunity to comment upon the proposed District budget, as required by Health and Safety Code Section 40131 (a)(3); and

**WHEREAS**, The District made available to the public at least 30 days prior to the June 09, 2011, public hearing, a summary of the proposed budget, as required by Health and Safety Code Section 40131(a)(1); and

**WHEREAS**, The District provided public notice and direct mailings to persons subject to District fees in the preceding year at least 30 days in advance of the scheduled public hearing on June 09, 2011, as required by Health and Safety Code Section 40131(a)(2); and

**WHEREAS**, on August 11, 2011, the District Board held an appropriately noticed public hearing for the purpose of considering and adopting the District Budget for Fiscal Year 2011-12; and

**WHEREAS**, consideration of the final proposed budget has been made before a public hearing,

**NOW THEREFORE BE IT RESOLVED** that the Placer County Air Pollution Control District's Board of Directors hereby adopts the proposed budget as the final budget of the Placer County Air Pollution Control District for Fiscal Year 2011-12, as shown in Enclosure #1 of the Staff Memorandum on the Fiscal Year 2011-12 Budget.

**BE IT FURTHER RESOLVED** that the Placer County Air Pollution Control District's Board of Directors hereby expressly authorizes and directs the Air Pollution Control Officer or his designee, to negotiate, sign, and amend as necessary, agreements on behalf of the District; to make such purchases; and to expend, encumber, or disencumber funds, for budgeted expenditures included in the final budget of the Placer County Air Pollution Control District for Fiscal Year 2011-12.

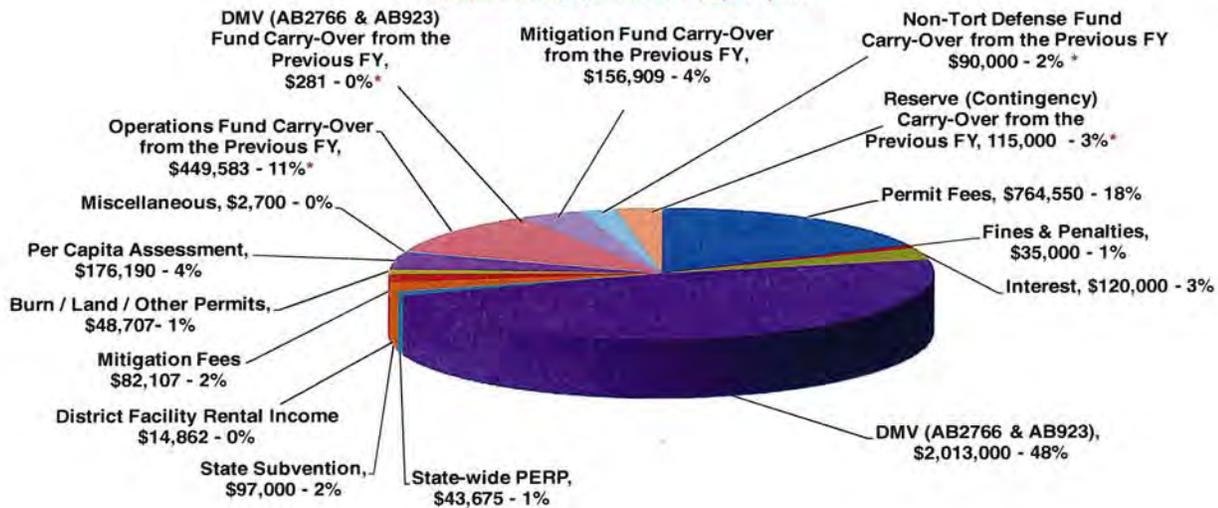
**ATTACHMENT #2**

**SUBJECT:**

**Proposed Final Budget for Fiscal Year 2011-12  
Pie Charts for Funds Available and Fund Usage**

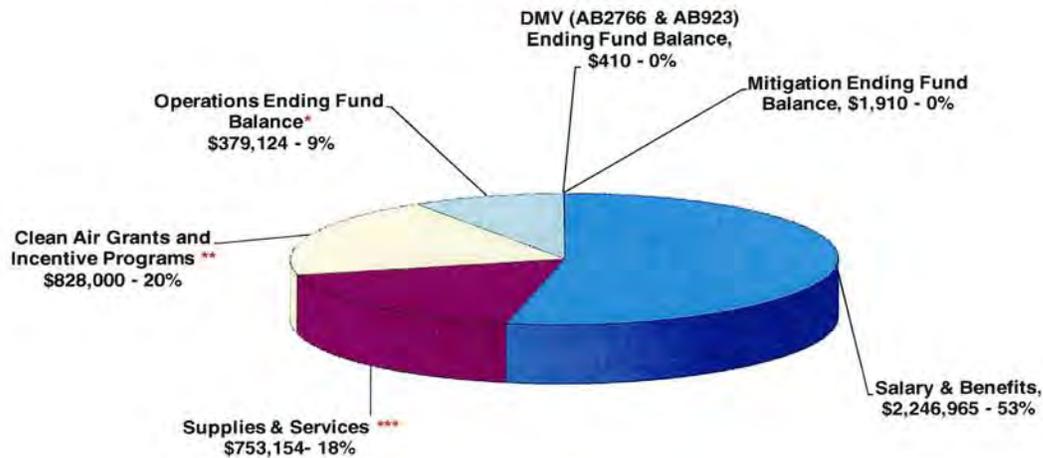
# PROPOSED FINAL BUDGET FOR FY 2011-12

## Consolidated Funds Available for FY 2011-12 Proposed Budget Total Funds Available - \$4,209,563



\*The total projected "Fund Carry-Over" from the previous fiscal year is \$811,733 (based on actual revenue and expenditures from FY 2010-11). The "Operations Fund Carry-Over" includes \$90,000 - Non-Tort Defense Fund; \$85,000 - Reserve (Contingency) and \$30,000 - Vehicle Replacement Fund.

## Consolidated Fund Usage for FY 2010-11 Proposed Budget Total Fund Usage - \$4,209,563



\* The Operations Ending Fund Balance includes \$90,000 Non-Tort Defense Fund , \$95,000 Reserve (Contingency), \$50,000 Building Capital Maintenance Fund, and \$45,000 Vehicle Replacement Fund.

\*\* "Clean Air Grants and Incentive Programs" are comprised of: CAGs -\$803,000; and \$20,000 for the Woodstove Replacement Program.

\*\*\*The "Services" contained in "Supplies and Services" are for contracted services that augment the Staff in programs and projects. These services include the Biomass Project - \$70,450; Spare the Air Program - \$12,434; Legal Support - \$65,000; Gasoline Dispensing Facility Inspections - \$15,555; Database Programming Software Support - \$55,000; Air Permitting Specialist Support - \$38,332; and \$51,199 for special services that augment the existing Staff. Additional costs in the form of Liability Insurance - \$20,500; Air Monitoring Equipment Maintenance - \$20,000; District Facility Operations and Maintenance - \$69,903; Other District Participation - \$20,000 and Air Monitoring Site Construction - \$10,000 are included. The District also contracts with the County for an additional \$224,713 in administrative services.

**ATTACHMENT #3**

**SUBJECT:**

**Comparison Between  
Proposed Final Budget for FY 2011-12 and the  
Approved Revised Budget for FY 2010-11**

	Recap of Proposed Budget FY 2011-12	Recap of Revised Budget FY 2010-11	Difference	Percentage Change
<b>Funds Available</b>				
Permit Fees	764,550	760,195	4,355	0.57%
Fines & Penalties	35,000	35,100	(100)	-0.28%
Interest	120,000	165,000	(45,000)	-27.27%
DMV (AB2766, AB923)	2,013,000	2,013,000	-	0.00%
Statewide PERP	43,675	25,000	18,675	74.70%
State Subvention	97,000	97,000	-	0.00%
Other Government Assistance	-	105,404	(105,404)	-100.00%
Mitigation Fees	82,107	0	82,107	
Burn / Land / Other Permits	48,707	57,688	(8,981)	-15.57%
Per Capita Assessment	176,190	176,597	(407)	-0.23%
District Facility Rental Income	14,862		14,862	
Miscellaneous	2,700	10,000	(7,300)	-73.00%
Private Sector Project/Program Funding		31,500	(31,500)	-100.00%
From Settlement Fund		1,500,000	(1,500,000)	-100.00%
From Cost Recovery Litigation Funds		361,500	(361,500)	-100.00%
<b>TOTAL REVENUE</b>	<b>3,397,791</b>	<b>5,337,984</b>	<b>(1,940,193)</b>	<b>-36.35%</b>
Operations Fund Carry-Over from the Previous FY*	854,583	877,867	(23,284)	-2.68%
DMV (AB2766, AB923) Carry-Over from the Previous FY**	281	234,151	(233,870)	-99.88%
Mitigation Fund Carry-Over from the Previous FY	156,909	130,385	26,524	20.34%
<b>TOTAL FUND CARRY OVER</b>	<b>811,773</b>	<b>1,242,403</b>	<b>(430,630)</b>	<b>-34.66%</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>4,209,564</b>	<b>6,580,387</b>	<b>(2,370,823)</b>	<b>-36.03%</b>
<b>Fund Usage:</b>				
Salary & Benefits	2,246,965	2,192,421	54,544	2.49%
Supplies & Services	753,154	902,507	(149,353)	-16.55%
Clean Air Grants & Incentive Programs	828,000	1,225,821	(397,821)	-32.45%
Building Purchase		1,869,023	(1,869,023)	-100.00%
Equipment		41,500	(41,500)	-100.00%
<b>TOTAL EXPENSE</b>	<b>3,828,119</b>	<b>6,231,272</b>	<b>(2,403,153)</b>	<b>-38.57%</b>
Operations Ending Fund Balance ***	379,124	348,803	30,321	8.69%
DMV (AB2766 & AB923) Ending Fund Balance	410	298	112	37.49%
Mitigation Ending Fund Balance	1,911	14	1,897	13550.00%
<b>TOTAL ENDING FUND BALANCE</b>	<b>381,445</b>	<b>349,115</b>	<b>32,330</b>	<b>9.26%</b>
<b>TOTAL FUND USAGE</b>	<b>4,209,564</b>	<b>6,580,387</b>	<b>(2,370,823)</b>	<b>-36.03%</b>

\* Included in the Operations Fund Carry-Over from the previous fiscal year:

	Actual FY 2011-12	Actual FY 2010-11
Operations Fund	\$ 449,583	\$ 687,867
Non-Tort Defense Fund	90,000	90,000
Reserve (Contingency Fund)	85,000	85,000
Vehicle Replacement Fund	30,000	15,000
<b>Total*</b>	<b>\$ 654,583</b>	<b>\$ 877,867</b>

\*\* Includes co-funding for approved DMV projects.

\*\*\* Included in the Operations Ending Fund Balance:

	Projected	Projected
Operations Fund	\$ 99,124	\$ 143,803
Non-Tort Defense Fund	90,000	90,000
Reserve (Contingency Fund)	95,000	85,000
Vehicle Replacement Fund	45,000	30,000
Building Capital Maintenance Fund	50,000	
<b>Total***</b>	<b>\$ 379,124</b>	<b>\$ 348,803</b>

**ATTACHMENT #4**

**SUBJECT:**

**List of Expenditures for Fiscal Year 2011-12  
Proposed Final Budget**

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT Listing of Programs, Projects and District Enhancements for the PROPOSED BUDGET FOR FY 2011-12		PROPOSED EXPENDITURES FY 2011-12	ENCUMBERED FUNDS IN FY 2010-11
Item #	Name:	Amount	Amount
1	Public Outreach/Public Relations Assistance - Endicott Contract	8,675	11,325
2	Participation with Other Districts	20,000	
3	Spare the Air Program (#5) - CMAQ Match	12,434	
4	Air Monitoring Projects - site development	10,000	
5	Jones & Stokes Contract (Indirect Source Rule Analysis/Rule Development PH II)	-	13,191
6	Richard Countess Contract (UPRR Air Monitoring Projects)	-	3,189
7	TIAX Contract (Mobile Source Analysis Support)	-	37,963
8	Sierra Research (Railyard Emission Analysis)		5,030
9	Air Permitting Specialists Contracts (DMV qualified tasks)	19,308	6,532
10	Endicott Contract - Public Relations (Biomass Project)	5,000	4,976
11	SIG Contract (Biomass Project Support)	20,000	
12	TSS Associates Contract (Biomass Project Support)	27,000	5,079
13	Air Permitting Specialists Contract (Operations Support - includes \$18,450 - Biomass Project)	38,332	14,340
14	Database Programming Software Support	55,000	
15	Entek Contract (Grab Sampling Incident Response)	-	7,000
16	NSAQMD MOU (Tahoe Inspections)	2,649	2,951
17	CAP to CAP attendance - APCO and 1 director	7,000	
18	Mowdown (Mower replacement program)	5,000	
19	Technology Assessment Program (TAP)	-	30,000
20	County Administrative Services/Personnel/Fleet Maintenance	133,596	
21	County DA MOU - enforcement services	10,000	
22	County Council MOU	20,000	
23	Supplemental Legal Support	45,000	
24	County IPSS (Data Processing) Charges	72,862	
25	Biannual Audit	7,700	
26	AG Dept MOU - Gasoline Dispensing Facility Inspections	15,555	
27	Vehicle Replacement Fund*	15,000	
28	Building Capital Maintenance Fund**	50,000	
29	Operations Contingency Fund***	10,000	
30	District Liability Insurance	25,626	
31	Extra-Help - Permitting/Inspection Specialist/1,235 hours	75,340	
32	Extra-Help - Planning Support/960 hours	39,467	
33	GASB 45 - Provision for Post Employment Benefits	117,250	-
34	Core of the Operational Budget (Minus the above projects and service contracts)	940,060	
35	Core of the DMV Fund Budget (Minus the above projects and \$600,000 in CAGs)	1,188,159	
36	Core of the Mitigation Fund Budget (Minus the above projects and \$203,000 in CAGs)	4,106	
37	Woodstove Replacement Incentive Program****	25,000	
38	Clean Air Grants for 2011****	803,000	1,883,750
TOTAL		3,828,119	2,025,325

\*In the two previous fiscal years, the District has funded \$30,000 (\$15,000/year) for vehicle replacements.

\*\*New this year is the Building Capital Maintenance Fund established to cover any unforeseen major building expenditures.

\*\*\*The District is proposing to add \$10,000 to grow the Operations Contingency Fund to \$95,000.

\*\*\*\*The Clean Air Grants and Incentive Programs will be increased by available Mitigation Funds in February 2012. Because the District can not yet determine the amount that will be available from the Mitigation Plans, they are not included in this budget.

**COLOR CODED KEY:**

\$ 70,417	DMV FUNDED ELIGIBLE PROJECTS AND SERVICES
70,450	BIOMASS PROJECT EXPENDITURES
89,531	OPERATIONS SUPPORT AND PROJECTS
304,713	COUNTY SERVICES
2,465,008	DISTRICT LABOR AND OVERHEAD COSTS
828,000	CLEAN AIR GRANTS AND WOODSTOVE REPLACEMENT PROGRAM
\$ 3,828,119	TOTAL PROPOSED EXPENDITURES FOR FY 2011-12

**ATTACHMENT #5**

**SUBJECT:**

**Proposed Final Budget Fiscal Year 2011-12  
Budget Summary  
Comparison between Actual Revenue and Expenditures  
To Budgets for FY 2010-11 and FY 2011-12**

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
FY 2011-12 BUDGET SUMMARY COMPARISON  
CONSOLIDATED FUND SUMMARY**

	APPROVED CONSOLIDATED BUDGET FY 2010-11	REVISED CONSOLIDATED BUDGET FY 2010-11	ACTUAL CONSOLIDATED FUNDS FY 2010-11 6/30/2011	PROPOSED CONSOLIDATED BUDGET FY 2011-12
<b>REVENUE:</b>				
Permit Fees	760,195	760,195	820,573	764,550
Fines/Settlement Funds	35,100	35,100	89,691	35,000 ***
Interest	165,000	165,000	110,878	120,000 ***
State Subvention	97,000	97,000	106,424	97,000
Statewide PERP	25,000	25,000	58,865	43,675
Other Government Assistance	105,404	105,404	98,164	-
State Vehicle Surcharge Fee (AB2766 & AB923)	2,013,000	2,013,000	2,001,316	2,013,000
Burn / Land / Other	57,688	57,688	72,084	48,707
Mitigation Fees	0	0	160,985	82,107
Per Capita Assessment	176,597	176,597	170,597	176,190
Miscellaneous	10,000	10,000	642	2,700
From Litigation Cost Recovery Fund	182,000	361,500	361,500	- ***
District Facility Rental Income		1,500,000	1,500,000	14,862
From Settlement Fund		31,500	31,500	-
Private Sector-Project Participation				
<b>Total Revenue:</b>	<b>3,626,985</b>	<b>5,337,984</b>	<b>5,583,219</b>	<b>3,397,791</b>
<b>TOTAL FUND CARRY-OVER PREVIOUS FY</b>	<b>1,242,402</b>	<b>1,242,402</b>	<b>1,242,401</b>	<b>811,773</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>4,869,387</b>	<b>6,580,386</b>	<b>6,825,620</b>	<b>4,209,563</b>
<b>EXPENSE:</b>				
Salary & Benefits	2,192,422	2,192,422	2,103,925	2,246,965
Supplies & Services	1,092,030	902,507	771,779	753,154
Clean Air Grants and Incentive Programs	1,225,821	1,225,821	1,228,548	828,000
Bldg Purchase		1,869,023	1,869,023	-
Equipment	10,000	41,500	40,572	-
<b>Total Expense:</b>	<b>4,520,273</b>	<b>6,231,272</b>	<b>6,013,847</b>	<b>3,828,119</b>
<b>Ending Fund Balance:</b>	<b>349,114</b>	<b>349,114</b>	<b>811,773</b>	<b>381,444 *</b>
<b>Unencumbered (encumbered) Current</b>			-	
<b>TOTAL FUND BALANCE</b>	<b>349,114</b>	<b>349,114</b>	<b>811,773</b>	<b>381,444</b>
<b>Encumbered Funds (Funds already committed)</b>	<b>1,983,941</b>	<b>1,983,941</b>	<b>2,025,327</b>	<b>2,025,327 **</b>
<b>TOTAL FUND BALANCE</b>	<b>2,333,055</b>	<b>2,333,055</b>	<b>2,837,100</b>	<b>2,406,771</b>

\*The "Ending Fund Balance" for the proposed FY 2011-12 budget is the consolidated total for the following fund balances:

Operations Fund	\$	99,124
Building Capital Maintenance Fund		50,000
Vehicle Replacement Fund		45,000
Contingency (Reserve) -- sub fund to Operations		95,000
Non-Tort Defense Fund--sub fund to Operations		90,000
DMV (AB2766 & AB923) Fund		410
Mitigation Fund		1,910
<b>Ending Fund Balance Totals</b>	<b>\$</b>	<b>381,444</b>

\*\*The "Encumbered Funds" for the approved FY 2011-12 budget are consolidated from the following:

Operations Fund	\$	64,345
DMV (AB2766 & AB923) Fund		1,433,917
Mitigation Fund		527,064
<b>Encumbered Funds</b>	<b>\$</b>	<b>2,025,326</b>

\*\*\* Note that the Settlement Revenue from the SPI case (settlement was received on July 24, 2007) of \$2,742,500 has been removed to a separate sub-fund; likewise, the recovered litigation costs for the same case of \$700,000 has also been moved to a sub-fund in order to separate these funds from the District's Operational Budget. The funds for the purchase of the building were taken from the Settlement Fund (\$1,500,000) leaving \$1,242,500 and \$361,500 was taken from the Litigation Cost Recovery Fund for "Relocation Costs" leaving \$338,500 in that fund. Interest derived from those funds is included in the Operations Fund for FY 2011-12.

Most of the encumbered funds (97.86%) are Clean Air Grants that have been awarded to Placer County recipients over the last three fiscal years. The funds have not been dispersed because the contracted clean air projects have not been completed.



<p><b>Board Agenda</b></p> <p><i>Public Hearing/Action</i></p>
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**Agenda Date:** August 11, 2011

**Prepared By:** Yushuo Chang, Planning and Monitoring Section Manager *YCS*

**Topic:** Approval of a Revision to the Placer County Portion of the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan

**Action Requested:**

- 1) Conduct a Public Hearing regarding a proposed revision to the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan that removes the commitments for the adoption of the Construction Mitigation Rule (IS-1), the Operational Indirect Source Rule (IS-2), and the Asphaltic Concrete Production Rule (CM-1) for Placer County.
  
- 2) Approve Resolution #11-15 (Attachment #1), thereby approving the revision to the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan that removes the commitments for the adoption of the Construction Mitigation Rule (IS-1), the Operational Indirect Source Rule (IS-2), and the Asphaltic Concrete Production Rule (CM-1) for Placer County.

**Discussion:** In January and February of 2009, the Governing Boards of the Placer County Air Pollution Control District (District) and the other Sacramento Federal Nonattainment Area (SFNA) air districts approved the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan (Plan). The Plan included the information and analyses to fulfill the federal Clean Air Act (CAA) requirements for demonstrating reasonable further progress and attainment of the 1997 8-hour ozone National Ambient Air Quality Standard (NAAQS) in the Sacramento region. The Plan was approved by California Air Resources Board (CARB) on March 26, 2009, and submitted to the U.S. Environmental Protection Agency (EPA) on April 17, 2009. The Plan is not yet approved by the EPA.

The Plan includes the commitments for the District to adopt three measures to control the emissions of NOx and VOC from land use projects (identified as measure “IS-1” and “IS-2”) and the asphaltic concrete plants ( identified as measure “CM-1”). The emissions reduction estimates in the Plan are 0.0462 tons per day of NOx for IS-1, 0~0.04 tons per day of NOx and 0~0.01 tons per day of VOC for IS-2, and 0.036 tons per day of NOx for CM-1, as shown in the following table:

	VOC (tons per day)	NOx (tons per day)
IS-1 (Construction Mitigation Rule)		0.0462
IS-2 (Operational Indirect Source Rule)	0 ~ 0.01	0 ~ 0.04
CM-1 (Asphaltic Concrete Production)		0.036
<b>Total</b>	<b>0 ~ 0.01</b>	<b>0 ~ 0.122</b>

Since the approval of the Plan by the SFNA air districts and the CARB in 2009, several key reasons have led the District staff to recommend a revision of the Plan to remove these three control measures. These reasons include:

1. Uncertainties whether still necessary – The current District’s CEQA related programs and the regional GHG emission reduction targets established by Sacramento Area Council of Governments (SACOG) can be beneficial to achieve the reductions proposed by the IS-1 and IS-2 implementation. Therefore, it is not necessary to duplicate the efforts by implementing the proposed IS-1 and IS-2 control rules.
2. Potential cost impacts – Implementing IS-1, IS-2, and CM-1 control rules would impose additional costs to the building industries and asphaltic concrete facilities which have been significantly impacted by the economic downturn. In addition, Proposition 26 could limit the District’s ability to recover costs due to the need for voter approval for a new fee regulation. This may result in substantially financial impacts for both the District and targeted groups when implementing these three rules at this time.
3. Potential emission reductions – The economic downturn has caused the projected emissions from mobile sources and asphalt plants to be lower than the Plan’s estimation. This could affect the potential reduction commitment from the implementation of these three rules.

Staff conducted the analysis for the Plan and concluded that the proposed revision complies with Clean Air Act (CAA) Section 110(l) as it will not change or interfere with the attainment demonstration (CAA Section 172 (c)(1) and 182 (c)(2)(A)) or reasonable further progress demonstration (CAA Section 182 (c)(2)(B) and (C)), and will not change the reasonably available control measure conclusion (CAA Section 172 (c)(1)) or contingency measure conclusion (CAA Section 172 (c)(9) and 182 (c)(9)).

**Fiscal Impact:** It is anticipated that land development costs and the costs of operating asphaltic concrete plants will not increase as would likely occur if these three control measures were implemented in keeping with the Plan. There is no fiscal impact to the District if the Plan revision is approved by your Board.

**Recommendation:** Staff recommends that the District Board adopt Resolution #11-15, thereby approving a revision to the Placer County portion of the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan which will remove the commitment for the adoption of the Construction Mitigation Rule (IS-1), the Operational Indirect Source Rule (IS-2), and the Asphaltic Concrete Production Rule (CM-1).

**Attachment(s)** #1: Resolution #11-15, and Exhibit I, Revision to the Placer County Portion of the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan for the removal of the Construction Mitigation Rule (IS-1), the Operation Indirect Source Rule (IS-2), and the Asphaltic Concrete Production Rule (CM-1).  
#2: Staff Report.

**Attachment #1**

**SUBJECT:**

Resolution #11-15



**Board Resolution:**  
*Resolution # 11-15*

**Before the Placer County  
Air Pollution Control District Board of Directors**

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**In the Matter Of:**

A Resolution approving/adopting the revision to the Placer County Portion of the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan to remove the commitment for the adoption of the Construction Mitigation Rule (IS-1), the Operational Indirect Source Rule (IS-2), and the Asphaltic Concrete Production Rule (CM-1).

The following Resolution was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **August 11, 2011**, by the following vote:

- Ayes: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
 Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_
- Noes: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
 Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_
- Abstain: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
 Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_

Signed and approved by me after its passage:

\_\_\_\_\_  
 Chairman of the Placer County Air Pollution  
 Control District Board of Directors

\_\_\_\_\_  
 Attest: Clerk of said Board

**WHEREAS**, the U.S. Environmental Protection Agency (“EPA”) promulgated the 1997 National Ambient Air Quality Standard ("NAAQS") for ozone with an 8-hour averaging time of 0.08 parts per million and determined that the 8-hour ozone standard is necessary in order to protect public health (Federal Register, Vol. 62, No. 138, pages 2-37 (July 18, 1997)); and

**WHEREAS**, all of Sacramento and Yolo counties and parts of the Placer, El Dorado, Solano, and Sutter Counties have been designated as the Sacramento Federal Nonattainment Area ("SFNA") for the 1997 8-hour ozone standard (Federal Register, Vol. 69, No. 84, pages 23858-23951 (April 30, 2004)); and

**WHEREAS**, in January and February of 2009, the Boards of Directors of the air districts of the SFNA adopted the Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan (2009 Plan), which satisfies the attainment and reasonable further progress demonstration requirements associated with the 1997 ozone NAAQS (42 USC §7502(c) and §7511(a)); and

**WHEREAS**, the Board of Directors of the Placer County Air Pollution Control District has determined that a need exists to revise the 2009 Plan to remove control measures which are the Construction Mitigation Rule (IS-1), Operational Indirect Source Rule (IS-2) and Asphaltic Concrete Production Rule (CM-1) for Placer County; and

**WHEREAS**, the Board of Directors of the Placer County Air Pollution Control District has determined that the 2009 Plan revision will not change the attainment demonstration or interfere with the attainment (Clean Air Act Sections 172(c)(1) and 182(c)(2)(A)); and

**WHEREAS**, the Board of Directors of the Placer County Air Pollution Control District has determined that the 2009 Plan revision will not interfere with the reasonable further progress (Clean Air Act Sections 182(c)(2)(B) and (C)); and

**WHEREAS**, the Board of Directors of the Placer County Air Pollution Control District has determined that the 2009 Plan revision does not change the 2009 Plan reasonably available control measure conclusion (Clean Air Act Section 172 (c)(1)); and

**WHEREAS**, the Board of Directors of the Placer County Air Pollution Control District has determined that the 2009 Plan revision does not change the 2009 Plan contingency measures (Clean Air Act Sections 172(c)(9) and 182(c)(9)); and

**WHEREAS**, the Board of Directors of the Placer County Air Pollution Control District held a duly notice public hearing on August 11, 2011 and considered public comments on the proposed 2009 Plan revision (Clean Air Act Sections 110(l) (42 United States Code Section 7410(l)); and

**WHEREAS**, the Board of Directors of the Placer County Air Pollution Control District has maintained records of the revision proceedings; and

**WHEREAS**, this action is exempt from CEQA by California Code of Regulations Title 14, Chapter 3, Section 15162(a)(1) – Subsequent Environmental Impact Reports and Negative

Declarations, because the proposed 2009 Plan revision does not require any changes to the Final Environmental Impact Report for the 2009 Sacramento Regional Non-Attainment Area 8-Hour Ozone Attainment and Reasonable Further Progress Plan (December 2008).

**NOW THEREFORE BE IT RESOLVED**, that the Board of Directors of the Placer County Air Pollution Control District determines the revision to the 2009 Plan is exempt from CEQA; and

**BE IT FURTHER RESOLVED**, that the Board of Directors of the Placer County Air Pollution Control District approves and adopts the proposed revision to the Placer County Portion of the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan, thereby removing the commitment in the Plan for the Placer County Air Pollution Control District to adopt three control rules (IS-1, Construction Mitigation Rule; IS-2, Operational Indirect Source Rule; and CM-1, Asphaltic Concrete Production Rule); and

**BE IT FINALLY RESOLVED**, that the Board of Directors of the Placer County Air Pollution Control District directs staff to forward the adopted revision and all necessary supporting documents to the California Air Resources Board for its approval and subsequent submittal to the EPA for final approval as a revision to the State Implementation Plan.

**Attachment #2**

**SUBJECT:**

Staff Report for the Revision to the Placer County portion of the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan for the removal of the Construction Mitigation Rule (IS-1), the Operational Indirect Source Rule (IS-2), and the Asphaltic Concrete Production Rule (CM-1)

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT**

**STAFF REPORT**

**REVISION TO THE PLACER COUNTY PORTION OF THE 2009 SACRAMENTO  
REGIONAL 8-HOUR OZONE ATTAINMENT AND REASONABLE FURTHER  
PROGRESS PLAN FOR THE REMOVAL OF THE CONSTRUCTION MITIGATION  
RULE (IS-1), OPERATIONAL INDIRECT SOURCE RULE (IS-2), AND ASPHALTIC  
CONCRETE PRODUCTION RULE (CM-1)**

**AUGUST 11, 2011**

## **INTRODUCTION**

The Placer County Air Pollution Control District (District) proposes a revision to the Placer County Portion of the 2009 Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan (Plan)<sup>1</sup>. The revision will remove the commitment to adopt two indirect source rules (ISR) (IS-1, the Construction Mitigation Rule, and IS-2, the Operational Indirect Source Rule) and one control measure rule, (CM-1, the Asphaltic Concrete Production Rule) for Placer County. This revision will be submitted to the U.S. Environmental Protection Agency as an amendment to the California State Implementation Plan.

The proposed indirect source rules IS-1 and IS-2 would require mitigating emissions from construction, building and use of new land use development projects. The control measure rule CM-1 would require equipment changes to reduce NOx emissions at plants that produce asphaltic concrete. Since the approval of the Plan by the Sacramento Federal Nonattainment Area air districts and California Air Resources Board in 2009, several factors have led the District Staff to recommend the removal of these three control measures from Placer County's Portion of the Plan.

Staff has evaluated the removal of the control measures and commitments and has concluded that it will not change or interfere with the attainment demonstration or reasonable further progress (RFP) demonstration, and does not change the reasonably available control measure (RACM) and contingency measure conclusions.

This staff report reviews the three measures and the legal requirements associated with these measures and this action. The report discusses the reasons for removing these measures from the Plan with an anticipated schedule for reconsideration.

## **BACKGROUND**

### **Plan Overview**

In January and February of 2009, the Governing Boards of the Sacramento Federal Nonattainment Area (SFNA) air districts approved the Plan. The Plan included the information and analyses to fulfill the federal Clean Air Act (CAA) requirements for demonstrating reasonable further progress and attainment of the 1997 8-hour ozone National Ambient Air Quality Standard (NAAQS) in the Sacramento region. In addition, the Plan established an updated emissions inventory, provided photochemical modeling results, proposed adoption of control measures to meet CAA RACM requirements, and set new motor vehicle emission budgets for transportation conformity purposes. The Plan was approved by California Air Resources Board (CARB) on March 26, 2009 and submitted to the U.S. Environmental Protection Agency (EPA) on April 17, 2009. The Plan has not yet been approved by the EPA.

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<sup>1</sup> "Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan", EDCAQMD, FRAQMD, PCAPCD, SMAQMD, YSAQMD, March 26, 2009.

The Plan includes the following elements:

- Attainment demonstration
- Reasonable further progress demonstration
- Reasonably available control measures
- Emissions inventory
- Motor vehicle emissions budget
- General conformity budgets
- Photochemical modeling
- Contingency measures

The three control rules to be removed, IS-1, IS-2, and CM-1, and their associated emissions reductions were not included in or relevant in any way to the following Plan elements:

- Emissions inventory<sup>2</sup>
- Motor vehicle emissions budgets<sup>3</sup>
- General conformity<sup>4</sup>
- Photochemical modeling<sup>5</sup>

#### **Indirect Source Rule IS-1 and IS-2**

The existing Plan commits the District to adopting and implementing two control rules that address emissions from indirect sources. The term “indirect source” means a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution. The term includes parking lots, parking garages, and other facilities subject to any measure for management of parking supply, including regulation of existing off-street parking. However it does not include new or existing on-street parking. Direct emissions sources or facilities at, within, or associated with, any indirect source shall not be deemed indirect sources.

The IS-1 Construction Mitigation Rule of the Plan includes a commitment from the District and two other districts in the Sacramento region (Feather River Air Quality Management District and Sacramento Metropolitan Air Quality Management District) to adopt a rule to mitigate emissions generated by equipment used during the construction phase of a land use project. The requirements considered for the rule are based on the District’s CEQA mitigation program and

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<sup>2</sup> Ibid. Section 5.5 states that the emissions inventory forecasts did not include benefits from measures that had not been adopted by December 31, 2006.

<sup>3</sup> Ibid. Appendix F only includes regional reductions from on-road mobile incentive strategy. Appendix C control measure descriptions show that there are no on-road emissions reductions from IS-1 and the minimum potential on-road reductions from IS-2 were 0.

<sup>4</sup> Ibid. The general conformity inventory listed in Table 12-1 only includes aircraft and ground support emissions that would not be impacted by IS-1, IS-2, or CM-1.

<sup>5</sup> Ibid. Section 6.3 of Appendix B states that the forecasted emissions used in the modeling accounts for the effects of growth and the effects of adopted emission control rules.

the construction requirements from San Joaquin Valley Air Pollution Control District (SJVAPCD) Rule 9510, Indirect Source Review<sup>6</sup>. The proposed measure would require projects to mitigate their NO<sub>x</sub> emissions by an amount equal to 20% of the statewide average emissions either by using cleaner construction equipment, by modifying the construction equipment (through retrofits, replacements, or post-combustion controls), or by paying a fee that will be used by the District to obtain emission reductions.

The IS-2 Operational Indirect Source Rule which was committed by the District and the Sacramento Metropolitan Air Quality Management District (SMAQMD) would reduce emissions generated during the operational phase of indirect sources. Operational emissions are the combination of area and mobile emissions associated with an indirect source during tenancy. The rule would require indirect sources to mitigate a portion of their emissions through a combination of on-site and off-site mitigation measures. On-site mitigation could include strategies that reduce vehicle trips or vehicle miles traveled (VMT). Other on-site mitigation measures could be considered, such as improved energy efficiency resulting in fewer power plant emissions or reductions in on-site combustion emissions.

Both rules IS-1 and IS-2 would have provided project proponents with the option to use on-site measures, or to pay a fee, which the District would use to provide incentives to off-site emission reduction projects. Off-site mitigation fees would be calculated based on the cost effectiveness (\$ per ton of pollutant reduction) and the amount of mitigating emission reductions required.

#### **Asphaltic Concrete Production Rule CM-1**

The existing Plan commits the District to the adoption and implementation of a NO<sub>x</sub> control rule, CM-1, which would control emissions from dryers used to manufacture asphaltic concrete or hot-mix pavement material. Asphaltic concrete, or hot-mix pavement material, is produced in both continuous and batch plants including portable plants. The process involves heating aggregate in a rotary dryer to approximately 300°F and mixing it with melted asphalt cement refined from petroleum. This measure targets NO<sub>x</sub> emissions from the burners used to heat the dryer. Associated NO<sub>x</sub> emissions also come from heaters used to melt asphalt cement, and from internal combustion engines.

The dryer NO<sub>x</sub> emissions may be controlled by the burners used to heat the dryer. The concentration of NO<sub>x</sub> discharged from uncontrolled burners is typically over 100 parts per million, volumetric dry (ppmvd) @ 3% O<sub>2</sub>, or about 0.016 pounds per ton of production. This measure would consider the use of low NO<sub>x</sub> burners and flue gas recirculation (FGR) to reduce these emissions. The proposed requirements were based on Rule 4309 – Dryers, Dehydrators, and Ovens which was adopted by the San Joaquin Valley Unified APCD in December 2005 and applies to dryers at asphaltic concrete plants. The District and the SMAQMD committed to adopt this rule in the Plan.

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<sup>6</sup> 42 USC 7410(a)(5)(C) <sup>7</sup> SJVUAPCD, “Rule 9510, Indirect Source Review (ISR)” and “Final Draft Staff Report – Rule 9510, Indirect Source Review (ISR), Rule 3180, Administrative Fees for Indirect Source Review.” Adopted December 15, 2005.

### **Proposed Emissions Reduction in the Plan**

The Plan includes commitments for the District to adopt measures to control emissions of NO<sub>x</sub> and VOC from indirect sources due to both construction (IS-1) and operational (IS-2) activities and emissions of NO<sub>x</sub> generated from asphaltic concrete plants (CM-1). The emissions reduction estimates in the Plan are 0.046 tons per day of NO<sub>x</sub> for IS-1, 0~0.04 tons per day of NO<sub>x</sub> and 0~0.01 tons per day of VOC for IS-2, and 0.036 tons per day of NO<sub>x</sub> for CM-1, as shown in the following table<sup>7</sup>:

	VOC (tons per day)	NO <sub>x</sub> (tons per day)
IS-1 (Construction Mitigation Rule)		0.0462
IS-2 (Operational Indirect Source Rule)	0 ~ 0.01	0 ~ 0.04
CM-1 (Asphaltic Concrete Production)		0.036
<b>Total</b>	<b>0 ~ 0.01</b>	<b>0 ~ 0.122</b>

### **Changes since the Plan Approval**

Since the approval of the Plan by the air districts within the SFNA, several factors have led Staff to recommend the proposed revision for the Plan.

1. **Economic downturn** – The global recession has caused a loss in employment and revenue in the construction sector and other industries that would be affected by the implementation of control rules IS-1, IS-2, and CM-1. This has reduced business activity and has strained the financial ability of industry to comply with regulations. The reduction in business activity has also resulted in reduced vehicle activity and associated emissions that may change the emissions inventory.

The US Department of Commerce lists housing starts or residential building permits issued as one of the top 12 economic indicators<sup>8</sup>. Housing starts and permits issued also indicate the strength of the building and construction industry. New single-family home permits issued in Sacramento metropolitan area have decreased by 81% from 2006 to 2010<sup>9</sup>, an indicator of the severity with which the construction and building industry in Sacramento County has been struggling. Unemployment is another indicator of the economy's strength. As of December 2010, California has the second highest unemployment rate in the nation at 12.5%<sup>10</sup>. The Sacramento Metropolitan area also has an unemployment rate of 12.5% as of December 2010. Specifically in Sacramento County, employment in the construction industry has decreased by 41% (a loss of 18,600

<sup>7</sup> "Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan", EDCAQMD, FRAQMD, PCAPCD, SMAQMD, YSAQMD, March 27, 2009 Appendix C pages C57-C65 and C127-128.

<sup>8</sup> Economics and Statistics Administration, US Department of Commerce, Accessed April 2011  
<http://esa.doc.gov/about-economic-indicators>

<sup>9</sup> Construction Industry Research Board, 2006, 2010 (cited by California Building Industry Association),  
<http://www.cbia.org/go/cbia/newsroom/housing-statistics/housing-starts/>

<sup>10</sup> Bureau of Labor Statistics, accessed January 2011, <http://www.bls.gov/lau/>

employees) from 2005 to 2009<sup>11</sup>. These indicators suggest that the construction and building industry is currently less able to bear the increased costs from ISR rules.

2. **EPA responses to SJVAPCD Rule 9510** – The mitigation requirements that are considered for the proposed control rule IS-1 are based on the construction portion of SJVAPCD Rule 9510 Indirect Source Review. Currently, SJVAPCD Rule 9510 is the only air district indirect source rule to address emissions from construction equipment. The SJVAPCD rule requires projects to mitigate their construction equipment's NOx emissions by an amount equal to 20% of the statewide average emission rates. Project proponents may meet these goals by using cleaner construction equipment, by modifying the construction equipment (through retrofits, replacements, or post-combustion controls), or by paying a fee that will be used by the district to obtain emission reductions.

Recently, EPA reviewed SJVAPCD Rule 9510 and released a technical support document (TSD) for the rule in May 2010<sup>12</sup>. The TSD focused on two approvability issues with Rule 9510. First, the EPA felt the rule needed to better outline how mitigation measures would be enforced and verified. Second, SJVAPCD needed to demonstrate to the EPA how the off-site mitigation program would follow the EPA's Economic Incentive Programs guidelines. This would require the off-site mitigation program to include criteria, policies, and procedures to ensure that the reductions are surplus (including identifying potential source categories for the reductions) with publicly accessible and transparent tracking and evaluation of the program on a real-time basis. EPA staff recommended approval of Rule 9510 into the State Implementation Plan (SIP) on the condition that the emission reductions claimed by the rule not be credited towards any attainment or rate of reasonable further progress demonstration because it does not fully comply with the EPA's approvability criteria and policies.

3. **Proposition 26** – In November 2010, California voters passed Proposition 26, which requires that certain state and local fees be approved by two-thirds vote. The Proposition 26 requirements may apply to the mitigation fees that were proposed in control measure IS-1 and IS-2. If Proposition 26 applies then the mitigation fee would need to be approved by two-thirds of the voters in Placer County. Although the proposed control measures only anticipate very small emission reductions, a total of 0.09 tons/day of NOx, there is no guarantee that two-thirds of the voters would approve the fee.

## LEGAL MANDATES

### Clean Air Act Plan Requirements

The District is part of the SFNA, which is designated as a "severe" nonattainment area for the

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<sup>11</sup> Ibid, <http://www.bls.gov/cew/data.htm>

<sup>12</sup> Wong, "Technical Support Document for EPA's Rulemaking for the California State Implementation Plan Regarding San Joaquin Valley Unified Air Pollution Control District Rule 9510, Indirect Source Review (ISR)" May 10, 2010.

federal 8-hour ozone standard. The federal CAA requires nonattainment areas to prepare and submit to EPA an 8-hour ozone plan that meets specific requirements, including:

- Attainment demonstration. Sections 172(c)(1) and 182(c)(2)(A) of the CAA require a demonstration that the plan will provide for attainment of the national ambient air quality standard as expeditiously as practicable by the applicable attainment date. The demonstration must be based on photochemical grid modeling. The attainment date for nonattainment areas classified as “severe” is 2018.
- Reasonable Further Progress (RFP) demonstration. Sections 182(c)(2)(B) and (C) require a demonstration that the plan will result in VOC emissions (and/or NO<sub>x</sub> emissions) reductions from the baseline emissions of an average of at least three percent each year.
- Reasonably Available Control Measures (RACM). Section 172(c)(1) of the CAA requires that the plan provide for the implementation of all reasonably available control measures as expeditiously as practicable. EPA’s RACM policy<sup>13,14</sup> indicates that areas should consider all candidate measures that are potentially reasonably available. Areas should consider all reasonably available measures for implementation in light of local circumstances. However, areas need only to adopt measures if they are both economically and technologically feasible and cumulatively will advance the attainment date (by one year or more) or are necessary for RFP.
- Contingency Measures. Sections 172(c)(9) and 182(c)(9) of the CAA requires plans to include contingency measures which will reduce emissions in the event an area fails to meet Reasonable Further Progress (RFP) milestones or fails to attain by its attainment date.

In February 2009, the air districts of the SFNA adopted the Plan to demonstrate the SFNA would achieve the 1997 federal 8-hour ozone standard by 2018. The Plan meets the requirements of the CAA, including an attainment demonstration, RFP, and includes control measures necessary to meet RACM and contingency measure requirements.

#### **Removal of Control Measures from the Plan**

Section 110(l) of the CAA requires that each revision to a SIP be adopted after reasonable notice and a public hearing. EPA cannot approve the revision if it would interfere with attainment, reasonable further progress, or any other applicable CAA requirement. Section 110(a)(5)(A)(i) specifically prohibits EPA from requiring attainment plans to include indirect source review programs as a condition of approval.

Staff is proposing to revise the State Implementation Plan to remove proposed control rules IS-1, IS-2 and CM-1 from Placer County’s portion of the Plan. In addition, the other air districts in the Sacramento Region with these control rule commitments may request removal of their

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<sup>13</sup> “Final Rule to Implement the 8-Hour Ozone National Ambient Air Quality Standard – Phase 2” (Federal Register, November 29, 2005, p. 71659-71661).

<sup>14</sup> “Guidance on the Reasonably Available Control Measures (RACM) Requirement and Attainment Demonstration Submissions for Ozone Nonattainment Areas” (EPA, December 1999).

commitments. For example, the Sacramento Metropolitan Air Quality Management District is removing IS-1 and CM-1, among other measures, from Sacramento County's portion of the Plan. If all the air districts revise their portions of the Plan, by removing these measures, the Plan still complies with Clean Air Act Section 110 (l) requirements because:

- the SIP revision will be adopted after 30 day notice and public hearing;
- the SIP revision does not change the attainment demonstration or interfere with attainment or RFP demonstration;
- the SIP revision does not change the RACM conclusions as the control measures removed from the Plan do not advance the attainment date for the Sacramento region due to the insignificant amount of emissions reductions potentially generated;
- the SIP revision has no impact on the contingency measure analysis or our ability to meet the Attainment Demonstration Contingency requirement; and
- the SIP revision does not interfere with any other applicable CAA requirement.

### **Attainment Demonstration**

The attainment demonstration<sup>15</sup> establishes that a minimum emission reductions target of 12.5% reduction in NOx and 3.3% reduction in VOC is needed to meet the 1997 federal 8-hour ozone standard. The attainment demonstration showed that collectively all measures adopted before the end of 2008 achieved this minimum emissions reduction target<sup>16</sup>. The Plan stated that the new control measures are included to meet CAA requirements for RACM<sup>17</sup>. The IS-1 Construction Mitigation Rule, IS-2 Operational Indirect Sources Rule, and CM-1 Asphaltic Concrete Production Rule were not adopted before the end of 2008 and were not relied on to demonstrate attainment. Therefore, these three proposed control rules can be removed from the Plan for any or all air districts without changing the attainment demonstration or interfering with attainment.

### **Reasonable Further Progress (RFP)**

The RFP demonstration in the Plan shows the SFNA achieves the required 3% emission reduction for milestone years 2011, 2014, 2017, and 2018 without relying on NOx and VOC emissions reductions from new federal, state, regional or local control measures<sup>18</sup>. Therefore, revising the Plan to remove the commitment to adopt IS-1, IS-2, and CM-1 control measures in any or all air districts would not affect the RFP demonstration.

### **Reasonably Available Control Measures (RACM)**

Although new control measures adopted after 2008 were not required to demonstrate attainment or the RFP, they were required to satisfy the RACM requirement<sup>19</sup>. To be conservative, Staff analyzed whether removing the total potential emissions reductions from proposed control rules IS-1, IS-2, and CM-1 from the Plan (up to 0.3 tpd NOx combined) would change the RACM

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<sup>15</sup> "Sacramento Regional 8-Hour Ozone Attainment Demonstration and Reasonable Further Progress Plan, March 26, 2009." Table 8-1, Line L, page 8-5.

<sup>16</sup> Ibid. Table 8-1, Line N.

<sup>17</sup> Ibid. Page 8-2.

<sup>18</sup> Ibid, Section 13.5, page 13-4, and Table 13-1, Lines 4 and 13 page 13-5.

<sup>19</sup> CAA Section 172(c)(1) and Section 181(a)(1), and 40 CFR 51.912(d).

conclusions. Staff concluded that IS-1, IS-2, CM-1, and all other available control measures that are not included in the Plan collectively would not advance the attainment date or contribute to the RFP for the Sacramento Region due to the insignificant amount of emission reductions potentially generated. Therefore, the Plan may be revised to remove IS-1, IS-2, and CM-1 commitments without changing the conclusion that the Plan meets RACM requirements.

### **Contingency Measures**

Sections 172(c)(9) and 182 (c)(9) require plans to include contingency measures which will reduce emissions in the event an area fails to meet the Reasonable Further Progress (RFP) milestones or fails to attain by its attainment date. Federal guidance requires that sufficient contingency measures be identified in the plan to provide for a 3% emission reduction beyond what is needed for the attainment demonstration<sup>20</sup>. The 3% contingency measure requirement was met for the demonstration and did not include the reductions associated with IS-1, Is-2 and CM-1. As a result, removal of these measures has no impact on the contingency measure analysis or our ability to meet the Attainment Demonstration Contingency requirement.

### **Upcoming Ozone Standard Revision**

In March 2008, the EPA set a new 8-hour ozone standard of 0.075 parts per million (ppm). This standard is currently under reconsideration, with the EPA is proposing a revision to the standard in the range of 0.060 to 0.070 ppm (75 FR 2938, January 19, 2010). EPA's current timeline was to finalize the new standard by July 29, 2011 (but recently delayed until September 2011) and complete nonattainment area designations by July 29, 2012. If the EPA meets this timeline then the deadline for submitting plans to the EPA for attaining the new standard will be in mid-2014. The District will consider potential measures to achieve the revised 8-hour ozone standard. The construction mitigation measure, operational indirect resource control measure, and asphaltic concrete NOx control measures will be re-evaluated at that time.

## **REASONS FOR REMOVAL**

### **Control Measure IS-1 and IS-2**

There are three primary reasons Staff recommends removing control measure IS-1 and IS-2 from the Plan.

1. **Uncertainties whether still necessary** – One of objectives for these two proposed control rules was to allow the District to require and implement the standard air quality mitigation measures consistently for all land use development projects in Placer County. Recently, the District has worked with local jurisdictions to update and streamline the District's CEQA mitigation program. This has resulted in lead agencies implementing similar mitigation requirements under CEQA which have generally been as effective a mechanism for achieving emissions reductions from land use development projects. Moreover, the District is working with the other air districts in Sacramento Region to establish a regional

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<sup>20</sup> "General Preamble for Implementation of Title 1 of the Clean Air Act Amendments of 1990" (57 FR 13498, April 16, 1992) and "2009, Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan, March 26, 2009." Section 7-21, p7-32.

GHG (green house gas) significant threshold for CEQA review. Once the proposed regional GHG significant threshold is established, the mitigation measures identified for the GHG emission mitigation will be beneficial to reduce the criteria pollutant emissions from the land use development. This would be unnecessary as it is a duplication of efforts from the CEQA mitigation program with the implementation these two proposed control rules.

In addition, the emission estimation for construction equipment could be substantially lower than the previous estimation. In 2010 the CARB released new emissions estimates for off-road equipment showing that between 2005 and 2010, construction emissions dropped by more than 50 percent<sup>21</sup>. Since the construction equipment that would be regulated by control rule IS-1, are subject to CARB's *In-Use Off-Road Diesel Vehicles Regulation*<sup>22</sup>, this emissions change would suggest that the benefits from control rule IS-1 may have been overestimated and that there may not be additional emissions reductions. These emissions changes will be reflected in the next ozone plan evaluations and will help staff determine whether the potential ISR rules are needed to meet the upcoming revised federal ozone air quality standards.

Furthermore, the CARB adopted the regional GHG emissions targets for passenger vehicles, under SB 375's requirement for the state's 18 Metropolitan Planning Organizations (MPOs), in September 2010. Each MPO, including the Sacramento Area Council of Governments (SACOG), will prepares a "sustainable communities strategy (SCS)" that demonstrates how the region will meet its GHG reduction target through integrated land use, housing, and transportation planning to reduce vehicle miles traveled (VMT) and to promote the use of alternative transportation. Although the primary purpose of creating SCS is to reduce GHG, the SCS design principles can also reduce VOC and NOx emissions concurrently. Achieving the reductions by implementing SB 375 may reduce the need for requiring reductions through the implementation of control rule IS-2.

2. **Potential cost impacts** – Implementing the IS-1 and IS-2 rules would require additional staff resources and training for project evaluation, monitoring, and enforcement along with establishing an off-site mitigation program. An off-site mitigation program could include providing incentives for engine/vehicle turnover or fireplace replacement, or prompting planning mechanisms/project designs to encourage mixed use design projects, infill projects, and other smart growth strategies. The EPA requires that the off-site mitigation program meet its Economic Incentive Programs guidelines. This would require District staff to develop new criteria, policies, and procedures to ensure that an off-site mitigation project's emission reductions are surplus - Such a program would need to be easily accessible, have transparent tracking. The costs to meet EPA guidelines are unknown at this time. Some of these costs may be avoidable if ISR (or the two rules IS-1 and IS-2) is

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<sup>21</sup> CARB, "Staff Report: Initial Statement of Reasons for Proposed Rulemaking. Proposed Amendments to the Regulation for In-Use Off-Road Diesel-Fueled Fleets and the Off-Road Large Spark-Ignition Fleet Requirements." December 16, 2010.

<sup>22</sup> California Code of Regulations Title 13, Section 2449 et seq.

removed as a SIP commitment. The District may not be able to absorb these additional costs without passing them on to project proponents in the form of fees. With the passing of Proposition 26 in 2010 voter approval is required to establish new fees. This may impact the District's ability to recover the increased costs on project proponents. It is unclear whether fees that cover the rule implementation could be established under Proposition 26. The District cannot implement these two control rules without additional resources.

If IS-1 and IS-2 rules are adopted, project developers would incur additional compliance costs with the rule requirement including an administrative cost and an off-site mitigation fee. Although many land use development projects in Placer County may already be subject to off-site mitigation fees under the District's CEQA mitigation program, the implementation of these proposed control rules could affect additional projects in paying off-site mitigation fees. Those fees would add financial burdens to an already struggling construction and building industry.

- 3. Potential emissions reductions** – Recently, CARB revised emissions estimates from construction equipment use which is lower than previous estimates in the Plan. Part of this change in the emissions estimates is due to the region's economic downturn. This revision has caused a significant decrease in the estimated emissions from off-road equipment. The estimate for the 2018 construction and mining NOx inventory for the Sacramento nonattainment area has decreased approximately 50%. The same situation has also happened on the on-road mobile emission inventories. CARB reports that NOx and VOC emissions from on-road diesel trucks have and will decrease by 35% in 2010, 17% in 2014, and 20% in 2020 as compared to the emissions estimated by the EMFAC2007 model. In addition, as discussed above, SB375 GHG reduction targets may achieve ancillary VOC and NOx reductions in the Sacramento nonattainment area. These changes may indicate the emission reduction potential of IS-2 is lower than the estimation in the Plan but revised reductions cannot be quantified at this time.

As noted in the previous discussion, EPA's concerns that the emission reductions claimed by these two rules could not be credited towards any attainment or rate of reasonable further progress demonstration unless the District can successfully develop an off-site mitigation program which meets those EPA requirements. Thus it would be challenging for the District to implement these two control rules with emissions reduction which cannot be used for attainment or progress purposes.

### **Control Measure CM-1**

The proposed CM-1 Asphaltic Concrete Control Rule would require equipment retrofit to reduce NOx emissions at plants that produce asphalt. There are two reasons staff recommends removing control measure CM-1 from the Plan.

- 1. Potential emission reduction** – The NOx emissions and potential reduction from the measure's implementation would be lower than the Plan's estimation. The Plan used 2002

emission data to estimate the emissions in 2018 with the emission reductions occurring in 2018 when the measure is adopted and implemented. However, the economic downturn has caused a decrease in construction activities along with a reduction in the production of asphaltic concrete. There are two existing asphalt batch plants permitted by the District. According to their facility throughputs, the production of asphaltic concrete has dropped over 50% from 2005 to 2010; one of two existing facilities was closed in 2010. The economic downturn is not showing signs of a reversal<sup>23</sup>. Therefore, the NOx emission estimates from asphaltic concrete in 2018 could be decreased from 0.0624 tpd to 0.0312 tpd if using 50% as the decreasing rate; and the potential reduction from the implementation of asphaltic concrete rule could be revised from 0.0364 tpd to 0.0182 tpd in 2018.

- 2. Potential cost impact** – The Plan estimated the cost effectiveness of NOx control for asphaltic concrete plants in a range from \$17,600 to \$42,300 per ton of NOx reduced. However, the cost effectiveness for the rule implementation increases due to the potential emission reduction decreases caused by the economic downturn. The cost effectiveness would be increased up to \$84,600 per ton of NOx reduced, which may make the measure economically infeasible.

According to the above discussion, staff recommends removing IS-1, IS-2, and CM-1 control rules from the District commitment so the Plan will more clearly represent the emissions reduction strategies which may be used for meeting future attainment goals or progress purposes.

## **ENVIRONMENTAL REVIEW AND COMPLIANCE**

The Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan (Plan) included new regional and local control measures as part of the Plan. The measures committed to by the District include IS-1 (Construction Mitigation Rule), IS-2 (Operational Indirect Source Rule), and CM-1 (Asphaltic Concrete Rule). All measures were evaluated under CEQA to determine whether or not they had the potential to generate adverse environmental impacts. A Final EIR was certified and the Plan was adopted by the SMAQMD Board of Directors on January 22, 2009. The Final Environmental Impact Report (FEIR)<sup>24</sup>, filed on January 23, 2009, concluded that the Plan would have no significant adverse environmental impacts.

The District evaluated the removal of IS-1, IS-2, and CM-1 rules under CEQA since removal of these measures is a discretionary action undertaken by a public agency<sup>25</sup>. As discussed in the Plan Overview section of this report, emission reductions associated with IS-1, IS-2, and CM-1

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<sup>23</sup> California Economic Forecast Annual Report, California Department of Finance, April 2011  
[http://www.dof.ca.gov/HTML/FS\\_DATA/LatestEconData/FS\\_Forecasts.htm](http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Forecasts.htm)

<sup>24</sup> Final Environmental Impact Report, Sacramento Regional Non-Attainment Area 8-Hour Ozone Attainment and Reasonable Further Progress Plan, State Clearinghouse No. 2006102136, Sacramento Metropolitan Air Quality Management District, December 2008

<sup>25</sup> Public Resources Code, State of California 21065(a).

rules were not included or considered in the emissions inventory, motor vehicle emission budgets, general conformity, or photochemical modeling elements of the Plan. In addition, as discussed in the Legal Mandates section, the removal of these measures do not change or alter the Attainment Demonstration, the Reasonable Further Progress demonstration, the Reasonably Available Control Measures, or Contingency Measures conclusions in the Plan and the Plan EIR. Rather, as discussed in the Plan and FEIR, the additional measures provide a safety margin to insure attainment in the unlikely event that existing proposed measures were not fully adopted or implemented.

In addition, these rules were identified as RACMs. The RACM analysis identified these rules that were not included in the Plan because they did not advance attainment date when they are considered either individually or collectively with the other measures. When the IS-1, IS-2, and CM-1 control rules are considered in conjunction with those excluded measures identified by the Plan's RACM analysis, the measures still do not advance attainment date and therefore should not have been included in the Plan. The remaining Plan measures after removal of IS-1, IS-2, and CM-1 still satisfy the RACM requirement and provide an adequate safety margin towards attainment. Accordingly, the Plan and FEIR anticipated that all or some of the new measures would not be adopted as noted in the Attainment Demonstration for the Final EIR<sup>26</sup>. By definition, a margin of safety provides for contingencies, in this case, where the measure is not adopted or achieves fewer reductions than anticipated. The possibility that the IS-1, IS-2, and CM-1 rules would not be adopted was considered in the Final EIR.

This proposed Plan revision does not result in any changes to the previous EIR. Therefore, the proposed revision to the Plan is exempt from CEQA pursuant to California Code of Regulations Title 14, Chapter 3, Section 15162(a)(1) - Subsequent EIRs and Negative Declarations.

## **PUBLIC COMMENTS**

The Placer County Air Pollution Control District's Board of Director's will hold a public hearing to discuss the proposed amendments. Public notices were published in the newspaper, and posted on the District's website (Attachment 1). The proposed revisions to the Plan and the staff report were available for public review.

## **CONCLUSION**

The District proposes a Plan revision to remove the commitment to adopt three control rules (IS-1 Construction Mitigation Rule, IS-2 Operational Indirect Source Rule, and CM-1 Asphaltic Concrete Production Rule) for Placer County. The control rules IS-1 and IS-2 would require mitigating emissions from construction, building and use of new land use development projects. The control rule CM-1 would require equipment changes to reduce NOx emissions at asphalt

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<sup>26</sup> Final Environmental Impact Report, Sacramento Regional Non-Attainment Area 8-Hour Ozone Attainment and Reasonable Further Progress Plan, State Clearinghouse No. 2006102136, Sacramento Metropolitan Air Quality Management District, December 2008. Section 2.7 – Attainment Demonstration, Page 2-26.

plants. Since the Plan's original approval, several factors have led Staff to recommend removing these three control rules from the Plan and to consider re-evaluating them at a later time.

The key reasons for removing these three control measures from the Plan include:

- 1. Uncertainties whether still necessary** – The lead agencies in Placer County are implementing similar mitigation under CEQA as proposed by the IS-1 and IS-2 control rules. The District is working with the other air districts in Sacramento Region to establish a regional GHG significant threshold for CEQA review. These CEQA related efforts would assist the District in achieving the reductions proposed by the IS-1 and IS-2 control rules. In addition, the emissions from off-road equipment have been substantially decreased as identified by the CARB's recent evaluation, which could affect the potential reduction from IS-1 rule implementation. Furthermore, the adopted regional GHG emissions targets under SB 375 requirements can be more beneficial in achieving the goal of IS-2 rule which would reduce VOC and NOx mobile emissions from land use development projects. Therefore, it may not be necessary to duplicate the efforts by implementing the proposed IS-1 and IS-2 control rules.
- 2. Potential cost impacts** – Implementing IS-1 and IS-2 control rules would require additional District resources to establish a quantifiable off-site mitigation program under EPA requirements along with imposing added costs on developers from additional administrative costs and potential mitigation fees. Implementing the CM-1 control rule may impose additional costs on the facility owners with the potential cost-effectiveness economically infeasible. In addition, Proposition 26 may limit the District's ability to recover costs due to the need for voter approval for a new fee regulation. Therefore, there would be potential significant financial impacts for both the District and targeted groups when implementing these three rules.
- 3. Potential emission reductions** – The economic downturn has caused the potential emission reductions to be less than what the Plan estimations were from the implementation of these three control rules. In addition, the EPA may not agree with the emission reductions from the implementation of IS-1 and IS-2 rules as creditable toward attainment or progress goals unless accompanied by an off-site mitigation program qualified by EPA guidelines. This would result in significant financial impacts to the District operation.

The proposed revision to the Plan to remove control measure IS-1, IS-2, and CM-1 complies with the CAA because it does not change the attainment demonstration, interfere with attainment, or change the RFP demonstration. In addition, the Plan revision does not change the RACM conclusions for removing those control measures since their emissions reductions would be considered insignificant and does not help to advance the region towards the attainment date.

Staff would consider re-evaluating the control measure IS-1, IS-2, and CM-1 as part of the process to evaluate and identify potential control strategies to meet future federal revised air quality standards. We anticipate that work to occur in 2014.

## **SUMMARY OF CHANGES**

Staff is proposing to amend the 2009 Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan by removing IS-1 Construction Mitigation Rule, IS-2 Operational Indirect Source Rule, and CM-1 Asphaltic Concrete Production Rule. The amendments will include all related changes to the attainment demonstration and RACM analysis. These changes to the Plan are in Chapters 1, 7, and 14, and its Appendices C and H. To clearly show the changes being made, deleted language is shown in strikeout format and new language is underlined as the Attachment 2.

**Attachment 1:** Notice of Public Hearing and Proof of Publication

**Attachment 2:** Strikeout Version of Revision to the Placer County Portion of the 2009 Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan for the Removal of Construction Mitigation Rule (IS-1), Operational Indirect Source Rule (IS-2), and Asphaltic Concrete Production Rule (CM-1).

**ATTACHMENT 1**

**SUBJECT**

Notice of Public Hearing and Proof of Publication

**PLACER COUNTY  
AIR POLLUTION CONTROL DISTRICT**

**NOTICE OF PUBLIC HEARING**

**PROPOSED REVISION TO THE PLACER COUNTY PORTION OF  
CALIFORNIA'S STATE IMPLEMENTAION**

The Placer County Air Pollution Control District proposes a revision to the 2009 Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan. The revision will remove the commitment to adopt construction mitigation rule (IS-1), operational indirect source rule (IS-2), and asphalt concrete production rule (CM-1) for Placer County. This revision will be submitted to the U.S. Environmental Protection Agency as an amendment to the California State Implementation Plan (SIP).

The construction mitigation rule (IS-1) and operational indirect source rule (IS-2) would require mitigating emissions from construction and operation of new land use development projects. The asphalt concrete production rule would require equipment changes to reduce NOx emissions at plants that produce asphalt. Since the approval of the Plan, several factors have led staff to recommend these revisions. These factors include:

- the latest update of projected mobile source emissions by California Air Resources Board are lower than previous estimations;
- the current economic climate for the land use development industries and asphalt production plants;
- the estimated cost effectiveness of the equipment changes for the asphalt plants, in dollars per pound of NOx emission reduced, has more than quadrupled what was estimated in the Plan; and
- the other requirements such as SB375 and Proposition 26.

The revision complies with Clean Air Act (CAA) Section 110(l) because it will not change or interfere with the attainment demonstration (CAA Section 172 (c)(1) and 182 (c)(2)(A)) or reasonable further progress demonstration (CAA Section 182 (c)(2)(B) and (C)), and will not change the reasonably available control measure conclusion (CAA Section 172 (c)(1)) or contingency measure conclusion (CAA Section 172 (c)(9) and 182 (c)(9)).

The Placer County Air Pollution Control District Board of Directors will hold a public hearing to receive comments and consider the adoption of the revision of the Plan at their regular meeting beginning at 2:30 PM on Thursday, August 11, 2011. The hearing is to be held at the Placer County Board of Supervisors Chambers, 175 Fulweiler Avenue, Auburn, California.

All interested parties are advised of the opportunity to comment on the proposed revision. The proposed Plan revision and its support document can be viewed at the District's website at [www.placer.ca.gov/apcd](http://www.placer.ca.gov/apcd). Written comments should be addressed to Thomas J. Christofk, Air Pollution Control Officer, attention Yushuo Chang, Planning and Monitoring Section Manager, at the District office, located at 110 Maple Street, Auburn, CA 95603. The District phone number is (530) 745-2330.

NOTICE OF PUBLIC HEARING

NOTICE OF PUBLIC HEARING  
PLACER COUNTY  
AIR POLLUTION CONTROL DISTRICT

PROPOSED DESIGN TO THE PLACER COUNTY PORTION  
OF CALIFORNIA'S STATE IMPLEMENTATION

The Placer County Air Pollution Control District proposes a revision to the 2002 Sacramento Region Clean Air Act... (The text is extremely faint and difficult to read in this scan.)

The above space is reserved for Court/County Filed Date Stamp

PROOF OF PUBLICATION  
(2015.5 C.C.P.)

STATE OF CALIFORNIA  
County of Placer

I am a citizen of the United States and employed by a publication in the County aforesaid. I am over the age of eighteen years, and not a party to the mentioned matter. I am the principal clerk of the **Roseville Press Tribune**, a newspaper of general circulation, in the **City of Roseville**, which is printed and published in the **County of Placer**. This newspaper has been judged a newspaper of general circulation by the Superior Court of the State of California, in and for the **County of Placer**, on the date of November 13, 1951 (Case Number 16996). The notice, of which the attached is a printed copy (set in type not smaller than nonpareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

JULY 9

I certify, under penalty of perjury, that the foregoing is true and correct.



Terry Clark

Dated in Roseville, California

JULY 9, 2011

RECEIVED

JUL 18 2011

Placer County Air Pollution  
Control District

PROOF OF PUBLICATION  
ROSEVILLE PRESS TRIBUNE  
188 Cirby Way  
Roseville, CA 95678

NOTICE OF PUBLIC HEARING

16408033

NOTICE OF PUBLIC HEARING  
PLACER COUNTY

AIR POLLUTION CONTROL DISTRICT  
PROPOSED REVISION TO THE PLACER COUNTY PORTION  
OF CALIFORNIA'S STATE IMPLEMENTATION

The Placer County Air Pollution Control District proposes a revision to the 2009 Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan. The revision will remove the commitment to adopt construction mitigation rule (IS-1), operational indirect source rule (IS-2), and asphalt concrete production rule (CM-1) for Placer County. This revision will be submitted to the U.S. Environmental Protection Agency as an amendment to the California State Implementation Plan (SIP).

The construction mitigation rule (IS-1) and operational indirect source rule (IS-2) would require mitigating emissions from construction and operation of new land use development projects. The asphalt concrete production rule would require equipment changes to reduce NOx emissions at plants that produce asphalt. Since the approval of the Plan, several factors have led staff to recommend these revisions. These factors include:

- the latest update of projected mobile source emissions by California Air Resources Board are lower than previous estimations;
- the current economic climate for the land use development industries and asphalt production plants;
- the estimated cost effectiveness of the equipment changes for the asphalt plants, in dollars per pound of NOx emission reduced, has more than quadrupled what was estimated in the Plan; and
- the other requirements such as SB375 and Proposition 26.

The revision complies with Clean Air Act (CAA) Section 110(l) because it will not change or interfere with the attainment demonstration (CAA Section 172 (c)(1) and 182 (c)(2)(A)) or reasonable further progress demonstration (CAA Section 182 (c)(2)(B) and (C)), and will not change the reasonably available control measure conclusion (CAA Section 172 (c)(1)) or contingency measure conclusion (CAA Section 172 (c)(9) and 182 (c)(9)).

The Placer County Air Pollution Control District Board of Directors will hold a public hearing to receive comments and consider the adoption of the revision of the Plan at their regular meeting beginning at 2:30 PM on Thursday, August 11, 2011. The hearing is to be held at the Placer County Board of Supervisors Chambers, 175 Fulweiler Avenue, Auburn, California.

All interested parties are advised of the opportunity to comment on the proposed revision. The proposed Plan revision and its support document can be viewed at the District's website at [www.placer.ca.gov/apcd](http://www.placer.ca.gov/apcd). Written comments should be addressed to Thomas J. Christofk, Air Pollution Control Officer, attention Yushuo Chang, Planning and Monitoring Section Manager, at the District office, located at 110 Maple Street, Auburn, CA 95603. The District phone number is (530) 745-2330.

PUBLISHED IN AUBURN JOURNAL: JULY 10, 2011

The above space is reserved for Court/County Filed Date Stamp

PROOF OF PUBLICATION  
(2015.5 C.C.P.)

STATE OF CALIFORNIA  
County of Placer

I am a citizen of the United States and employed by a publication in the County aforesaid. I am over the age of eighteen years, and not a party to the mentioned matter. I am the principal clerk of The Auburn Journal, a newspaper of general circulation, in the City of Auburn, which is printed and published in the County of Placer. This newspaper has been judged a newspaper of general circulation by the Superior Court of the State of California, in and for the County of Placer, on the date of May 26, 1952 (Case Number 17407). The notice, of which the attached is a printed copy (set in type not smaller than nonpareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

JULY 10

I certify, under penalty of perjury, that the foregoing is true and correct.



Terry Clark

Dated in Auburn, California

JULY 10, 2011

RECEIVED

JUL 18 2011

Placer County Air Pollution  
Control District

PROOF OF PUBLICATION  
THE AUBURN JOURNAL  
1030 High Street  
Auburn, CA 95604-5910

NOTICE OF PUBLIC HEARING

16408458

NOTICE OF PUBLIC HEARING  
PLACER COUNTY

AIR POLLUTION CONTROL DISTRICT  
PROPOSED REVISION TO THE PLACER COUNTY PORTION  
OF CALIFORNIA'S STATE IMPLEMENTATION PLAN

The Placer County Air Pollution Control District proposes a revision to the 2009 Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan. The revision will remove the commitment to adopt construction mitigation rule (IS-1), operational indirect source rule (IS-2), and asphalt concrete production rule (CM-1) for Placer County. This revision will be submitted to the U.S. Environmental Protection Agency as an amendment to the California State Implementation Plan (SIP).

The construction mitigation rule (IS-1) and operational indirect source rule (IS-2) would require mitigating emissions from construction and operation of new land use development projects. The asphalt concrete production rule would require equipment changes to reduce NOx emissions at plants that produce asphalt. Since the approval of the Plan, several factors have led staff to recommend these revisions. These factors include:

- the latest update of projected mobile source emissions by California Air Resources Board are lower than previous estimations;
- the current economic climate for the land use development industries and asphalt production plants;
- the estimated cost effectiveness of the equipment changes for the asphalt plants, in dollars per pound of NOx emission reduced, has more than quadrupled what was estimated in the Plan; and
- the other requirements such as SB375 and Proposition 26.

The revision complies with Clean Air Act (CAA) Section 110(l) because it will not change or interfere with the attainment demonstration (CAA Section 172 (c)(1) and 182 (c)(2)(A)), or reasonable further progress demonstration (CAA Section 182 (c)(2)(B) and (C)), and will not change the reasonably available control measure conclusion (CAA Section 172 (c)(1)), or contingency measure conclusion (CAA Section 172 (c)(9) and 182 (c)(9)).

The Placer County Air Pollution Control District Board of Directors will hold a public hearing to receive comments and consider the adoption of the revision of the Plan at their regular meeting beginning at 2:30 PM on Thursday, August 11, 2011. The hearing is to be held at the Placer County Board of Supervisors Chambers, 175 Fulweiler Avenue, Auburn, California.

All interested parties are advised of the opportunity to comment on the proposed revision. The proposed Plan revision and its support document can be viewed at the District's website at [www.placer.ca.gov/apcd](http://www.placer.ca.gov/apcd). Written comments should be addressed to Thomas J. Christoff, Air Pollution Control Officer, attention Yushuo Chang, Planning and Monitoring Section Manager, at the District office, located at 110 Maple Street, Auburn, CA 95603. The District phone number is (530) 745-2330.

**PUBLISHED IN PLACER HERALD: JULY 14, 2011**

The above space is reserved for Court/County Filed Date Stamp

**PROOF OF PUBLICATION  
(2015.5 C.C.P.)**

**STATE OF CALIFORNIA  
County of Placer**

I am a citizen of the United States and employed by a publication in the County aforesaid. I am over the age of eighteen years, and not a party to the mentioned matter. I am the principal clerk of **The Placer Herald**, a newspaper of general circulation, in the **City of Rocklin**, which is printed and published in the **County of Placer**. This newspaper has been judged a newspaper of general circulation by the Superior Court of the State of California, in and for the **County of Placer**, on the date of September 12, 1990 (Case Number 090199). The notice, of which the attached is a printed copy (set in type not smaller than nonpareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

**JULY 14**

I certify, under penalty of perjury, that the foregoing is true and correct.



**Terry Clark**

Dated in Rocklin, California

**JULY 14, 2011**

**PROOF OF PUBLICATION  
THE PLACER HERALD  
5055 Pacific Street  
Rocklin, CA 95677**

## NOTICE OF PUBLIC HEARING

16408460

NOTICE OF PUBLIC HEARING  
PLACER COUNTYAIR POLLUTION CONTROL DISTRICT  
PROPOSED REVISION TO THE PLACER COUNTY PORTION  
OF CALIFORNIA'S STATE IMPLEMENTATION

The Placer County Air Pollution Control District proposes a revision to the 2009 Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan. The revision will remove the commitment to adopt construction mitigation rule (IS-1), operational indirect source rule (IS-2), and asphalt concrete production rule (CM-1) for Placer County. This revision will be submitted to the U.S. Environmental Protection Agency as an amendment to the California State Implementation Plan (SIP).

The construction mitigation rule (IS-1) and operational indirect source rule (IS-2) would require mitigating emissions from construction and operation of new land use development projects. The asphalt concrete production rule would require equipment changes to reduce NOx emissions at plants that produce asphalt. Since the approval of the Plan, several factors have led staff to recommend these revisions. These factors include:

- the latest update of projected mobile source emissions by California Air Resources Board are lower than previous estimations;
- the current economic climate for the land use development, industries and asphalt production plants;

- the estimated cost effectiveness of the equipment changes for the asphalt plants, in dollars per pound of NOx emission reduced, has more than quadrupled what was estimated in the Plan; and
- the other requirements such as SB375 and Proposition 26.

The revision complies with Clean Air Act (CAA) Section 110(l) because it will not change or interfere with the attainment demonstration (CAA Section 172 (c)(1) and 182 (c)(2)(A)) or reasonable further progress demonstration (CAA Section 182 (c)(2)(B) and (C)), and will not change the reasonably available control measure conclusion (CAA Section 172 (c)(1)) or contingency measure conclusion (CAA Section 172 (c)(9) and 182 (c)(9)).

The Placer County Air Pollution Control District Board of Directors will hold a public hearing to receive comments and consider the adoption of this revision of the Plan at their regular meeting beginning at 2:30 PM on Thursday, August 11, 2011. The hearing is to be held at the Placer County Board of Supervisors Chambers, 175 Fulweiler Avenue, Auburn, California.

All interested parties are advised of the opportunity to comment on the proposed revision. The proposed Plan revision and its support document can be viewed at the District's website at [www.placer.ca.gov/apcd](http://www.placer.ca.gov/apcd). Written comments should be addressed to Thomas J. Christofk, Air Pollution Control Officer, attention Yushuo Chang, Planning and Monitoring Section Manager, at the District office, located at 110 Maple Street, Auburn, CA 95603. The District phone number is (530) 745-2330.

PUBLISHED IN LOOMIS NEWS: JULY 14, 2011

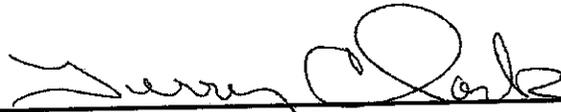
The above space is reserved for Court/County Filed Date Stamp

PROOF OF PUBLICATION  
(2015.5 C.C.P.)STATE OF CALIFORNIA  
County of Placer

I am a citizen of the United States and employed by a publication in the County aforesaid. I am over the age of eighteen years, and not a party to the mentioned matter. I am the principal clerk of **The Loomis News**, a newspaper of general circulation, in the **Town of Loomis**, which is printed and published in the **County of Placer**. This newspaper has been judged a newspaper of general circulation by the Superior Court of the State of California, in and for the **County of Placer**, on the date of May 26, 1952 (Case Number 17407). The notice, of which the attached is a printed copy (set in type not smaller than nonpareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

JULY 14

I certify, under penalty of perjury, that the foregoing is true and correct.



Terry Clark

Dated in Loomis, California

JULY 14, 2011

PROOF OF PUBLICATION  
THE LOOMIS NEWS  
3550 Taylor Road  
P.O. Box 125  
Loomis, CA 95650

NOTICE OF PUBLIC HEARING

16408459

NOTICE OF PUBLIC HEARING  
PLACER COUNTY

AIR POLLUTION CONTROL DISTRICT  
PROPOSED REVISION TO THE PLACER COUNTY PORTION  
OF CALIFORNIA'S STATE IMPLEMENTATION

The Placer County Air Pollution Control District proposes a revision to the 2009 Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan. The revision will remove the commitment to adopt construction mitigation rule (IS-1), operational indirect source rule (IS-2), and asphalt concrete production rule (CM-1) for Placer County. This revision will be submitted to the U.S. Environmental Protection Agency as an amendment to the California State Implementation Plan (SIP).

The construction mitigation rule (IS-1) and operational indirect source rule (IS-2) would require mitigating emissions from construction and operation of new land use development projects. The asphalt concrete production rule would require equipment changes to reduce NOx emissions at plants that produce asphalt. Since the approval of the Plan, several factors have led staff to recommend these revisions. These factors include:

- the latest update of projected mobile source emissions by California Air Resources Board are lower than previous estimations;
- the current economic climate for the land use development industries and asphalt production plants;
- the estimated cost effectiveness of the equipment changes for the asphalt plants, in dollars per pound of NOx emission reduced, has more than quadrupled what was estimated in the Plan; and
- the other requirements such as SB375 and Proposition 26.

The revision complies with Clean Air Act (CAA) Section 110(l) because it will not change or interfere with the attainment demonstration (CAA Section 172 (c)(1) and 182 (c)(2)(A)) or reasonable further progress demonstration (CAA Section 182 (c)(2)(B) and (C)), and will not change the reasonably available control measure conclusion (CAA Section 172 (c)(1)) or contingency measure conclusion (CAA Section 172 (c)(9) and 182 (c)(9)).

The Placer County Air Pollution Control District Board of Directors will hold a public hearing to receive comments and consider the adoption of the revision of the Plan at their regular meeting beginning at 2:30 PM on Thursday, August 11, 2011. The hearing is to be held at the Placer County Board of Supervisors Chambers, 175 Fulweiler Avenue, Auburn, California.

All interested parties are advised of the opportunity to comment on the proposed revision. The proposed Plan revision and its support document can be viewed at the District's website at [www.placer.ca.gov/apcd](http://www.placer.ca.gov/apcd). Written comments should be addressed to Thomas J. Christofk, Air Pollution Control Officer, attention Yushuo Chang, Planning and Monitoring Section Manager, at the District office, located at 110 Maple Street, Auburn, CA 95603. The District phone number is (530) 745-2330.

**PUBLISHED IN LINCOLN NEWS MESSENGER: JULY 14, 2011**

The above space is reserved for Court/County Filed Date Stamp

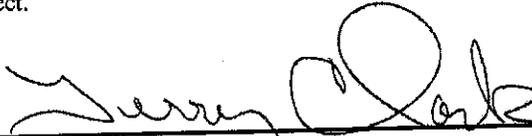
**PROOF OF PUBLICATION  
(2015.5 C.C.P.)**

**STATE OF CALIFORNIA  
County of Placer**

I am a citizen of the United States and employed by a publication in the County aforesaid. I am over the age of eighteen years, and not a party to the mentioned matter. I am the principal clerk of **The Lincoln News Messenger**, a newspaper of general circulation, in the **City of Lincoln**, which is printed and published in the **County of Placer**. This newspaper has been judged a newspaper of general circulation by the Superior Court of the State of California, in and for the **County of Placer**, on the date of April 3, 1952, Superior Court Order Number 89429. The notice, of which the attached is a printed copy (set in type not smaller than nonpareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

**JULY 14**

I certify, under penalty of perjury, that the foregoing is true and correct.



**Terry Clark**

Dated in Lincoln, California

**JULY 14, 2011**

**PROOF OF PUBLICATION  
THE LINCOLN NEWS MESSENGER  
553 F Street  
Lincoln, CA 95648**

## **ATTACHMENT #2**

### **SUBJECT:**

Strikeout Version of Revision to the Placer County Portion of the 2009 Sacramento Regional 8-hour Ozone Attainment and Reasonable Further Progress Plan for the Removal of the Construction Mitigation Rule (IS-1), the Operational Indirect Source Rule (IS-2), and the Asphaltic Concrete Production Rule (CM-1)

The following Table 1-3 contains a summary of the proposed new regional and local control measures and expected VOC and NO<sub>x</sub> emission reductions for the Sacramento nonattainment area for the 2018 attainment demonstration year. Emission benefits from these new committal measures are estimated to provide reductions of 3 tons per day of VOC and 3 tons per day of NO<sub>x</sub> in 2018. Some of these new local measures will be adopted by the end of 2008, and emission benefits from just these adopted new measures are estimated to provide reductions of 1 ton per day of VOC in 2018.

**Table 1-3  
Summary of New Regional and Local Proposed Control Measures  
Sacramento Nonattainment Area**

Control Measure Name	2018 Emission Reductions (TPD)	
	VOC	NO <sub>x</sub>
<b>Regional Non-regulatory Measures</b>		
Regional Mobile Incentive Program – On-road	<0.1	0.9
Regional Mobile Incentive Program – Off-road	<0.1	<0.1
Spare The Air Program	<0.1	<0.1
SACOG Transportation Control Measures	-	-
Urban Forest Development Program	0 - 0.2	-
<b>Total Regional Non-regulatory Measures</b>	<b>0.1</b>	<b>0.9</b>
<b>Local Regulatory Measures</b>		
Indirect Source Rule - Construction	-	≤0.1
Indirect Source Rule - Operational	0-<0.1	0-≤0.1
Architectural Coating	1.5	-
Automotive Refinishing	0.2	-
Degreasing/Solvent Cleaning	1.4	-
Graphic Arts	na	-
Miscellaneous Metal Parts and Products	<0.1	-
Natural Gas Production and Processing	0.1	-
Asphalt Concrete	-	≤0.1
Boilers, Steam Generator, and Process Heaters	-	0.2
IC Engines	-	0.1
Large Water Heaters and Small Boilers	-	0.9
<b>Total Local Regulatory Measures</b>	<b>3.2</b>	<b>1.43</b>
<b>Total Reductions*</b>	<b>3.4</b>	<b>2.76</b>

Notes: Numbers are truncated to one decimal place. na = not available

\*Total reductions are summed from untruncated values. See summary table in Appendix C – Proposed Control Measures.

Depending upon the size and type, the timeline for a construction project can vary from a few months to years.

This control measure will reduce NOx emissions from equipment associated with the construction phase of new land use projects. The requirements that are being considered for the control measure are based on the construction requirements of San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) Rule 9510, Indirect Source Review, which specifies that all applicable projects mitigate their NOx emissions by 20% less than the statewide average emission rates either by using cleaner construction equipment or modifying the construction equipment (through retrofits, replacements, or post-combustion controls), or by paying a fee that will be used by the districts to obtain emission reductions.

The proposed control measure commits to a framework that includes quantification of emissions before and after mitigation measures are applied, establishes appropriate levels to define who is subject to the rule and emission reduction requirements for affected sources. The proposed emission reduction requirements will include a fee option to achieve offsite reductions when onsite reductions are insufficient. The proposed control measure will be evaluated for adoption by districts noted in the table below.

The estimated emission reductions from the construction mitigation rule are provided in the following table.

Construction Mitigation Rule			Emission Reduction (TPD)	
District	Adoption Year	Implement Year	2018	
			VOC	NO <sub>x</sub>
SMAQMD	2010	2011	---	<0.1
PCAPCD	2013	2014	---	<0.1
FRAQMD	2013	2014	---	unknown
<b>Total</b>			---	<b>≤0.1</b>

During the rule development process, staff will explore integration of this rule with CARB's offroad engine rule to ensure that the 20% requirement is feasible and cost effective through 2018 and beyond.

**IS-2: Operational Indirect Source Rule**

This control measure will reduce emissions generated during the operational phase of indirect sources. An indirect source is defined as any facility, building, structure or installation, or combination thereof, which generates or attracts mobile source activity that results in emissions of any pollutant for which there is a state ambient air quality

standard. The rule will require indirect sources to mitigate a portion of their emissions through a combination of on-site mitigation measures and/or, if onsite measures are insufficient, a contribution to an off-site mitigation fund that will invest in emission reduction projects.

On-site mitigation could include strategies that reduce vehicle trips or vehicle miles traveled (VMT). Other on-site mitigation measures could be considered, such as improved energy efficiency resulting in fewer power plant emissions or reductions in on-site combustion emissions. Off-site mitigation fees will be calculated based on the amount of required emission reductions that can not be achieved through on-site measures. This control measure will integrate with SACOG’s Blueprint Metropolitan Transportation Plan<sup>73</sup> and look for synergistic opportunities from AB 32 (Nunez) – California Global Warming Solutions Act of 2006<sup>74</sup> and SB 375 (Steinberg) – legislation to reduce greenhouse gases through land-use planning<sup>75</sup>.

The proposed control measure commits to a framework that includes quantification of emissions before and after mitigation measures are applied, establishes appropriate levels to define who is subject to the rule and emission reduction requirements for affected sources. The proposed emission reduction requirements will include a fee option to achieve offsite reductions when onsite reductions are unavailable. The proposed control measure will be evaluated for adoption by districts noted in the table below.

The estimated emission reductions from the operational indirect source rule are provided in the following table.

Operational Indirect Source Rule			Emission Reduction (TPD)	
District	Adoption Year	Implement Year	2018	
			VOC	NO <sub>x</sub>
SMAQMD	2012	2014	0-<0.1	0-<0.1
PCAPCD	2014	2016	0-<0.1	0-<0.1
<b>Total</b>			<b>0-&lt;0.1</b>	<b>0-&lt;0.1</b>

### 7.16 Stationary and Area-wide Source Control Measures

Historically, local air district regulatory control measures have been implemented to control emissions from stationary and area-wide type sources. In general, stationary

<sup>73</sup> Metropolitan Transportation Plan for 2035 (MTP2035), approved by SACOG Board of Directors March 20, 2008

<sup>74</sup> California Health and Safety Code, Section 38500-38599.

<sup>75</sup> Signed by Governor 9-30-08, and amends California Government Code and Division 13 of the Public Resources Code.

**Natural Gas Production and Processing**

There are several natural gas production fields within Sacramento County. Fugitive emissions of VOC from natural gas production occur from equipment leaks in valves, pumps, compressors, pressure relief devices, flanges, and threaded connections at gas wells and associated transmission systems. The proposed control measure would establish inspection and repair requirements for leaking components. Emission reductions would result from a reduction in the number of leaking components. The proposed measure would establish leak inspection frequencies and allowable repair periods.

Natural Gas Production and Processing Category			VOC Emission Reduction (TPD)
District Measure	Adoption Year	Implement Year	2018
SMAQMD-461	2011	2012	0.1
<b>Total</b>			<b>0.1</b>

**7.18 NOx Emission Control Measures**

**Asphalt Concrete**

Asphaltic concrete, or hot-mix pavement material, is produced in both continuous and batch plants; some of the latter are portable. The process involves heating aggregate in a rotary dryer to 300°F and mixing with melted asphalt cement refined from petroleum. This measure addresses NOx emissions from burners used to heat the dryer. Other ancillary NOx emissions come from heaters used to melt asphalt cement and from stationary internal combustion engines.

The control of dryer NOx emissions is accomplished by controlling the burners used to heat the dryer. The control measure will propose a NOx limit that may be complied with by retrofitting with low NOx burners and flue gas re-circulation.

Asphalt Concrete Category			NOx Emission Reduction (TPD)
District Measure	Adoption Year	Implement Year	2018
SMAQMD-471	2012	2014	0.1
<del>PCAPCD-CM1</del>	<del>2013</del>	<del>2014</del>	<del>&lt;0.1</del>
<b>Total</b>			<b>&lt;0.1</b>

**Table 7-4  
Summary of New Regional and Local Proposed Control Measures  
Sacramento Nonattainment Area**

Control Measure Name	2018 Emission Reductions (TPD)	
	VOC	NO <sub>x</sub>
<b>Regional Non-regulatory Measures</b>		
Regional Mobile Incentive Program – On-road	<0.1	0.9
Regional Mobile Incentive Program – Off-road	<0.1	<0.1
Spare The Air Program	<0.1	<0.1
SACOG Transportation Control Measures	--	--
Urban Forest Development Program	0 - 0.2	--
<b>Total Regional Non-regulatory Measures</b>	<b>0.1</b>	<b>0.9</b>
<b>Local Regulatory Measures</b>		
Indirect Source Rule - Construction	--	≤0.1
Indirect Source Rule - Operational	0-<0.1	0-≤0.1
Architectural Coating	1.5	--
Automotive Refinishing	0.2	--
Degreasing/Solvent Cleaning	1.4	--
Graphic Arts	na	--
Miscellaneous Metal Parts and Products	<0.1	--
Natural Gas Production and Processing	0.1	--
Asphalt Concrete	--	≤0.1
Boilers, Steam Generator, and Process Heaters	--	0.2
IC Engines	--	0.1
Large Water Heaters and Small Boilers	--	0.9
<b>Total Local Regulatory Measures</b>	<b>3.2</b>	<b>1.43</b>
<b>Total Reductions*</b>	<b>3.4</b>	<b>2.76</b>

Notes: Numbers are truncated to one decimal place. na = not available

\*Total reductions are summed from untruncated values. See summary table in Appendix C – Proposed Control Measures.

The following Table 14-1 contains a summary of the proposed new regional and local control measures and expected VOC and NO<sub>x</sub> emission reductions for the Sacramento nonattainment area for the 2018 attainment demonstration year. Emission benefits from these new committal measures are estimated to provide reductions of 3 tons per day of VOC and 3 tons per day of NO<sub>x</sub> in 2018. Some of these new local measures will be adopted by the end of 2008, and emission benefits from just these adopted new measures are estimated to provide reductions of 1 ton per day of VOC in 2018.

**Table 14-1**  
**Summary of New Regional and Local Proposed Control Measures**  
**Sacramento Nonattainment Area**

Control Measure Name	2018 Emission Reductions (TPD)	
	VOC	NO <sub>x</sub>
<b>Regional Non-regulatory Measures</b>		
Regional Mobile Incentive Program – On-road	<0.1	0.9
Regional Mobile Incentive Program – Off-road	<0.1	<0.1
Spare The Air Program	<0.1	<0.1
SACOG Transportation Control Measures	-	-
Urban Forest Development Program	0 - 0.2	-
<b>Total Regional Non-regulatory Measures</b>	<b>0.1</b>	<b>0.9</b>
<b>Local Regulatory Measures</b>		
Indirect Source Rule - Construction	-	≤0.1
Indirect Source Rule - Operational	0-<0.1	0-≤0.1
Architectural Coating	1.5	-
Automotive Refinishing	0.2	-
Degreasing/Solvent Cleaning	1.4	-
Graphic Arts	na	-
Miscellaneous Metal Parts and Products	<0.1	-
Natural Gas Production and Processing	0.1	-
Asphalt Concrete	-	≤0.1
Boilers, Steam Generator, and Process Heaters	-	0.2
IC Engines	-	0.1
Large Water Heaters and Small Boilers	-	0.9
<b>Total Local Regulatory Measures</b>	<b>3.2</b>	<b>1.43</b>
<b>Total Reductions*</b>	<b>3.4</b>	<b>2.76</b>

Note: Numbers are truncated to one decimal place. na = not available

\*Total reductions are summed from untruncated values. See summary table in Appendix C – Proposed Control Measures.

The following Table 14-2 contains a summary of SACOG transportation control measures (TCMs) that are included in the Sacramento region's federal 8-hour ozone plan. The TCMs include new and continuing projects and funding programs.

## Stationary and Area-wide Source Control Measures

### VOC Control Measures

Architectural Coatings .....	C-68
SMAQMD-442	
EDCAQMD-215	
FRAQMD-3.15	
PCAPCD-218	
YSAQMD-2.14	
Automotive Refinishing.....	C-92
SMAQMD-459	
FRAQMD-3.19	
PCAPCD-234	
YSAQMD-2.26	
Degreasing/Solvent Cleaning .....	C-102
SMAQMD-454/466	
EDCAQMD-225/235	
FRAQMD-3.14	
YSAQMD-2.24/2.31	
Graphic Arts.....	C-112
YSAQMD-2.29	
Miscellaneous Metal Parts and Products.....	C-115
EDCAQMD-246	
PCAPCD-CM3	
Natural Gas Production and Processing.....	C-120
SMAQMD-461	

### NOx Control Measures

Asphalt Concrete .....	C-124
SMAQMD-471	
<del>PCAPCD-CM1</del>	
Boilers, Steam Generators, and Process Heaters .....	C-129
YSAQMD-2.27	

### Summary Table of Emission Reductions by Control Measure

Measure Name	Emission Reductions (TPD)	
	2018	
	VOC	NO <sub>x</sub>
<b><u>Non-regulatory Measures</u></b>		
Regional Mobile Incentive Program – On-road	0.060	0.910
Regional Mobile Incentive Program – Off-road	0.005	0.013
Spare The Air Program	0.059	0.046
SACOG Transportation Control Measures	tbd	tbd
Urban Forest Development Program	0 - 0.18	-
<b>Total Non-regulatory Measures</b>	<b>0.12</b>	<b>0.97</b>
<b><u>Regulatory Measures</u></b>		
Indirect Source Rule – Construction Mitigation	-	<del>0.136</del> 0.091
Indirect Source Rule – Operational ISR	<del>0-0.043</del>	<del>0-0.130</del> 9
<b>Stationary and Area-wide Source Measures</b>		
<b>Architectural Coating</b>		
SMAQMD-442	0.913	-
EDCAQMD-215	0.186	-
FRAQMD-3.15	0.004	-
PCAPCD-218	0.201	-
YSAQMD-2.14	0.214	-
<b>Total Architectural Coating</b>	<b>1.52</b>	
<b>Automotive Refinishing</b>		
SMAQMD-459	0.113	-
FRAQMD-3.19	0.001	-
PCAPCD-234	0.045	-
YSAQMD-2.26	0.058	-
<b>Total Automotive Refinishing</b>	<b>0.22</b>	
<b>Degreasing/Solvent Cleaning</b>		
SMAQMD-454/466	0.593	-
EDCAQMD-225/235	0.076	-
FRAQMD-3.14	0.001	-
YSAQMD-2.24/2.31	0.762	-
<b>Total Degreasing/Solvent Cleaning</b>	<b>1.43</b>	
<b>Graphic Arts</b>		
YSAQMD-2.29	---	-
<b>Total Graphic Arts</b>	<b>---</b>	
<b>Miscellaneous Metal Parts and Products</b>		
EDCAQMD-246	0.002	-
PCAPCD-CM3	0.014	-

Measure Name	Emission Reductions (TPD)	
	2018	
	VOC	NO <sub>x</sub>
<b>Total Miscellaneous Metal Parts and Products</b>	<b>0.02</b>	
<b>Natural Gas Production and Processing</b>		
SMAQMD-461	0.116	-
<b>Total Natural Gas Production and Processing</b>	<b>0.12</b>	-
<b>Asphalt Concrete</b>		
SMAQMD-471	-	0.132
<del>PCAPCD-CM1</del>	-	<del>0.036</del>
<b>Total Asphalt Concrete</b>		<b>0.173</b>
<b>Boilers, Steam Gen. and Process Heaters</b>		
YSAQMD-2.27	-	0.288
<b>Total Boilers, Steam Gen. and Process Heaters</b>		<b>0.29</b>
<b>IC Engines</b>		
SMAQMD-412	-	0.013
FRAQMD-3.22	-	0.004
YSAQMD-2.32	-	0.118
<b>Total IC Engines</b>		<b>0.14</b>
<b>Large Water Heaters and Small Boilers</b>		
SMAQMD-414	-	0.708
EDCAQMD-239	-	0.003
FRAQMD-3.23	-	0.000
PCAPCD-CM2	-	0.030
YSAQMD-2.37	-	0.240
<b>Total Large Water Heaters and Small Boilers</b>		<b>0.98</b>
<b>Total Stationary and Area Source Measures</b>	<b>3.30</b>	<b>1.584</b>
<b>Total Regulatory Measures</b>	<b>≤3.30</b>	<b>1.7267</b>
<b>Total Reductions</b>	<b>≤3.42</b>	<b>2.6957</b>

tbd = to be determined

### Summary Table of Emission Reductions by Air District

Air District Control Measure Name (Rule No.)	Emission Reductions (TPD) 2018	
	VOC	NOx
<b>Stationary and Area Source Measures</b>		
<b>Sacramento Metropolitan AQMD</b>		
Architectural Coating (SMAQMD-442)	0.913	-
Automotive Refinishing (SMAQMD-459)	0.113	-
Degreasing/Solvent Cleaning (SMAQMD-454/466)	0.593	-
Natural Gas Production and Processing (SMAQMD-461)	0.116	-
Asphalt Concrete (SMAQMD-471)	-	0.132
IC Engines (SMAQMD-412)	-	0.013
Large Water Heaters and Small Boilers (SMAQMD-414)	-	0.708
<b>Total Sacramento Metropolitan AQMD</b>	<b>1.74</b>	<b>0.85</b>
<b>EI Dorado County AQMD</b>		
Architectural Coating (EDCAQMD-215)	0.186	-
Degreasing/Solvent Cleaning (EDCAQMD-225/235)	0.076	-
Misc. Metal Parts and Products (EDCAQMD-246)	0.002	-
Large Water Heaters and Small Boilers (EDCAQMD-239)	-	0.003
<b>Total EI Dorado County AQMD</b>	<b>0.26</b>	<b>0.00</b>
<b>Feather River AQMD</b>		
Architectural Coating (FRAQMD-3.15)	0.004	-
Automotive Refinishing (FRAQMD-3.19)	0.001	-
Degreasing/Solvent Cleaning (FRAQMD-3.14)	0.001	-
IC Engines (FRAQMD-3.22)	-	0.004
Large Water Heaters and Small Boilers (FRAQMD-3.23)	-	0.000
<b>Total Feather River AQMD</b>	<b>0.01</b>	<b>0.00</b>
<b>Placer County APCD</b>		
Architectural Coating (PCAPCD-218)	0.201	-
Automotive Refinishing (PCAPCD-234)	0.045	-
Misc. Metal Parts and Products (PCAPCD-CM3)	0.014	-
<del>Asphalt Concrete (PCAPCD-CM1)</del>	-	<del>0.036</del>
Large Water Heaters and Small Boilers (PCAPCD-CM2)	-	0.030
<b>Total Placer County APCD</b>	<b>0.26</b>	<b>0.073</b>
<b>Yolo-Solano AQMD</b>		
Architectural Coating (YSAQMD-2.14)	0.214	-
Automotive Refinishing (YSAQMD-2.26)	0.058	-
Degreasing/Solvent Cleaning (YSAQMD-2.24/2.31)	0.762	-
Graphic Arts (YSAQMD-2.29)	---	-
Boilers, Steam Gen. & Process Heaters (YSAQMD-2.27)	-	0.288
IC Engines (YSAQMD-2.32)	-	0.118
Large Water Heaters and Small Boilers (YSAQMD-2.37)	-	0.240
<b>Total Yolo-Solano AQMD</b>	<b>1.03</b>	<b>0.65</b>
<b>Total Stationary and Area-wide Source Measures</b>	<b>3.30</b>	<b>1.574</b>

## **Emission Inventory**

The SFNA planning emission inventory is presented below for the category associated with construction equipment emissions of NOx. The emissions already account for California Air Resources Board State Implementation Plan measures.

District	EIC Code	EIC Description	NOx Emission Inventory (tpd)
			2018
SMAQMD	860-887	CONSTRUCTION AND MINING EQUIPMENT	4.6081
<del>PGAPCD</del>	<del>860-887</del>	<del>CONSTRUCTION AND MINING EQUIPMENT</del>	<del>0.9172</del>
FRAQMD	860-887	CONSTRUCTION AND MINING EQUIPMENT	0.0722
<b>TOTAL</b>			<del>5.5975</del> <b>4.6803</b>

## **Emission Reductions**

Total NOx emissions from all phases of construction and all other associated emissions will be estimated using URBEMIS 2007, version 9.2 or another construction emission estimation model that the Air Pollution Control Officer deems appropriate. Emission reductions for this measure have been calculated assuming that new construction projects will be required to reduce total construction-related emissions of NOx by 20% below the statewide averages (as required by SJVUAPCD Rule 9510). Applicants will be able to reduce these emissions through either onsite or offsite mitigation. Onsite mitigation will consist of applicants replacing or retrofitting older, higher-emitting construction equipment. Offsite mitigation will allow applicants to pay a fee based on the cost effectiveness of the Carl Moyer, SECAT, or other approved program. The District will secure mitigation for those applicants by funding emission reduction projects elsewhere, following the guidelines of the approved funding program.

Construction projects will be required to comply with this rule if they equal or exceed any of the following thresholds (based on SJVUAPCD Rule 9510):

- 50 residential units;
- 2,000 sq. feet of commercial space;
- 25,000 sq. feet of light industrial space;
- 100,000 sq. feet of heavy industrial space;
- 20,000 sq. feet of medical office space;
- 39,000 sq. feet of general office space;
- 9,000 sq. feet of educational space;
- 10,000 sq. feet of government space;
- 20,000 sq. feet of recreational space; or
- 9,000 sq. feet of space not identified above

In order to estimate potential future emission reductions, District staff used the State Water Resources Control Board storm water permit data and the default assumptions built into the construction emissions model URBEMIS. The storm water data provided the acres and type (residential, commercial, industrial) for all projects occurring in the SFNA over two acres. In order to condense this data, projects were categorized by their size and averaged over a three-year period (2004 through 2006). Because the storm

water database does not give project specifics beyond the type and size, all projects labeled residential were assumed to be entirely residential and other projects not labeled residential were assumed to be entirely commercial.

Defaults from URBEMIS including average residential and commercial density, the type and amount of construction equipment used for different sized projects, and the construction phase timelines were used to estimate calendar year 2008 emissions for the projects obtained from the storm water database. The NOx emissions from all applicable project groups were totaled and reductions were assumed to be 20% of this total with an 80% compliance rate. The reductions were compared to the 2008 SFNA emission inventory to derive a percent reduction that could be applied to the 2018 inventory.

Annual NOx emission reductions are summarized below for the districts planning to adopt this control measure in the SFNA.

District	2018 (tpd)
SMAQMD	0.0905
<del>PCAPCD</del>	<del>0.0462</del>
<b>TOTAL</b>	<del>0.1367</del> <b>0.0905</b>

There are no emission reductions estimated for the portion of FRAQMD in the SFNA because there were no new land use projects shown for 2004 to 2006 in the California storm water database for this area. It is assumed that new construction will occur and, therefore this control measure will achieve ozone precursor emission reductions from those future projects in the FRAQMD.

**SMAQMD**

Adoption year: 2010

Implementation year: 2011

~~PCAPCD~~

~~Adoption year: 2013~~

~~Implementation year: 2014~~

**FRAQMD**

Adoption year: 2013

Implementation year: 2014

**Cost Effectiveness**

It is anticipated that developers will not choose to perform onsite mitigation when the cost for doing so would exceed the cost of paying mitigation fees. Therefore, the upper bound of cost effectiveness for this measure is based on the mitigation fees. The fees have been estimated based on the current Carl Moyer program cost effectiveness of \$16,000 per ton of NOx reduced.

### **Authority**

The districts are authorized to adopt and implement regulations to reduce or mitigate emissions from indirect and areawide sources of air pollution by Health and Safety Code Section 40716. In addition, SMAQMD is specifically authorized to adopt regulations to limit or mitigate the impact on air quality of indirect or areawide sources by Health and Safety Code Section 41013.

### **Implementation**

This control measure will be implemented by SMAQMD, ~~PCAPCD~~, and FRAQMD.

### **References**

CARB Ozone SIP Planning Inventory, Version 1.06, Sacramento NAA (RF#980), February 28, 2007

SJVUAPCD "Rule 9510, Indirect Source Review (ISR)." Adopted December 15, 2005

SJVUAPCD "Final Draft Staff Report – Rule 9510, Indirect Source Review (ISR), Rule 3180, Administrative Fees for Indirect Source Review." December 15, 2005

State Water Resources Control Board "[Statewide Construction Storm Water Database Active Notice of Intents \(NOIs\).](http://www.swrcb.ca.gov/stormwtr/databases.html)" <http://www.swrcb.ca.gov/stormwtr/databases.html>.

URBEMIS 2007, Version 9.2, July 2007.

District	EIC Code	EIC Description	2018 Inventory* (tpd)	
			NOx	ROG
PCAPCD	710	LDA	0.53	0.93
	722	LDT1	0.34	0.54
	723	LDT2	0.59	0.80
	724	MDV	0.38	0.41
	732	LHDT1	0.63	0.17
	733	LHDT2	0.25	0.05
	734	MHDV	0.53	0.06
	736	HHDV	6.48	0.52
	750	Motorcycle	0.20	0.74
	762	Urban-Bus	0.11	0.04
	770	School-Bus	0.11	0.04
	780	Motor Home	0.07	0.04
	010-045-0110-0000	Electric Utilities— Natural Gas Turbine	0.089	0.007
	610-610-0110-0000	Residential Fuel Combustion— Natural Gas-Cooking	0.029	0.004
	610-608-0110-0000	Residential Fuel Combustion— Natural Gas-Water Heating	0.263	0.013
<b>PCAPCD Total</b>			<b>10.60</b>	<b>4.27</b>

\* all on-road emissions are based on EMFAC2007 with Feb. 08 SACOG activity data. Area source emissions are based on ARB CEFS\_03SIP data.

### Emission Reductions

In 2006, the existing California Environmental Quality Act mitigation program achieved 0.033 TPD of NOx and 0.035 TPD of ROG in the Sacramento district. These reductions represent 0.061% and 0.115% of the Sacramento 2005 affected NOx and ROG inventory, respectively.

The South Coast AQMD 2007 Air Quality Management Plan proposes an indirect source rule (2007EGM-01) with a commitment to achieve 1.0 TPD and 0.5 TPD of NOx and ROG, respectively, in 2020. This represents 0.17% of the ROG inventory and 0.36% of the NOx inventory. The San Joaquin Valley Unified APCD 2007 ozone plan includes a commitment to achieve 0.2 TPD reduction in on-road NOx in 2017 from their existing indirect source rule which represents 0.12% of the NOx inventory. (Note: South Coast inventory is based on ARB CEFS\_03SIP data. San Joaquin inventory is based on 2007 Ozone Plan Appendix B.)

Sufficient data is not currently available to precisely quantify expected reductions. For example, the integrated iPlaces land use model and SACMET travel model expected to be used for emission reduction quantification is not yet available in final form. However, based on the ranges of reductions discussed above as applied to the affected inventory for SMAQMD and PCAPCD in 2018 results in the following expected emission reduction range:

District	2018 Reduction (tpd)	
	NOx	ROG
SMAQMD	0 - 0.09	0 - 0.03
<del>PCAPCD</del>	<del>0 - 0.04</del>	<del>0 - 0.01</del>
<b>Total</b>	0 - 0. <del>13</del> <u>09</u>	0 - 0.0 <u>43</u>

Emission reductions from this rule will result from a combination of on-site mitigation implemented by project proponents and off-site mitigation projects. Depending on the type of mitigation strategies funded through the off-site mitigation program, emission reductions could apply to mobile, stationary, or area-wide source inventory categories.

SMAQMD

Adoption year: 2012

Implementation year: 2014

~~PCAPCD~~

~~Adoption year: 2014~~

~~Implementation year: 2016~~

**Cost Effectiveness**

The cost effectiveness of this rule is dependent on the type of on-site mitigation implemented by a developer, and whether or not the off-site mitigation fee option is chosen for some or all of the required emission reductions. Some on-site mitigation may result in a cost savings.

**Authority and Resources**

The districts are authorized to adopt and implement regulations to reduce or mitigate emissions from indirect and area-wide sources of air pollution by Health and Safety Code Section 40716. In addition, SMAQMD is specifically authorized to adopt indirect or area-wide source regulations by Health and Safety Code Section 41013.

Districts are authorized to recover costs associated with regulation of area-wide and indirect sources by Health and Safety Code Section 42311(g).

**Implementation**

This control measure will be implemented by SMAQMD ~~and PCAPCD~~.

**Control Measure Number: PCAPCD-CM1**

**Control Measure Title: Asphalt Concrete Production**

**Date: February 5, 2007**

**Control Measure Description**

Asphaltic concrete, or hot-mix pavement material, is produced in both continuous and batch plants; some of the latter are portable. The process involves heating aggregate in a rotary dryer to approximately 300 °F and mixing it with melted asphalt cement refined from petroleum. Most of the NOx emissions are from the burners used to heat the dryer, and those are the NOx emissions targeted by this control measure. Some ancillary NOx emissions come from heaters used to melt asphalt cement, and from stationary internal combustion engines.

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The control of dryer NOx emissions may be accomplished by controlling the burners used to heat the dryer. All the plants in the Placer County are fired with natural gas. The concentration of NOx discharged from uncontrolled burners is typically over 100 parts per million, volumetric dry (ppmvd), or about 0.016 pounds per ton. Use of low NOx burners and flue gas recirculation (FGR) is able to reduce these emissions to as low as 30 ppmvd. There is little to no fuel penalty as a result of these controls, but a reduction in burner capacity of up to 20 percent may be required to avoid flame impingement on the inner surfaces of the dryer. This could result in lost production for plants when they are producing at close to their rated capacities. In order to control NOx emissions, plants must be retrofitted with low NOx burners and FGR.

**Emission Inventory – 2018**

<b>EIC Code</b>	<b>EIC Description</b>	<b>NOx Inventory for Control Measures (tpd)</b>
		<b>2018</b>
430-424-7006-0000	Asphaltic Concrete Production	0.0624

**Emission Reductions**

<b>EIC Description</b>	<b>Adoption Date</b>	<b>Implementation Date</b>	<b>NOx Emission Reduction (tpd)</b>
			<b>2018</b>
Asphaltic Concrete Production	2013	2014	0.0364

**Cost Effectiveness**

It is assumed that the equipment has a 20-year life, an interest rate of 3%, and the cost of running two plants in Placer County is \$360,000. The estimated cost effectiveness is \$5,675/ton of NOx reduced.

**Authority**

~~California Health and Safety Code, Sections 40000, 40001, and 40702~~

**Implementation**

~~The Placer County Air Pollution Control District is the implementing agency.~~

**References**

- ~~1. References are shown in footnotes.~~
- ~~2. Draft Final Sacramento Off-road Measures, Control Measure SN-59, Asphalt Concrete Production, Sacramento Metropolitan AQMD, October 14, 2003.~~
- ~~3. "ARB Forecasted Emissions by Summary Category Ozone SIP Planning Projections v1.06 RF #980". [www.arb.ca.gov/app/emsinv/0#sip/fcemssumcat\\_0#v106.php](http://www.arb.ca.gov/app/emsinv/0#sip/fcemssumcat_0#v106.php). November 16, 2006.~~
- ~~4. Control Measure, PCAPCD CM1, February 7, 2007~~

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Table H-5 PCAPCD Stationary/Area Source Control Measures Considered				
Measure No.	Title	Current Requirements	Opportunity for Strengthening	Conclusion
	Livestock Waste	None	Lower applicability threshold; Increase number of practices and control efficiency	Not Recommended - Evaluated for Attainment Advancement
	Wineries	None	Establish standards to reduce evaporative VOC emissions from the fermentation process at wineries	Not Recommended - Evaluated for Attainment Advancement
236	Wood Products Coatings	VOC limits on coatings and strippers	Reduce VOC limits for high solid stains, sealers, strippers and lower the applicability limit to 20 gal/year	Not Recommended - Evaluated for Attainment Advancement
	Natural Gas Production and Processing	None	Establish requirements to inspect and maintain equipment to reduce fugitive VOC emissions	Not Recommended - No sources
CM1	Asphaltic Concrete	None	<del>Require limits for NOx emissions similar to a control measure adopted by SJVUAPCD</del>	<del>Control Measure</del> Not Recommended - Evaluated for Attainment Advancement
	Other Dryers and Ovens	None	Require limits for NOx emissions that achieve 50 - 75% reduction similar to proposed measure in SCAQMD	Not Recommended - Evaluated for Attainment Advancement
243	Polyester Resin/Plastic Product Manufacturing	Limits monomer content and use of vapor suppressants	Reduce monomer limits to standards adopted by SCAQMD	Not Recommended - Evaluated for Attainment Advancement
237	Landfills	Collect and control ROG emissions from landfills containing approximately 2.75 million tons of waste or more	Lower applicability threshold to landfills containing approximately 0.5 million tons of waste or more	Not Recommended - Evaluated for Attainment Advancement
CM2/246	Water Heaters	NOx limits on water heaters with rated heat input capacity less than 75,000 Btu/hr	Require NOx limits on water heaters/boilers with rated heat input capacity between 75,000 Btu/hr and 1,000,000 Btu/hr, and reduce current NOx limits from 55 ppm to 15 ppm.	Control Measure
	Roofing Kettles	None	Establish VOC limits from roofing kettles	Not Recommended - Evaluated for Attainment Advancement
	Reactivity Based Standards	None	Require VOC limit of coatings to be based on a reactivity limit instead of a mass-balance limit	Not Recommended - Overlaps with Control Measure 218
	Using Greener Consumer Products	None	Promote the use of Low-VOC Consumer Product especially on Spare-the-	Not Recommended - Evaluated for Attainment

Table H-5 PCAPCD Stationary/Area Source Control Measures Considered				
Measure No.	Title	Current Requirements	Opportunity for Strengthening	Conclusion
	Polystyrene/ Poly Foam Blowing/Other	None	Require reduction of VOC emission from EPS molding by vented the emissions to an emission control device such as a thermal oxidizer	Not Recommended - No sources
229, 238	Production of Wood/paper products	Limit coatings and inks which contain 250 grams or less of VOC per liter	Require VOC limits for manufacturing wood/paper products.	Not recommended - already implemented
	Industrial Wastewater	None	Require VOC limits and control system from wastewater system	Not Recommended - No sources
	Wastewater Sewage Treatment	None	Require VOC limits and control system for wastewater sewage treatment plant	Not Recommended - No sources
	Lower permit exemption	Permit exemptions and thresholds	Lower permit threshold to bring more sources and equipment under permit program	Not Recommended - Evaluated for Attainment Advancement
	Composting Green Waste	None	Establish VOC limits similar to the rule adopted by SJVUAPCD	Not Recommended - Evaluated for Attainment Advancement
	Composting and Biosolids	None	Establish VOC reducing requirements equivalent to SJVUAPCD/SCAQMD	Not Recommended - Evaluated for Attainment Advancement
	Glass Furnaces	None	Establish NOx limits for glass furnaces	Not Recommended - No sources
	Central Furnaces	None	Establish NOx limits for central furnaces	Not Recommended - Evaluated for Attainment Advancement
IS-1	ISR Construction	None	Implement construction mitigation rule to reduce off-road construction Nox emissions associated with new land use development	<del>Control Measure</del> <del>Not Recommended</del> -Evaluated for Attainment Advancement
IS-1	ISR Construction	None	Implement construction mitigation rule to reduce off-road construction emissions associated with new land use development	Not Recommended - Evaluated for Attainment Advancement
IS-2	ISR Operational	None	Mitigate increased emissions associated with new land use/development projects	<del>Control measure</del> <del>Recommended</del> -Evaluated for Attainment Advancement



## Board Agenda Item

### *Public Hearing/Action*

**Agenda Date:** August 11, 2011

**Prepared By:** Don Duffy, Associate Air Pollution Control Engineer

DD

**Topic:** Adoption of Amended Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations.

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#### **Action Requested:**

- 1) Conduct a Public Hearing regarding the proposed adoption of amended Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations.
- 2) Approve Resolution #11-14 (Attachment #1), thereby adopting amended Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations and approve and adopt the Recommendations found in this document and the Findings in the Staff Report (Attachment #2).

**Discussion:** Amendment of Rule 412 is being proposed in order to incorporate a “low-use” exemption and an “intermittent-use” exemption from the emission requirements of the Airborne Toxic Control Measure (ATCM) for Stationary Compression Ignition Engines (Title 17, California Code of Regulations, section 93115).

Currently District Rule 412 requires each non-road engine (excludes vehicular engines) rated greater than 50 horsepower used in agricultural service to obtain and maintain registration from the District. The purpose of this rule is to track agricultural engines for enforcement of replacement dates required by the ATCM. The ATCM requires non-certified (pre-1996) engines to be replaced by 2010/2011 and Tier 1 and Tier 2 (1997-2007) engines to be replaced by 2014/2018, regardless of how much (or how little) the engine is actually operated. The District is proposing to amend Rule 412 such that it is equivalent (in protecting the public health) to the ATCM, however as amended it will contain an exemption for engines which are lightly used. If the District does not adopt this rule amendment, any owner or operator of a Tier 1 or Tier 2 engine will be required by the ATCM to cease using the engine in the 2014 to 2018 time period, depending on the year of manufacture and the horsepower.

District Staff is aware of some engines in the District which are “low-use” and are used very limited hours per year, mostly for standby purposes. For engines which are low-use, staff propose to grant an exemption limiting operation to 200 hours per year, which is consistent with the existing exemption from the requirements of Rule 242, Stationary Internal Combustion Engines. In order to ensure that the engines are eventually replaced, the District will impose a cumulative total limit of 2,400 hours on these engines. A common example of this type of usage is a rice grower who uses surface water (irrigation district water) for his normal growing season, but after harvest, the fields are typically flooded to help in decomposition of the remaining rice stubble. This field flooding is typically done after the end of the irrigation season, so canal water

is not available. The grower will pump ground water for this operation. This usually takes 100 to 200 hours using a diesel powered pump to accomplish.

Staff is also aware of similar engines which are used on an infrequent basis, but when they are used, they are operated for an extended number of hours. For example, many growers rely on surface water from canals or rivers to irrigate. In drought years when surface water is limited or not available, the grower might need to pump from a well. In that year, the grower might need to operate an engine 1,000 hours to pump, but wouldn't need to pump again for the next 5 or 10 years. Staff considers this type of use to be an "intermittent-use" engine. Staff propose to grant an exemption for these engines; however, because the emissions and exposures from these engines are slightly different than from low-use engines, the District will impose a tighter cumulative limit of 2,000 hours, and an absolute replacement date limit of not later than 12/31/2020, for Tier 0 engines and 12/31/2025, for Tier 1 and Tier 2 engines.

The California Air Resources Board (ARB) will allow a district rule to alter the functioning of an ATCM as long as the district can show that the district rule is equivalent to the ATCM in terms of emission reductions and protection of public health. The proposed amendments to Rule 412 have been reviewed and (informally) deemed equivalent by ARB.

NO<sub>x</sub> and other criteria pollutant emissions will increase for the exempted engines due to allowing limited use beyond the mandated replacement date. Staff has shown that these emissions will be more than offset by the replacement of at least 54 diesel engine water pumps with electric motor driven pumps.

There are two requirements for engines to qualify for the proposed exemptions:

- The engine must be "remote", meaning it is at least one-half mile from a school, hospital or residential area. An engine can also be classified as "remote" if a health risk assessment indicates an increased cancer risk of less than ten in one-million cases.
- The engine must be a "resident" engine, meaning it has been registered pursuant to Rule 412.

**Recommendation:** Staff recommends approval of the amended Rule 412.

**Attachment(s)** #1: Resolution #11-14, Adoption of amended Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations

#2: Staff Report

**ATTACHMENT #1**

**Subject:**

Resolution #11-14, Adoption of Amended Rule 412



Board Resolution:  
*Resolution # 11-14*

## Before the Placer County Air Pollution Control District Board of Directors

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**In the Matter Of:**

Approve Resolution #11-14, thereby adopting the Placer County Air Pollution Control District’s amended Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations, as shown in Exhibit #1.

The following Resolution was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **August 11, 2011**, by the following vote:

- Ayes: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_
- Noes: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_
- Abstain: Holmes, M. \_\_\_\_\_ Barkle \_\_\_\_\_ Nader \_\_\_\_\_ Weygandt \_\_\_\_\_ Ucovich \_\_\_\_\_  
Holmes, J. \_\_\_\_\_ Hill \_\_\_\_\_ Montgomery \_\_\_\_\_ Garcia \_\_\_\_\_

Signed and approved by me after its passage:

\_\_\_\_\_  
Chairman of the Placer County Air Pollution  
Control District Board of Directors

\_\_\_\_\_  
Attest: Clerk of said Board

**WHEREAS**, Section 40001 of the Health and Safety Code of the State of California authorizes the Placer County Air Pollution Control District, to adopt and enforce Rules and Regulations to achieve and maintain ambient air quality standards within the District; and

**WHEREAS**, Section 40702 of the Health and Safety Code of the State of California requires a district to adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted; and

**WHEREAS**, Section 39666(d) of the Health and Safety Code of the State of California requires California Air Districts to implement and enforce Airborne Toxic Control Measures adopted by the California Air Resourced Board; and

**WHEREAS**, the District has considered the relative cost effectiveness of the measure as well as other factors, as required by Health and Safety Code Section 40922, and made reasonable efforts to determine the direct costs expected to be incurred by regulated parties pursuant to Health and Safety Code Section 40703; and

**WHEREAS**, amendment of this regulation is categorically exempt from CEQA pursuant to Title 14, California Administrative Code, Section 15308, as an action by a regulatory agency for the protection of the environment; and

**WHEREAS**, the proposed new rule is listed in the District’s annual “Regulatory Measures List” pursuant to Health and Safety Code Section 40923; and

**WHEREAS**, these proceedings were held in a public hearing and were properly noticed pursuant to Section 40725 of the Health and Safety Code of the State of California; with any evidence having been received concerning the proposed adoption of this Resolution and this Board having duly considered such evidence; and

**NOW, THEREFORE, BE IT RESOLVED**, that this Board approves and adopts this amended Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations, as shown in Exhibit I.

**BE IT RESOLVED AND ORDERED** that the Air Pollution Control Officer is hereby authorized and directed to submit this amended rule, in the form required by the California Air Resources Board, on behalf of the Placer County Air Pollution Control District, and to perform such acts as are necessary to carry out the purpose of this resolution.

## **EXHIBIT #1**

Rule 412: Registration Requirements for Stationary and Portable Compression Ignition Engines  
Used in Agricultural Operations

# **RULE 412 REGISTRATION REQUIREMENTS FOR STATIONARY AND PORTABLE COMPRESSION IGNITION ENGINES USED IN AGRICULTURAL OPERATIONS**

Adopted 12-13-07  
(Amended 8-14-08, 8-11-11)

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## 100 GENERAL

**101 PURPOSE:** To establish procedures for the issuance of Certificate(s) of Registration for stationary and portable compression ignition (CI) engines utilized in Agricultural Operations within the District.

### 102 APPLICABILITY

102.1 Geographic: The provisions of this rule apply to agricultural operations located anywhere in Placer County.

102.2 Application: This rule applies to all stationary and portable CI engines rated at greater than 50 brake horsepower (bhp) that are used in Agricultural Operations within the District.

102.3 Severability: If any section, subsection, sentence, clause, phrase or portion of this rule is, for any reason, held invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, that portion shall be deemed as a separate, distinct and independent provision, and the holding shall not affect the validity of the remaining portions of the rule.

### 103 EXEMPTIONS:

103.1 Exemption, Agricultural Wind Machines: The provisions of this rule shall not apply to any CI engine used to power an agricultural wind machine.

103.2 Exemption, Intermittent-Use: The in-use stationary diesel agricultural emission standard and other requirements of section 93115.8(b) of the Airborne Toxic Control Measure (ATCM) for Stationary Compression Ignition Engines shall not apply to intermittent-use engines until the following dates:

103.2.1 Tier 0 diesel engines – 12/31/2020

103.2.1 Tier 1 or Tier 2 diesel engines – 12/31/2025

103.3 Exemption, Low-Use: The in-use stationary diesel agricultural emission standard and other requirements of section 93115.8(b) of the Airborne Toxic Control Measure (ATCM) for Stationary Compression Ignition Engines shall not apply to diesel low-use engines.

103.4 Exemption, Resident Engine: An owner/operator of an engine who can show to the satisfaction of the APCO that the engine operated primarily in the Placer County Air Pollution Control District's jurisdiction prior to August 11, 2011, but that they had no knowledge of the requirement to register their engine, can qualify as a resident engine so long as they submit an initial application within 60 days of being notified of the program and pay fees equivalent to the amount they would have paid had they registered in a timely manner.

## 200 DEFINITIONS

**201 AGRICULTURAL OPERATIONS:** Growing and harvesting of crops or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution. Agricultural operations do not include activities involving the processing or distribution of crops or fowl.

**202 AIR POLLUTION CONTROL OFFICER (APCO):** The Air Pollution Control Officer of the Placer County Air Pollution Control District, or designee.

- 203 CERTIFICATE OF REGISTRATION:** A certificate issued by the APCO acknowledging expected compliance with the applicable requirements of this Rule at the time the certificate is issued.
- 204 CI ENGINE:** A compression-ignited two or four-stroke engine in which liquid fuel injected into the combustion chamber ignites when the air charge has been compressed to a temperature sufficiently high for auto-ignition.
- 205 EMERGENCY STAND-BY ENGINE:** A CI engine used only as follows:
- 205.1 When normal power line or natural gas service fails;
- 205.2 For the emergency pumping of water for either fire protection or flood relief.
- An emergency stand-by engine may not be operated to supplement a primary power source when the load capacity or rating of the primary power source has either been reached or exceeded.
- 206 ENGINE RATING:** The output of an engine as determined by the engine manufacturer and listed on the nameplate of the engine.
- 207 INTERMITTENT-USE ENGINE:** An engine which meets all of the following:
- 207.1 is a resident engine;
- 207.2 is a remote engine;
- 207.3 the owner has modified their District registration to claim the intermittent-use status;
- 207.4 operates less than a cumulative total of 2,000 hours after receiving a District registration with an intermittent-use status; and
- 207.5 is not also a low-use engine.
- 208 IN-USE ENGINE:** A stationary or portable CI engine whose installation or use commenced prior to the date of the adoption of this rule.
- 209 MAINTENANCE OPERATION:** The use of an emergency stand-by engine and fuel system during testing, repair and routine maintenance to verify its readiness for emergency stand-by use.
- 210 LOW-USE ENGINE:** An engine which meets all of the following:
- 210.1 is a resident engine;
- 210.2 is a remote engine;
- 210.3 the owner has modified their District registration to claim the low-use status;
- 210.4 operates less than 200 hours per year after receiving a District registration with a low-use status;
- 210.5 operates less than a cumulative total of 2,400 hours after receiving a District registration with a low-use status; and
- 210.6 is not also an intermittent-use engine.
- 211 NEW ENGINE:** A stationary or portable CI engine whose installation or use commenced after the date of adoption of this rule.

- 212 PORTABLE CI ENGINE:** Portable means designed and capable of being carried or moved from one location to another. Indicia of portability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, or platform. For the purposes of this rule, a portable engine must be used exclusively at agricultural sources under common ownership.
- 213 REMOTE ENGINE:** An engine which is located more than one-half mile from any residential area, school, or hospital. An engine that is located within one-half mile of a residential area may be classified as a remote engine if a health risk assessment approved by the APCO shows a cancer risk of less than ten in one million increased cancer risk at any residences within one-half mile.
- 214 RESIDENT ENGINE:** An engine which was registered in Placer County Air Pollution Control District's jurisdiction prior to August 11, 2011 and maintains that registration. If the registration is ever cancelled, the engine can never be subsequently registered as a resident engine.
- 215 RESIDENTIAL AREA:** A residential area is defined as three or more permanent residences (i.e., homes) located anywhere outside the agricultural operation's property.
- 216 SCHOOL:** School or school grounds means any public or private school used for purposes of the education of more than 12 children in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in a private home. School grounds includes any building or structure, playground, athletic field, or other areas of school property but does not include unimproved school property.
- 217 STATIONARY CI ENGINE:** A CI engine that is designed to stay in one location, or remains in one location.

### **300 STANDARDS**

- 301 REGISTRATION:** By the applicable compliance schedules specified in Section 401 of this rule, the owner or operator of a new or in-use stationary or portable agricultural CI engine to which this rule is applicable, shall submit a complete registration application to the District.
- 302 HOUR METER:** A non-resettable hour meter with a minimum display capability of 9,999 hours shall be installed and maintained operational on each intermittent-use and low-use engine.

### **400 ADMINISTRATIVE REQUIREMENTS**

#### **401 COMPLIANCE SCHEDULES**

- 401.1 Compliance Schedule: In-Use Engines: Owners or operators of in-use stationary or portable agricultural CI engines shall comply with the provisions of Section 301 of this rule by March 1, 2008.
- 401.2 Compliance Schedule: New Engines: Owners or operators of new stationary or portable agricultural CI engines shall comply with the provisions of Section 301 of this rule within 90 days of installation.
- 401.3 Certificate Renewal: Certificates of Registration shall be valid for a period of three (3) years from the date issued and shall be renewable upon payment of all applicable fees, submittal of information requested, and verification that the engine is in compliance with all District requirements.

401.4 Fees: A fee shall be required for registration and renewals pursuant to Rule 601, PERMIT FEES – STATIONARY SOURCE.

**402 INTERMITTENT-USE STATUS:** Requests for an exemption per section 103.2 shall be initiated by an owner or operator filing a District application for each intermittent-use engine along with documentation that the engine was used in the District prior to (effective date of this rule). A registration fee is required.

**403 LOW-USE STATUS:** Requests for an exemption per section 103.3 shall be initiated by an owner or operator filing a District application for each low-use engine along with documentation that the engine was used in the District prior to (the effective date of the rule). A registration fee is required.

**404 APPLICATION REQUIREMENTS:** As part of the registration application, each owner or operator subject to the provisions of this rule shall provide the APCO the following data:

404.1 Date of registration application submittal;

404.2 Name, title (as applicable), and signature of person submitting the registration application;

404.3 Name, mailing address and telephone number of the engine owner and of the operator, if the owner is not also the operator;

404.4 Date of installation or anticipated installation;

404.5 Year of manufacture, or approximate age if unable to determine year of manufacture;

404.6 Make, model and serial number;

404.7 Maximum rated brake horsepower;

404.8 Certification status with respect to Off-Road CI Engine Certification Standards (Title 13, California Code of Regulations, Section 2413) if available;

404.9 Estimated annual average operating hours;

404.10 Each fuel used and estimated annual average gallons of each fuel used, if alternative diesel fuels are used;

404.11 Location description that clearly identifies the location of the engine, which includes at least one of the following: latitude and longitude; universal trans meridian (UTM) coordinates; global positioning satellite data (GPS); address, town and nearest cross streets and distance and direction from the cross streets to the engine; parcel or plot number/designation; or other complete description that clearly identifies the location of the engine. For portable engines, provide information for each use location;

404.12 For an engine located within one-quarter mile (1,320 feet) of a receptor location (residential area, school, or hospital):

404.12.1 Distance (in meters or feet) from engine to a receptor location;

404.12.2 Direction from engine to a receptor location;

404.12.3 Location of engine and receptor that clearly identifies each location, including at least one of the following for each: latitude and longitude; universal trans meridian (UTM) coordinates; global positioning satellite data (GPS); address, town and nearest cross streets and distance and

direction from the cross streets to the engine and receptor location; or other complete description that clearly identifies the locations.

- 405 RECORDKEEPING:** An owner or operator of each intermittent-use and each low-use engine shall keep records of the actual number of hours the engine is operated on a calendar quarterly basis. Such records shall be retained for a minimum of 60 months past the date the engine was last used. Records shall be made available to District staff within 5 working days from the District's request.
- 406 REPORTING:** Owners or operators of intermittent-use engines and low-use engines operating under the exemption in section 103.2 or section 103.3 shall:
- 406.1 Submit an annual report (in a format approved by the District) by January 31<sup>st</sup> of every year, detailing the actual operating hours for the previous calendar year for each registration.
- 406.2 If the actual cumulative usage of any engine ever exceeds the registration condition limiting the hours, cease using the engine immediately and notify the District in writing within five days after they become aware that the hours were exceeded.
- 407 CERTIFICATE SCHEDULE:** The APCO or his appointed representative shall issue a Certificate of Registration, deny the issuance of a Certificate of Registration, or deem the application incomplete within ninety (90) days of the receipt of an application. The applicant shall be notified in writing of the reasons for denial of the registration or finding an application to be incomplete.
- 408 ON-SITE INSPECTIONS:** The District may conduct an on-site inspection of the engine to verify compliance with District Regulations and State law.
- 409 NOTIFICATION REQUIREMENTS:** The owner or operator of a registered CI engine shall notify the District in writing no later than 14 days after any change of owner or operator, change in location, installation or commencement of an emissions control strategy, replacement of the engine with a new CI engine, or replacement with an electric motor or non-CI engine.
- 410 VIOLATIONS:** Failure to comply with any provision of this rule shall constitute a violation of this rule.

**ATTACHMENT #2**

**Subject:**

Staff Report

## STAFF REPORT

### AMENDMENT OF RULE 412—REGISTRATION REQUIREMENTS FOR STATIONARY AND PORTABLE COMPRESSION IGNITION ENGINES USED IN AGRICULTURAL OPERATIONS

#### EXECUTIVE SUMMARY

On August 11, 2011, the Placer County Air Pollution Control Board will consider proposed amendments to Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations. Rule 412 is being amended in order to incorporate a “low-use” exemption and an “intermittent-use” exemption from the emission requirements of the Airborne Toxic Control Measure (ATCM) for Stationary Compression Ignition Engines (Title 17, California Code of Regulations, section 93115).

Currently District Rule 412 requires each non-road engine (excludes vehicular engines) rated greater than 50 horsepower used in agricultural service to obtain and maintain registration from the District. The purpose of this rule is to track agricultural engines for enforcement of replacement dates required by the ATCM. The ATCM requires non-certified (pre-1996) engines to be replaced by 2010/2011 and Tier 1 and Tier 2 (1997-2007) engines to be replaced by 2014/2018, regardless of how much (or how little) the engine is actually operated. The District is proposing to amend Rule 412 such that the Rule is equivalent (in protecting the public health) to the ATCM, however contains an exemption for engines which are not used very much. If the District does not adopt this rule amendment, any owner or operator of a Tier 0 engine will be required by the ATCM to cease using the engine by the end of 2010 (or 2011 for engines less than 99 hp).

The main new requirements for proposed Rule 412 are:

- Definitions for “low-use”, “intermittent-use”, “remote”, and “resident” engines.
- A low-use engine will be able to obtain an exemption from the need to comply with the emission limits of the ATCM.
- Until 12/31/2020, a Tier 0 intermittent-use engine will be able to obtain an exemption from the need to comply with the emission limits of the ATCM.
- Until 12/31/2025, a Tier 1 or Tier 2 intermittent-use engine will be able to obtain an exemption from the need to comply with the emission limits of the ATCM.
- In order to obtain any of these exemptions and make the limitations enforceable by the District, the owner/operator will be required to submit an application to amend their registration.
- Once granted an exemption, the owner or operator will be required to maintain records of their actual use and submit an annual report of their usage. The limitations on operating hours will be an enforceable registration condition and will be strictly enforced.

Proposed amendments to Rule 412 are expected to directly benefit agricultural sources within the District. Currently, the District has 56 active engine registrations. Of those, it is unknown how many will apply for an exemption. In response to a survey sent to registration holders, 16 potential engines were identified that may qualify as low-use or intermittent use engines.

#### BACKGROUND

When the Air Resources Board (ARB) promulgated the ATCM amendments in 2006, they felt a statewide low-use exemption was not appropriate and not protective of public health in all cases. However, the state sent a letter to the Sacramento Valley Basin Control Council (BCC) in December 2008, stating that “if a local air district wishes to provide a low-use exemption for agricultural engines in their jurisdiction, ARB staff is committed to working with them to develop alternative requirements that are at least equally protective of public health as the adopted ATCM”. The California Air Pollution Control Officers Association (CAPCOA) worked with ARB staff to develop several approaches that would be approvable as equally protective.

The ATCM requires that all existing agricultural use engines be “cleaned up” over time, which essentially requires that owners of pre-2008 engines will have to replace their engines with new certified engines between 2010 and 2018, depending on the age and horsepower rating. According to the ARB’s rulemaking documents for the ATCM, “the primary purpose of the proposed amendments is to establish in-use stationary diesel agricultural engine emission standards in order to reduce diesel PM emissions, exposure and health risk”. In the Final Statements of Reason the ARB response to a question suggests that a remote-location engine would be associated with an estimated cancer risk of less than 10 chances in a million and this would be an “acceptable” risk for most risk management purposes.

When the ATCM was last amended, the ARB performed cost effectiveness calculations using many assumptions, including an average horsepower rating of 184 hp, a useful life of 20 years, and an average annual usage of 1,000 hours per year. The cost effectiveness was calculated at a range of \$1 to \$22 per pound of diesel PM reduced. If an owner/operator uses an engine significantly less than 20,000 hours, the corresponding emissions will be much lower, and consequently replacement of the engine likely would not be cost effective.

The District is promulgating this rule amendment to exempt existing (resident) intermittent and low-use engines from having to be replaced in accordance with the existing ATCM schedule. Subsequent to the ATCM promulgation, many growers have opted to electrify their engines, some are choosing to replace their engines, and some would like to switch to intermittent or low-use status. This staff report shows the large amount of emission reductions resulting from electrification of 54 engines under the Pacific Gas & Electric Ag-ICE program far outweigh the small amount of emission reductions not realized by allowing intermittent-use and low-use exemptions. In addition, the risk from any of these exempted engines will be minimized by requiring the engine be located more than one-half mile from a residential area, school, or hospital (remote engine). An engine may also be designated as remote if an APCO approved health risk assessment shows increased cancer risk of less than ten in one million for residences within one-half mile of the engine. Therefore, our rule will be equally protective of public health as the adopted ATCM.

The District is aware of some engines in our District which are “low-use” and are used for very limited hours per year, mostly for standby purposes. For engines which are low-use, the District will

grant an exemption for those limited to 200 hours per year, which is consistent with our existing exemption from the requirements of our Rule 242, Stationary Internal Combustion Engines. In order to ensure that the engines are eventually replaced, the District will impose a cumulative total limit of 2,400 hours.

A common example of this type of usage is a rice grower who uses surface water (irrigation district water) for his normal growing season, but after harvest, the fields are typically flooded to help in decomposition of the remaining rice stubble. This field flooding is done after the end of the irrigation season, so canal water is not available. The grower will pump ground water for this operation. This usually takes 100 to 200 hours using a diesel powered pump to accomplish.

Staff is also aware of similar engines which are used on an infrequent basis, but when they are used, they are operated for an extended number of hours. For example, many growers rely on surface water from canals or rivers to irrigate. In drought years when surface water is limited or not available, they might need to pump from a well. In that year, the grower might need to operate an engine 1,000 hours to pump, but wouldn't need to pump for the next 5 or 10 years. The District considers this type of use to be an "intermittent-use" engine. The District will also grant an exemption for these engines, however because the emissions and exposures from these engines are slightly different than from low-use engines, the District will impose a tighter cumulative limit of 2,000 hours, and an absolute replacement date limit of not later than 12/31/2020, for Tier 0 engines and 12/31/2025, for Tier 1 and Tier 2 engines.

As the District is promulgating these limited exemptions, Staff does not want to see engines from around the state (which would be non-compliant with the ATCM) start moving to the District for use under the proposed exemptions. Therefore as part of these exemptions, the District will require the engine be a resident engine.

A District registration will still be required in order for the District to enforce the provisions of the exemption by verifying on an ongoing basis that the engines under this exemption submit an application to modify their registration to make the limits enforceable. The registration will require recordkeeping on the hours of use and annual reporting of these hours. The District will strictly enforce the allowable hour limit. If a grower reaches his engine specific hour limit, any additional usage will be in violation and will be subject to a Notice of Violation (NOV) and monetary penalty. Therefore, if a grower is approaching his limit at the beginning of a growing season, the District would strongly encourage the grower to replace the engine before that new season.

## **DISCUSSION OF PROPOSED RULE 412 AMENDMENTS**

Listed below are descriptions of the proposed changed sections for Rule 412.

### **Section 103 – Exemptions**

New section 103.2 – Exemption, Intermittent-Use: A new exemption will be added that states that

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until December 31, 2020, (for tier 0 engines) and December 31, 2025 (for Tier 1 and Tier 2 engines) intermittent-use engines obtaining this exemption will not be subject to the emission standard requirements of the diesel ATCM. After December 31, 2020, or December 31, 2025, when an intermittent engine becomes subject to the ATCM, that engine will not comply with the ATCM, and therefore it is expected at that point that the owner/operator of this engine will have to cease operating the engine.

New section 103.3 – Exemption, Low Use: A new exemption will be added that states that low-use engines obtaining this exemption will not be subject to the emission standard requirements of the diesel ATCM.

New section 103.4 – Exemption, Resident Engine: If an owner/operator doesn't register an engine by the effective date of this rule, but it is found later (or they come in voluntarily) and they can prove to the satisfaction of the APCO that the engine had primarily operated in our District prior to the effective date of this rule (the engine wasn't displaced from some other part of the state after the ATCM deadlines became effective), they can still qualify as a resident engine so long as they apply within 60 days of being notified of the program and pay fees equivalent to what they would have paid had they registered in a timely manner.

Section 200, Definitions

New section 207 – A new definition is being inserted here for intermittent-use engines, which is a resident engine and a remote engine, for which the owner applies to modify their registration, and which is operated less than a cumulative total of 2,000 hours after being granted an intermittent-use status.

New section 210 – A new definition is being inserted here for a low-use engine, which is a resident engine and a remote engine, for which the owner applies to modify his registration, and which is operated less than 200 hours per year and less than a cumulative total of 2,400 hours after being granted a low-use status.

New section 211 – A new definition is being inserted here for a remote engine, which is an engine that is located more than one-half mile from a residential area, a school, or a hospital. An engine may also be designated as remote if an APCO approved health risk assessment shows increased cancer risk of less than ten in one million for residences within one-half mile of the engine.

New section 212 – A new definition is being inserted here for a resident engine, which is an engine that was registered prior to 90 days after the effective date of this rule amendment, and which maintains that registration. The 90 days is being incorporated to allow for some growers who have engines in their barns, who didn't register initially because of the looming deadline for retirement, but now want to register them as low-use or intermittent-use engines.

### Section 300, Standards

New section 302, Hour Meter – A new requirement is being added that low-use and intermittent-use engines be equipped with an hour meter so that operational hours can be recorded and reported.

### Section 400, Administrative Requirements

New section 402, Intermittent-Use Status – This new section requires that an application for an intermittent-use status must be initiated by an owner/operator by submitting an application and documentation that the engine was used in the District prior to the date of rule adoption. If the engine was registered with the District, this will suffice as documentation that the engine was used in this District. A registration fee will be required as specified in Rule 601, Permit Fees.

New section 403, Low-Use Status – This new section requires that an application for a low-use status must be initiated by an owner/operator submitting an application and documentation that the engine was used in the District prior to the date of rule adoption. If the engine was registered with the District, this will suffice as documentation that the engine was used in this District. A registration fee will be required as specified in Rule 601, Permit Fees.

Old section 402, Reporting Requirements – This section has been renumbered as section 404 and the title changed to Application Requirements.

New section 405, Recordkeeping – This section has been added to require recordkeeping for intermittent-use and low-use engines.

New section 406, Reporting – This section has been added to require reporting of annual and cumulative operating hours for intermittent-use and low-use engines.

## **IMPACTS OF THE PROPOSED RULE**

The proposed amendments to Rule 412 establishes two new exemptions, but is equivalent to the ATCM, and therefore does not establish any new emission control measures itself.

### Emissions Impacts

By requiring that each exempted engine is located more than one-half mile from any residential area, school, or hospital, the diesel PM emissions health risks from our rule will be equivalent to the ATCM. Alternately, if a health risk assessment shows cancer risk of less than ten in one million, it is deemed as equivalent to the ATCM.

ARB has requested that as part of a low-use exemption, the District should account for any “lost” reductions – those which the ATCM would have achieved, but that our program did not achieve. District Staff believe that any potential lost reductions from intermittent-use or low-use engines will

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be more than offset by a large number of diesel engines which were electrified (essentially controlled above and beyond what the ATCM would have required) subsequent to the ATCM being adopted.

In the District, under the Pacific Gas & Electric AG-ICE program, there were 54 agricultural engines, totaling 6,528 horsepower (an average of 121 horsepower each). Using the ARB assumptions of 1,000 hours per year and 12 years life, and a difference from the Tier 3 level (3 gr/hp-hr NO<sub>x</sub>) down to zero (electric motor), the amount of “excess” reductions obtained from 54 AG-ICE engines would have been 259 tons of NO<sub>x</sub>. For an average Tier 0 “intermittent-use” engine, the maximum amount that it might emit over its remaining life would be 121 hp \* 11 gr NO<sub>x</sub>/hp-hr \* 2,000 hours \* 1 lb/453.6 gr \* 1 ton/2,000 lbs = 2.93 tons NO<sub>x</sub>. For an average Tier 0 “low-use” engine, the maximum amount that it might emit over its remaining life would be 121 hp \* 11 gr NO<sub>x</sub>/hp-hr \* 2,400 hours \* 1 lb/453.6 gr \* 1 ton/2,000 lbs = 3.52 tons NO<sub>x</sub>. This would mean that if the District has less than 88 intermittent-use engines or less than 73 low-use engines, or some combination thereof, the program would be equivalent. Since The District has only a total of 56 registered engines, they could all become low-use engines and the program would still be equivalent to the ATCM.

#### Cost Effectiveness

Section 40703 of the CH&SC requires that the District consider and make public its findings relating to the cost effectiveness of implementing an emission control measure. Since the proposed rule amendment does not establish a new emission control measure, a cost effectiveness evaluation is not applicable.

#### Socioeconomic Impacts

CH&SC Section 40728.5 (a) requires the District, in the process of the adoption of any rule or regulation, to consider the socioeconomic impact if air quality or emission limits may be significantly affected. However, districts with a population of less than 500,000 persons are exempt from these provisions. The District’s population is estimated to be approximately 340,000 and well below the 500,000 person threshold. Therefore, a socioeconomic analysis for this rule-making is not required.

#### **FISCAL IMPACT**

Cost of Compliance: Proposed amended Rule 412 will impose costs on owners and operators of registered agricultural engines that file for intermittent-use or low-use status. The application fee would be the registration fee specified in Rule 601, Permit Fees, section P. This fee is set at 1.1 labor hours at the District’s general time and materials rate at the time of the application. This would currently be \$108.35. The benefit to the grower of gaining the intermittent-use or low-use status for their engine would be to extend the use of their diesel engine for a number of years before being required to retire that engine.

The amended ATCM, in section 93115.8(d), authorizes Districts to assess a fee to recover the costs of implementing and enforcing agricultural stationary diesel engine standards and a registration program for these engines. In addition, the Health and Safety Code, in section 41512.5, authorizes a district board to adopt fees to recover the costs of implementing laws regarding non-permitted emission sources.

Impact to Economy: The number of agricultural engines that would take advantage of the proposed exemptions is not known at this time, but it is expected that the number would be small; approximately ten to 15 engines. For ten engines, the total cost to the agricultural community would be approximately \$1,100. This does not consider the benefit to the grower of delaying procurement of a new replacement engine.

### **Analysis and Findings**

The following Analysis and the subsequent Findings are intended to address the requirements set forth in the Health and Safety Code relating to adoption of a new or amended District Rule, as well as other State statutes referenced herein.

#### Cost-Effectiveness of a Control Measure

California Health & Safety Code (H&S) Section 40703 requires a District to consider and make public “the cost-effectiveness of a control measure”. The amendment of Rule 412 will have an additional cost on the applicant of \$108.35 per engine for which he applies for the exemption. The benefit to the applicant would be to delay the retirement of the subject engine. The decision of an engine owner to apply for the “low-use” or “intermittent-use” exemption is at his option and he would determine the cost-effectiveness as it applies to him.

#### Socioeconomic Impact

H&S Section 40728, in relevant part, requires the Board to consider the socioeconomic impact of any new rule if air quality or emission limits are significantly affected. However, Districts with a population of less than 500,000 persons are exempted from the socioeconomic analysis. In 2009, the population of Placer County was approximately 340,000 persons; therefore PCAPCD is exempt from this requirement.

#### California Environmental Quality Act (CEQA)

California Public Resources Code Section 21159 requires that an environmental analysis of the reasonably foreseeable methods of compliance be conducted. Compliance with the proposed amended rule is optional with the engine owner. If the engine owner chooses to apply for an exemption, Staff has shown in this report that NO<sub>x</sub> and hazardous emissions are at least equivalent to the governing ATCM. Staff has concluded that no adverse environmental impacts will be caused by compliance with the proposed amended rule.

According to the above conclusion, Staff finds that the proposed rule is exempt from the California Environmental Quality Act (CEQA) because 1) it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment (CEQA Guidelines §15061(b)(3)) and 2) it is an action by a regulatory agency for protection of the environment (Class 8 Categorical Exemption, CEQA Guidelines §15308).

### Findings

- A. **Necessity** – The adoption of amended Rule 412 is necessary to provide an owner of an agricultural engine the option of delaying compliance with the ATCM mandated replacement date in certain circumstances where engine emissions are equivalent to the ATCM intent.
- B. **Authority** – California Health and Safety Code, Sections 40000, 40001, 40701, and 40702 are provisions of law that provide the District with the authority to amend this rule.
- C. **Clarity** – There is no indication, at this time, that the proposed rule is written in such a manner that persons affected by the rule cannot easily understand them.
- D. **Consistency** – The regulation is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.
- E. **Non-duplication** – The regulation does not impose the same requirements as an existing state or federal regulation.
- F. **Reference** – All statutes, court decisions, and other provisions of law used by PCAPCD in interpreting this regulation is incorporated into this analysis and this finding by reference.

Attachment: Strikeout Version of Rule 412 , Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations.

## **Attachment #1**

Strikeout Version Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations

# RULE 412 REGISTRATION REQUIREMENTS FOR STATIONARY AND PORTABLE COMPRESSION IGNITION ENGINES USED IN AGRICULTURAL OPERATIONS

Adopted 12-13-07  
(Amended 8-14-08, [8-11-11](#))

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## 100 GENERAL

**101 PURPOSE:** To establish procedures for the issuance of Certificate(s) of Registration for stationary and portable compression ignition (CI) engines utilized in Agricultural Operations within the District.

### 102 APPLICABILITY

102.1 Geographic: The provisions of this rule apply to agricultural operations located anywhere in Placer County.

102.2 Application: This rule applies to all stationary and portable CI engines rated at greater than 50 brake horsepower (bhp) that are used in Agricultural Operations within the District.

102.3 Severability: If any section, subsection, sentence, clause, phrase or portion of this rule is, for any reason, held invalid, unconstitutional, or unenforceable by any court of competent jurisdiction, that portion shall be deemed as a separate, distinct and independent provision, and the holding shall not affect the validity of the remaining portions of the rule.

### 103 EXEMPTIONS:

103.1 Exemption, Agricultural Wind Machines: The provisions of this rule shall not apply to any CI engine used to power an agricultural wind machine.

103.2 Exemption, Intermittent-Use: The in-use stationary diesel agricultural emission standard and other requirements of section 93115.8(b) of the Airborne Toxic Control Measure (ATCM) for Stationary Compression Ignition Engines shall not apply to intermittent-use engines until the following dates:

103.2.1 Tier 0 diesel engines – 12/31/2020

103.2.1 Tier 1 or Tier 2 diesel engines – 12/31/2025

103.3 Exemption, Low-Use: The in-use stationary diesel agricultural emission standard and other requirements of section 93115.8(b) of the Airborne Toxic Control Measure (ATCM) for Stationary Compression Ignition Engines shall not apply to diesel low-use engines.

103.4 Exemption, Resident Engine: An owner/operator of an engine who can show to the satisfaction of the APCO that the engine operated primarily in the Placer County Air Pollution Control District's jurisdiction prior to August 11, 2011, but that they had no knowledge of the requirement to register their engine, can qualify as a resident engine so long as they submit an initial application within 60 days of being notified of the program and pay fees equivalent to the amount they would have paid had they registered in a timely manner.

## 200 DEFINITIONS

**201 AGRICULTURAL OPERATIONS:** Growing and harvesting of crops or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution. Agricultural operations do not include activities involving the processing or distribution of crops or fowl.

**202 AIR POLLUTION CONTROL OFFICER (APCO):** The Air Pollution Control Officer of the Placer County Air Pollution Control District, or designee.

- 203 CERTIFICATE OF REGISTRATION:** A certificate issued by the APCO acknowledging expected compliance with the applicable requirements of this Rule at the time the certificate is issued.
- 204 CI ENGINE:** A compression-ignited two or four-stroke engine in which liquid fuel injected into the combustion chamber ignites when the air charge has been compressed to a temperature sufficiently high for auto-ignition.
- 205 EMERGENCY STAND-BY ENGINE:** A CI engine used only as follows:
- 205.1 When normal power line or natural gas service fails;
- 205.2 For the emergency pumping of water for either fire protection or flood relief.
- An emergency stand-by engine may not be operated to supplement a primary power source when the load capacity or rating of the primary power source has either been reached or exceeded.
- 206 ENGINE RATING:** The output of an engine as determined by the engine manufacturer and listed on the nameplate of the engine.
- 207 INTERMITTENT-USE ENGINE:** An engine which meets all of the following:
- 207.1 is a resident engine;
- 207.2 is a remote engine;
- 207.3 the owner has modified their District registration to claim the intermittent-use status;
- 207.4 operates less than a cumulative total of 2,000 hours after receiving a District registration with an intermittent-use status; and
- 207.5 is not also a low-use engine.
- 208 IN-USE ENGINE:** A stationary or portable CI engine whose installation or use commenced prior to the date of the adoption of this rule.
- 209 MAINTENANCE OPERATION:** The use of an emergency stand-by engine and fuel system during testing, repair and routine maintenance to verify its readiness for emergency stand-by use.
- 210 LOW-USE ENGINE:** An engine which meets all of the following:
- 210.1 is a resident engine;
- 210.2 is a remote engine;
- 210.3 the owner has modified their District registration to claim the low-use status;
- 210.4 operates less than 200 hours per year after receiving a District registration with a low-use status;
- 210.5 operates less than a cumulative total of 2,400 hours after receiving a District registration with a low-use status; and
- 210.6 is not also an intermittent-use engine.
- 211 NEW ENGINE:** A stationary or portable CI engine whose installation or use commenced after the date of adoption of this rule.

**212 PORTABLE CI ENGINE:** Portable means designed and capable of being carried or moved from one location to another. Indicia of portability include, but are not limited to, wheels, skids, carrying handles, dolly, trailer, or platform. For the purposes of this rule, a portable engine must be used exclusively at agricultural sources under common ownership.

**213 REMOTE ENGINE:** An engine which is located more than one-half mile from any residential area, school, or hospital. An engine that is located within one-half mile of a residential area may be classified as a remote engine if a health risk assessment approved by the APCO shows a cancer risk of less than ten in one million increased cancer risk at any residences within one-half mile.

**214 RESIDENT ENGINE:** An engine which was registered in Placer County Air Pollution Control District's jurisdiction prior to August 11, 2011 and maintains that registration. If the registration is ever cancelled, the engine can never be subsequently registered as a resident engine.

**215 RESIDENTIAL AREA:** A residential area is defined as three or more permanent residences (i.e., homes) located anywhere outside the agricultural operation's property.

**216 SCHOOL:** School or school grounds means any public or private school used for purposes of the education of more than 12 children in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in a private home. School grounds includes any building or structure, playground, athletic field, or other areas of school property but does not include unimproved school property.

**217 STATIONARY CI ENGINE:** A CI engine that is designed to stay in one location, or remains in one location.

## 300 STANDARDS

**301 REGISTRATION:** By the applicable compliance schedules specified in Section 401 of this rule, the owner or operator of a new or in-use stationary or portable agricultural CI engine to which this rule is applicable, shall submit a complete registration application to the District.

**302 HOUR METER:** A non-resettable hour meter with a minimum display capability of 9,999 hours shall be installed and maintained operational on each intermittent-use and low-use engine.

## 400 ADMINISTRATIVE REQUIREMENTS

### 401 COMPLIANCE SCHEDULES

401.1 Compliance Schedule: In-Use Engines: Owners or operators of in-use stationary or portable agricultural CI engines shall comply with the provisions of Section 301 of this rule by March 1, 2008.

401.2 Compliance Schedule: New Engines: Owners or operators of new stationary or portable agricultural CI engines shall comply with the provisions of Section 301 of this rule within 90 days of installation.

401.3 Certificate Renewal: Certificates of Registration shall be valid for a period of three (3) years from the date issued and shall be renewable upon payment of all applicable fees, submittal of information requested, and verification that the engine is in compliance with all District requirements.

401.4 Fees: A fee shall be required for registration and renewals pursuant to Rule 601, PERMIT FEES – STATIONARY SOURCE.

**402** INTERMITTENT-USE STATUS: Requests for an exemption per section 103.2 shall be initiated by an owner or operator filing a District application for each intermittent-use engine along with documentation that the engine was used in the District prior to (effective date of this rule). A registration fee is required.

**403** LOW-USE STATUS: Requests for an exemption per section 103.3 shall be initiated by an owner or operator filing a District application for each low-use engine along with documentation that the engine was used in the District prior to (the effective date of the rule). A registration fee is required.

**404** REPORTING APPLICATION REQUIREMENTS: As part of the registration application, each owner or operator subject to the provisions of this rule shall provide the APCO the following data:

404.1 Date of registration application submittal;

404.2 Name, title (as applicable), and signature of person submitting the registration application;

404.3 Name, mailing address and telephone number of the engine owner and of the operator, if the owner is not also the operator;

404.4 Date of installation or anticipated installation;

404.5 Year of manufacture, or approximate age if unable to determine year of manufacture;

404.6 Make, model and serial number;

404.7 Maximum rated brake horsepower;

404.8 Certification status with respect to Off-Road CI Engine Certification Standards (Title 13, California Code of Regulations, Section 2413) if available;

404.9 Estimated annual average operating hours;

404.10 Each fuel used and estimated annual average gallons of each fuel used, if alternative diesel fuels are used;

404.11 Location description that clearly identifies the location of the engine, which includes at least one of the following: latitude and longitude; universal trans meridian (UTM) coordinates; global positioning satellite data (GPS); address, town and nearest cross streets and distance and direction from the cross streets to the engine; parcel or plot number/designation; or other complete description that clearly identifies the location of the engine. For portable engines, provide information for each use location;

404.12 For an engine located within one-quarter mile (1,320 feet) of a receptor location (residential area, school, or hospital):

404.12.1 Distance (in meters or feet) from engine to a receptor location;

404.12.2 Direction from engine to a receptor location;

404.12.3 Location of engine and receptor that clearly identifies each location, including at least one of the following for each: latitude and longitude; universal trans meridian (UTM) coordinates; global positioning satellite data (GPS); address, town and nearest cross streets and distance and

[August 14, 2008](#)[August 11, 2011](#)

direction from the cross streets to the engine and receptor location; or other complete description that clearly identifies the locations.

**405** **RECORDKEEPING:** An owner or operator of each intermittent-use and each low-use engine shall keep records of the actual number of hours the engine is operated on a calendar quarterly basis. Such records shall be retained for a minimum of 60 months past the date the engine was last used. Records shall be made available to District staff within 5 working days from the District's request.

**406** **REPORTING:** Owners or operators of intermittent-use engines and low-use engines operating under the exemption in section 103.2 or section 103.3 shall:

406.1 Submit an annual report (in a format approved by the District) by January 31<sup>st</sup> of every year, detailing the actual operating hours for the previous calendar year for each registration.

406.2 If the actual cumulative usage of any engine ever exceeds the registration condition limiting the hours, cease using the engine immediately and notify the District in writing within five days after they become aware that the hours were exceeded.

**407** **CERTIFICATE SCHEDULE:** The APCO or his appointed representative shall issue a Certificate of Registration, deny the issuance of a Certificate of Registration, or deem the application incomplete within ninety (90) days of the receipt of an application. The applicant shall be notified in writing of the reasons for denial of the registration or finding an application to be incomplete.

**408** **ON-SITE INSPECTIONS:** The District may conduct an on-site inspection of the engine to verify compliance with District Regulations and State law.

**409** **NOTIFICATION REQUIREMENTS:** The owner or operator of a registered CI engine shall notify the District in writing no later than 14 days after any change of owner or operator, change in location, installation or commencement of an emissions control strategy, replacement of the engine with a new CI engine, or replacement with an electric motor or non-CI engine.

**410** **VIOLATIONS:** Failure to comply with any provision of this rule shall constitute a violation of this rule.

# Welcome to 110 Maple Street, the District's New Office.



## Background

The building located at 110 Maple Street was constructed in 1979. There had only been a handful of owners when the Placer County Air Pollution Control District purchased it, in December 2010, from North Fork Associates. North Fork Associates, an environmental firm, designed the lobby floor tile and reception area glasswork, to depict the American River confluence.

After an extensive financial evaluation of the pros and cons of leasing or purchasing, the Board of Directors directed staff to procure a suitable location for the operations of the District, and the building purchase was completed in late December 2010. From January to June, extensive upgrades were done to the property using local contractors. These upgrades included investments in energy efficiency enhancements, interior and exterior improvements, high speed and large bandwidth information technology infrastructure, improved fire and security systems, and ADA compliance measures.

On June 27<sup>th</sup>, 2011 the new District office opened for business. The following summary outlines the work and upgrades performed. The fiscal investment in the 110 Maple St. building ultimately saves the District money each year on operating and maintenance costs as compared the previous leased District facility.

## Fiscal Investment

The building was purchased for \$1,500,000 using the District's Settlement Fund. Relocation costs, moving costs, and building improvements/upgrades were paid for out of the District's Litigation Cost Recovery Fund (\$369,000). Annual operating costs are estimated to be \$41,903 a year, a 77% reduction over our former CDRA lease. The District Board of Directors, at their discretion, may direct staff to set aside monies annually, to be paid back into those funds.

## IT Communication Upgrades

The District modified the existing IT communications by upgrading and improving them beyond the County's current standard. The goal was to install a communication network which allows the office to seamlessly communicate with the County's IT infrastructure, and make accessible multiple forms of media, including free WI-FI, thereby reducing staff time spent traveling and VMT (vehicle miles travelled).

- ♣ Cat6 Cable - 11,000 feet installed
  - Doubles the bandwidth and performance over the basic cabling standard – 20 mbps circuit
  - Improves performance, less transmission errors and data corruption
  - Reduces expenses as a result of networking errors
  - Allows the District to keep up with changes in technology, increasing the operational lifespan of the cabling infrastructure
- ♣ Coaxial Cable - 600 feet installed
  - Combined with the Cat6 Cabling, allows for a universal connectivity in the IT infrastructure
  - Connection for accessing cable TV and wireless router for free WI-FI
- ♣ VoIP (voice over internet protocol)
  - Migration of our County communications network to the new County standards
  - Integrates all forms of communications with a single communication data network
  - Less expensive and more flexible than using separate circuitry and phone lines
- ♣ Video Conferencing
  - Installation of video conferencing system and 4 desktop video conferencing units
  - Reduces staff travel time and vehicle miles traveled for meetings and trainings
- ♣ Wave Broadband
  - Makes wireless internet available for guests and the public
- ♣ Uninterruptible Power Source (UPS)
  - Provides power for emergency communications during power outages up for up to 5 hours

## Interior and Exterior Improvements

Extensive modifications were done on the inside and outside of the building. The offices, conference rooms, and other areas were painted, and new furniture was installed and tailored to meet the needs of staff. Widespread upgrades were made for ADA access. The parking lots and landscaping were redone as needed.

- ♣ Interior Improvements
  - Interior decorating and lighting fixture upgrades
  - New office and conference room furnishings
  - Construction of a secure public records storage vault with a 2 hour fire rating
- ♣ Fire and security upgrades to meet or exceed current codes
  - Fire detection and alarm system upgrade
  - Security cameras and keyless entry installed
    - Exterior and lobby cameras installed for the security and safety of staff, visitors, and property
    - Keyless entry allows staff members to access the building securely
- ♣ ADA compliance upgrade
  - Grading and installation of ADA parking, sidewalks, and signage
  - Installation of new front entrance stairs and handrails
- ♣ Exterior improvements
  - Paving and striping of front and back parking lots
  - Sidewalk work
  - New landscaping and removing of problematic trees
  - New District signs

## Energy Efficient Building Upgrades

Energy efficient upgrades were installed and completed beyond what is required by Title 24. An increase in energy efficiency is expected with decreased electrical and natural gas usage, a lower carbon footprint for the building, and an increase in annual energy cost savings.

- ♣ Less efficient electric water heater was replaced with a tankless on demand, natural gas water heater
- ♣ Attic and ceiling insulation upgraded from R19 to R39
- ♣ HVAC unit and duct work replacement
  - Two main units replaced with 4 smaller efficient units with economizers for a total of 6 HVAC units on the building.
  - R4 HVAC duct work replaced with R8 ducting
- ♣ Lighting upgrades, including change out of ballasts, reflectors, diffusers, and bulbs was done building-wide

Equipment	Cost	kWH Savings	Therms Savings	Annual CO2 savings (tonnes)	Annual Energy Cost Savings	Simple Payback (years)
Replacement of HVAC units	\$61,242	23,657	702	10.52	\$4,304	14.2
Interior Lighting Upgrades	\$22,895	18,715		5.40	\$2,960	7.7
Attic Insulation to R38	\$2,887	287	212	1.20	\$215	13.4
Tankless Water Heater	\$3,000	1,675		0.48	\$265	11.3
Economizers	\$3,240	4,740		1.37	\$750	4.0
<b>Totals:</b>	<b>\$93,264</b>	<b>49,074</b>	<b>914</b>	<b>18.97</b>	<b>\$8,494</b>	<b>11.8</b>
Estimated rebates from PG&E	(\$1,500)					10.8

## The Community Connection

The District's downtown location offers greater public exposure and more community interaction than its previous location. The Auburn Art Walk is the first event the District is participating in with two talented artists currently on display. Thomas Haskins, whose art medium is carved wood and oil, is on display in the lobby and Victoria Kuklo, whose art medium is pastel, is on display in the front conference room. The District will consider participating in other events that occur in the downtown area, such as the Auburn Family Night Out.

The District and its neighbor, the Pioneer United Methodist Church, established a partnership in regards to the parking lots and the trees. The District and Church have agreed to share the two adjoining parking lots (used by each at different times) and the paving and tree maintenance costs.



July 25, 2011

**VIA ELECTRONIC EMAIL**

Thomas Christofk, APCO  
Placer County Air Pollution Control District  
110 Maple Street  
Auburn, CA 95603

Dear Tom:

We are writing in support of Placer County Air Pollution Control District's ("District") Biomass for Energy GHG Offset program and to confirm our interest in working together to create the first public-private partnership aimed at creating a viable and beneficial market for GHG emissions offsets.

As we discussed, Santa Maria Pacific, LLC ("SMP") is an independent energy company committed to the responsible exploration and development of oil and gas resources in Santa Barbara County, California. SMP is currently seeking approval of an Oil Drilling Production Plan for a project in the State Designated Orcutt Oil Field (the "ODPP") located in Santa Barbara County. The ODPP includes a total of 136 production wells, three steam generators and related facilities. SMP is committed to developing the project in a manner that reduces GHG impacts to the maximum extent possible. By design, the project will include many onsite design elements that mitigate overall GHG emissions, including proximity to the California oil and gas market which offers inherent GHG benefits over foreign oil extraction projects. The project will also fully comply (to the extent applicable) with Assembly Bill 32, the landmark law designed to specifically address California GHG emissions. In addition, SMP is seeking other on- and off-site measures that will further mitigate the project's emissions.

The District has developed a carbon offset biomass program that is already successfully facilitating the conversion of forest waste into renewable energy within the Sierra Nevada of California. SMP recognizes that this program is carefully crafted to calculate carbon emissions through sound scientific and mathematical principles and can provide the credits required by permitting agencies. The program will make available offset credits for purchase by SMP that will finance "biomass waste for energy" projects within California.

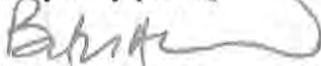
SMP and the District will work together to ensure that issues relating to the differences between biogenic and geologic carbon are vetted, and will also work with the District to ensure that all aspects of the biomass program are focused on sound forest health and wild fire protection. SMP and the District are committed to implement greenhouse gas mitigation projects that are consistent with sound forest management activities and compliant with the California Forest Practices Act, CEQA, and NEPA. The California Board of Forestry has endorsed the District's Biomass for Energy GHG mitigation protocol because it furthers their mission in support of healthy and fire resilient forest landscapes in California.

SMP has already begun initial discussions with local agencies and has received support from the agencies in concept. By purchasing credits through the District's biomass program, SMP will enable the District to engage in collection and utilization of forest biomass (normally open burned) that would have not occurred but for SMP's participation in the program. SMP's participation in the program will provide real, permanent, verifiable, and quantifiable GHG offsets. It is expected the credits will support SMP's project compliance with CEQA and also meet its obligations under AB 32 and the California's Cap and Trade program, as well as meet its requirements under the Clean Air Act.

SMP supports the California-based "biomass waste for energy" program initiative because it offers a local solution to a global problem. As a California company, SMP can offset its impacts within California while supporting a variety of ecosystem service co-benefits beyond just greenhouse gases. Such benefits could include a reduction in criteria of air pollution, improved wildlife habitat, enhanced water quantity and quality, improved forest eco-system health, and reduction in catastrophic wildfire risks and hazards. SMP's operations already offer significant GHG benefits over oil and gas operations sited in less environmentally regulated parts of the world. They also help curb the ongoing decrease in California oil production, which in turn helps reduce California's dependence on more GHG-intensive foreign oil imports and the emissions generated from importing oil to the U.S. By participating in a partnership with the District, SMP will be able to fully mitigate its carbon footprint within California.

SMP looks forward to continuing to work with the District on what it hopes will be a beneficial public/private partnership that can serve as a model for others nationwide.

Very truly yours,



Beth A. Marino

VP – Legal & Corporate Compliance

BAM/je

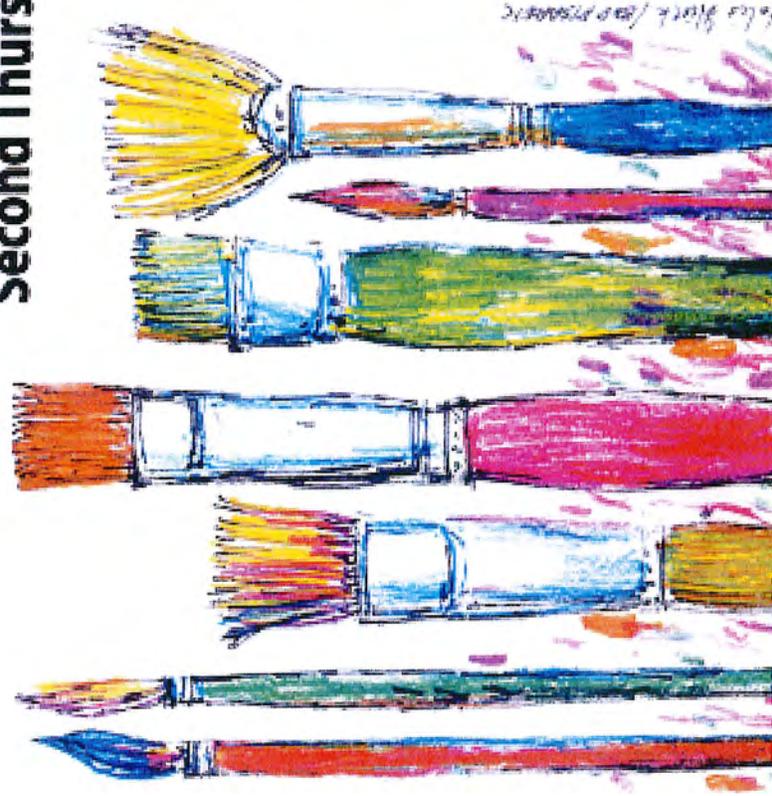
cc: David L. Pratt, President, Santa Maria Pacific, LLC  
Bob Poole, Public & Governmental Affairs Manager, Santa Maria Pacific, LLC



# Auburn Art Walk 2011

**Second Thursdays • 6-9 pm • April • June • August • October**

The Auburn Art Walk is a social time when Downtown and Old Town business owners keep their doors open from 6 to 9 p.m., hosting free public receptions, while art viewers, strolling or riding the free trolley from site to site, immerse themselves in original art, beauty and hospitality.



**PLACER ARTS**

Experience Art In All Degrees

[PlacerArts.org/artwalk](http://PlacerArts.org/artwalk)

808 Lincoln Way

Auburn, CA 95603

530.885.5670