

Placer County Air Pollution Control District

Minutes of the Thursday, June 13, 2013 Meeting of the Board of Directors

The Board of Directors of the Placer County Air Pollution Control District met in session at 2:30 PM, Thursday, June 13, 2013, at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, California.

Representing the District were: Tom Christofk, Air Pollution Control Officer; Todd Nishikawa, Deputy Air Pollution Control Officer; Don Duffy, Associate Engineer; Jane Bailey, Fiscal Officer; and Margie Koltun, Clerk of the Board.

The meeting was called to order by Chairperson Jennifer Montgomery. Roll call was taken by the Clerk of the Board with the following members in attendance: Mike Holmes, Miguel Ucovich, Stan Nader, Jim Holmes, Diana Ruslin, Jennifer Montgomery, and Carol Garcia. Robert Weygandt and Donna Barkle were absent, however, Mr. Kim Douglass, a member of the Colfax City Council attended in place of Donna Barkle. A quorum was established.

Approval of Minutes: April 11, 2013, Regularly Scheduled Meeting.

Motion to approve: Ucovich/ Ruslin/Unanimous
(Mr. Douglass abstained from the vote as he was not at the April meeting).

Public Comment: No public comment.

Consent:

Item 1: Reappointment of Hearing Board Members:

Reappoint current Hearing Board Member Mr. Gary Hall, who has been representing the Engineering Profession, and Mr. Chuck Mather, who has been serving as an alternate, for another three year term. The current terms of office for Mr. Hall and Mr. Mather will end July 1, 2013.

Motion to Approve Consent Item: J. Holmes/Garcia/Unanimous

Public Hearing:

Item 2: Proposed Preliminary Budget for FY 2013-14

Ms. Bailey gave this presentation. She described the funding sources for the District and how those funds could be spent. Some of the revenue has restricted usage. She showed the comparison of the Proposed Preliminary Budget for FY 2013-14 to the Approved Final Budget for FY 2012-13. The budgets are very similar with a difference of less than one percent for total

funds available and fund usage between them. She explained that between the projected revenues and the projected fund carry-over there would be a total of \$4,259,585 in funds available for the FY 2013-14 Budget. Once the fiscal year end closes, she will be able to provide actual ending balances for FY 2012-13 which will be the actual fund carry-over for the FY 2013-14 Proposed Final Budget which will be brought to the Board for approval at the August 8, 2013, meeting.

Ms. Bailey also talked about the fund carry over for the budget which includes the funds remaining in the operations fund along with the non-tort defense fund, the contingency reserve, the building capital maintenance fund and the vehicle replacement fund. Together these add up to \$442,496. This amount is approximately ten percent of the total funds available which is within the recommended guidelines of the National Advisory Council on State and Local Budgeting for the Government Finance Officers Association.

Ms. Bailey went on to show the consolidated funds available pie chart and then a line item spreadsheet of proposed expenditures. She also showed how each expense had been tied to District Mission Statement goals and objectives. Also included was some detail on the funds the District pays to the county for services such as personnel, IT, telephone, employee benefits and all of the payroll costs. Even though the staff are county employees, the District pays all salaries and other associated expenses. Ms. Bailey then concluded her presentation and Chairperson Montgomery asked if the Board members had any questions.

Director Mike Holmes asked if the budget included any pay back to the litigation fund for the purchase of the building. Ms. Bailey said it was not being proposed in this fiscal cycle at this time. The money that had been proposed for that purpose in FY 2012-13 was utilized to purchase and install the photovoltaic system earlier this year. Director Holmes also asked about extra-help and wondered if they were retired annuitants from the county. He also wondered how it was that the salaries expenses were less when the staffing was staying the same. Mr. Christofk said that the District did not have any CalPERS retirees working as extra-help but that there were some staff that are planning to retire within the fiscal cycle which was affecting that expense line.

Director Holmes also asked that the line item for Cap-to-Cap be redefined to state that it was funding for two people to attend, rather than being limited to the APCO and one director. Ms. Bailey said that what the Board decides, is what staff will do. Chairperson Montgomery clarified that the request was to have two positions still, just have them be unspecified. Director Holmes said yes, but he wanted to know what the rest of the Board thought as well. None of the Directors objected to this suggestion.

Director Ucovich had a question about mitigation fees and why there was no projection for it. Ms. Bailey said that since the District doesn't know what land use plans will be approved there is no way to project. A budget revision is usually brought to the Board each February after the mitigation fees have been collected by the jurisdictions and paid to the District. The funds are typically used for Clean Air Grants. Director Ucovich also said that he thought the Board had agreed that the litigation fund would be paid back for the building purchase. Ms. Bailey explained that the cut back in revenue streams had affected the plan to pay back the fund. However, if the Board directed it, money would be put to that fund at the expense of other programs currently recommended for funding. Mr. Christofk also said that when the District left

CDRA, there was a cutback in revenue of \$60,000 from the planning department. The downstairs tenant area is also vacant, so there is no additional revenue there at this time, although there have been some interested parties. Once the year end closes and the actual ending balances are clear there could be some additional revenue to pay back the litigation fund. Director Ucovich also asked about the fees for County Counsel and Mr. Christofk said that there is a flat rate for the attorney support which is not based on hours. The District utilizes a majority of our Counselor's time through a negotiated agreement with the County Counsel's office.

Director Ruslin said that she, along with Director Ucovich and Supervisor Weygandt, will be meeting soon to discuss the APCO compensation which was brought up at the April Board meeting. She said they would try to have a recommendation prior to the next Board meeting in August.

After some other comments from the Board, Chairperson Montgomery opened the public hearing. Seeing no one come forward, she closed the public hearing and moved to the next item.

Action Item 3:

Item 3: Request for Early Approval of Budgetary Spending

Staff recommend that the Board approve the expenditure of funds for two existing contracted technical support services agreements in advance of the adoption of the Final FY 2013-14 District Budget which is scheduled for August 8, 2013. This will enable the continuation of services after the June 30, 2013, fiscal year end date, until the new budget is approved. One of the contracts is with TSS Renewables for biomass and forest related projects in the amount of \$25,000 and the other is with Air Permitting Specialists in the amount of \$32,000 for contracted services in permitting and other areas where the District may not have the resources or expertise.

Since both of these contracts are ongoing, the District would like to fund them in advance of the final budget approval in case there is any billing between now and then. This will also enable the projects to continue uninterrupted for that time.

Motion to approve staff recommendation: J. Holmes/M. Holmes/Unanimous

Air Pollution Control Officer Report:

Update on Solar Photovoltaic System

Mr. Christofk asked Don Duffy to give a brief report on the Photovoltaic System which was installed last February. Mr. Duffy said that the system was completed at bid price on February 13, 2013 and has been working as it should since then. He showed some charts and graphs that illustrate the usage during the day. This April was the first complete month with a "net meter" which credits any power produced back to the District. In April there was an accumulated net credit of 160 kW-hr with a additional 668 kW-hr by the end of May. The value of the credit is approximately \$115.

Art Walk Update:

The Art Walk is this evening and the District offices will be open for it from 6-9 PM.

Fiscal Report:

A balance sheet and fund summary handout were provided to the Board members and made available to the public. The District's fiscal status at May 31, 2013, is running at 6.5% over the budgeted revenue for FY 2012-13 and a decrease of 10.5% in expenditures compared to the budgeted expenditures for the same time period.

Adjournment:

Chairperson Montgomery adjourned the meeting at 3:35 PM.

Margie Koltun, Clerk of the Board