



AGENDA:
PCAPCD Board of Directors Meeting
Thursday August 8, 2013, at 2:30 PM
Placer County Board of Supervisors' Chambers
175 Fulweiler Avenue, Auburn, California

Call to Order

Flag Salute

Roll Call / Determination of a Quorum

Approval of Minutes: June 13, 2013, Regular Board Meeting

Public Comment: Any person desiring to address the Board on any item not on the agenda may do so at this time. No action will be taken on any issue not currently on the agenda.

Consent: Item 1

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.

- 1. Iowa Hill Residential Burning Exemption:** Adopt Resolution #13-09, thereby authorizing staff to submit a Request for Exemption for the Iowa Hill area from portions of the California Air Resources Board's Air Toxic Control Measure to Reduce Emissions of Toxic Air Contaminants from Outdoor Residential Waste Burning.

Public Hearing/Action: Items 2, 3, & 4

- 2. Consider approval of the Proposed Final Budget for FY 2013-14:** Conduct a public hearing to review and consider approval of the proposed final budget.
- 3. Consider amendment of Rule 502, New Source Review:** Conduct a public hearing to review and consider amendment of District Rule 502. Adopt Resolution #13-07 thereby approving the amendments to Rule 502.
- 4. Consider adoption of New Rule 249, Surface Coating of Plastic Parts and Products:** Conduct a public hearing to review and consider the approval of new Rule 249. Adopt Resolution #13-08 thereby approving Rule 249.

Action: Items 5 6 & 7

5. **Approval of a new service contract with Pat Way:** Consider the adoption of Resolution #13-10, approving a multi-year consulting contract with Patrick Way, Patrick Way Consulting, for agricultural burning database software development and related technical support services. For the initial contract year of FY 2013-14 contract expenditures are not to exceed Three Thousand Dollars (\$3,000).
6. **Approval of a new service contract with Clark Moots:** Consider the adoption of Resolution #13-11 approving a multi-year consulting contract with Clark L. Moots, President of MootsPoint, for IT Strategic Master Plan implementation services and other information technology technical support services. For the initial contract year of FY 2013-14 contract expenditures are not to exceed Seventy-one Thousand Eight Hundred Ninety-eight Dollars (\$71,898).
7. **APCO Compensation:** Consider recommendations of District Board APCO Salary Subcommittee regarding the salary and compensation of the District APCO, including the potential approval of a 6% increase in the APCO salary classification and a 2% COLA within 2013. With these recommendations is also approval of a potential employment contract with the current APCO, Tom Christofk, for a two year term beginning September 21, 2013.

Air Pollution Control Officer Report (*Verbal reports and/or handouts will be provided*)

- a. Update on field trip to Blodgett Forest
- b. Art Walk tonight
- c. Fiscal Update

Adjournment

Next Regularly Scheduled Board Meeting: Thursday, October 10, 2013, at 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

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



Board Agenda

Consent/Action

Agenda Date: August 8, 2013

Prepared By: Ann Hobbs, Air Quality Specialist

Topic: Iowa Hill Residential Burning Exemption

Action Requested:

- 1) Adopt Resolution #13-09 (Attachment #1) , thereby authorizing staff to submit a Request for Exemption for the Iowa Hill area from portions of the California Air Resources Board's Air Toxic Control Measure to Reduce Emissions of Toxic Air Contaminants from Outdoor Residential Waste Burning, until December 31, 2018; and
- 2) Authorizing and directing the Air Pollution Control Officer to evaluate the need for the continuation of the exemption before December 31, 2018, and submit a renewal of the Request for Exemption for Iowa Hill to extend the exemption to December 31, 2023, if necessary.

Discussion:

The California Air Resources Board (CARB) adopted an Airborne Toxic Control Measure (ATCM) to reduce emissions of toxic air contaminants from outdoor residential waste burning. The ATCM (effective on January 1, 2004) specifically banned the burning of household garbage, including paper and cardboard, and the burning of such items in a burn barrel or outdoor residential incinerator. The ATCM provided for some limited temporary exemptions based on the population density within the Zip Code Tabulation Areas (ZCTAs) developed from the most recent decennial U.S. Census. Attachment 2 provides a list of Placer County ZCTAs.

Section 93112 (e)(5) of the California Code of Regulations provides for an exemption that may be requested from CARB for a sub-area with a density less than 3 people per square mile, within a census zip code which has more than 10.0 people per square mile. The exemption allows persons in the sub-area to burn non-glossy paper and cardboard and use a burn barrel for such burning.

Iowa Hill is identified as a sub-area within the census zip code 95713. Placer County Planning GIS staff assisted the District to identify that the population density was 1.82 people per square mile based on 2000 census data which qualified for an exemption. The first exemption request was made in 2003 by your Board and CARB approved the exemption until December 31, 2013. As a result of a District commitment to review the exemption in two years, a second request for the exemption for the Iowa Hill sub-area was made in 2005 and that exemption request was also approved, expiring once again on December 31, 2013.

With the expiration deadline nearing, to determine whether the exemption is still needed, staff contacted the Iowa Hill Fire Chief, Luana Dowling, and Recology, the local waste disposal company. On June 7, 2013, the District received a letter from Chief Dowling representing the Iowa Hill Volunteer Fire Company, the Iowa Hill Community Club, and the citizens of Iowa Hill expressing support of the continuance of the exemption (Attachment #3). Chief Dowling explained that garbage service is impractical in many outlying areas,

using a burn barrel in a high fire hazard area helps contain the fire, and there has been less paper along the roadways and on public land in their community.

Iowa Hill, located east of Colfax, has limited garbage service according to Recology. There is some service in the southern end of the area however, there continues to be road safety issues for the garbage trucks. Without garbage service, community members use either the Foresthill or Meadow Vista waste disposal facilities, each about 25 miles away – a 45 minutes one-way drive to either site.

Placer County Planning GIS staff demonstrated that the Iowa Hill sub-area still qualifies for an exemption. Working with the County Planning GIS staff, the District's 2000 census data map for Iowa Hill (Attachment #4) was updated with 2010 census data. While the population density has increased to 2.49 people per square mile, it still qualifies as a sub-area for an exemption under Section 93112. The exemption, if approved by CARB, will be effective for five years, expiring December 31, 2018.

If this Request for Exemption is approved, the APCO may make a determination in 2018, prior to the exemption expiring on December 31, 2018, that an exemption for Iowa Hill continues to be necessary. Staff request that if it is so determined, the Board authorize and direct the APCO to submit a Request for Exemption on the Board's behalf at that time, with any updated information to CARB, before the expiration of the current CARB approved exemption.

As per the ATCM, once the sub-area population density exceeds 3.0 people per square mile, it will no longer qualify for an exemption, even if the density drops below 3.0 in a subsequent census.

Fiscal Impact: None.

Recommendations:

- 1) Staff recommends that the District Board adopt Resolution #13-09, thereby authorizing staff to submit a Request for Exemption for the Iowa Hill area from portions of the California Air Resources Board's Air Toxic Control Measure to Reduce Emissions of Toxic Air Contaminants from Outdoor Residential Waste Burning, which will be effective until December 31, 2018; and
- 2) Authorizing and directing the Air Pollution Control Officer to evaluate the need for the continuation of the exemption before December 31, 2018, and submit a renewal of the Request for Exemption for Iowa Hill to extend the exemption to December 31, 2023, if necessary.

- Attachments:**
- 1: Resolution #13-09
 - 2: List of 2010 ZCTA Population Density and Map of Placer County by Census Zip Codes
 - 3: Iowa Hill Volunteer Fire Company Letter of Support
 - 4: Placer County Planning Department, County of Placer, Iowa Hill Area Map

ATTACHMENT #1

Subject:

Resolution #13-09

Authorization for staff to submit a Request for Exemption for the Iowa Hill Area from portions of the California Air Resources Board's Airborne Toxic Control Measure from Outdoor Residential Waste Burning until December 31, 2018.



Board Resolution:
Resolution # 13-09

Before the Placer County
Air Pollution Control District Board of Directors

In the Matter Of: Adopt a resolution approving the continuance of an exemption of the Iowa Hill Area from portions of the California Air Resources Board’s Airborne Toxic Control Measure from Outdoor Residential Waste Burning

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **August 8, 2013**, by the following vote:

- Ayes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Noes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Abstain: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____

Signed and approved by me after its passage:

_____ Chairperson

_____ Attest: Clerk of said Board

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District is authorized to adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted by Health and Safety Code Sections 40001, 40702, 40716, 41010, and 41013 (Health and Safety Code Section 40727(b)(2)); and

WHEREAS, the California Air Resources Board’s Airborne Toxic Control Measure to Reduce Emissions of Toxic Air Contaminants from Outdoor Residential Waste Burning, commencing with Section 93113, Title 17, California Code of Regulations, provides for exemptions; and

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District has authorized staff to submit a Request for Exemption to the California Air Resources Board’s

Airborne Toxic Control Measure to Reduce Emissions of Toxic Air Contaminant from Outdoor Residential Waste Burning, pursuant to Section 93113 (e), Title 17, California Code of Regulations which states “Where the population density is greater than 10.0 within the boundaries of any census zip code within an air district, an air district may file a Request of Exemption to create sub-areas within a census zip code to allow the burning of dry non-glossy paper and cardboard, or the use of burn barrels or incinerators, or both, subject to the provisions of subsection (e)(10), provided the unincorporated sub-area has a population density of less than or equal to 3.0.” can be sought for the Iowa Hill area; and

WHEREAS, the Placer County Air Pollution Control District staff have determined that Iowa Hill is a sub-area of the census zip code area 95713; and

WHEREAS, the Placer County Air Pollution Control District staff have determined that the population density of the Iowa Hill area is less than 3.00 people per square mile; and

WHEREAS, there are no incorporated municipalities within the boundaries of the Iowa Hill sub-area; and

WHEREAS, due to the remoteness of Iowa Hill, the long traveling time to a transfer station and the limited waste hauling services, it has been difficult for residents to dispose of paper and cardboard; and

WHEREAS, the Iowa Hill area is located in a high fire hazard area and the continued use of a burn barrel for burning vegetative material, non-glossy paper and cardboard is agreed to by the Iowa Hill Volunteer Fire Company; and

WHEREAS, the District Board has considered the health risks to the population of Iowa Hill, taking into account the sparse population, lower risk from paper and cardboard compared to other possible combustibles such as plastic, and the temporary nature of the exemptions; and

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District has determined that there is no air district rule, local ordinance, or other enforceable mechanism that was in effect on January 4, 2002, or thereafter, that would otherwise prohibit the use of a burn barrel or incinerator in Iowa Hill.

WHEREAS, the Iowa Hill community was granted an exemption, in 2003 for two years and again in 2005 until December 31, 2013, from certain provisions of the California Air Resources Board’s Airborne Toxic Control Measure to Reduce Emissions of Toxic Air Contaminant from Outdoor Residential Waste Burning.

WHEREAS, that an exemption from the certain provisions of the California Air Resources Board's Airborne Toxic Control Measure to Reduce Emissions of Airborne Toxic Air Contaminants from Outdoor Residential Waste Burning commencing with Section 93113, Title 17, California Code of Regulations, pursuant to Section 93113 (e) Exemption Subsection (5), is warranted.

WHEREAS, the District will continue to provide public information on burning, the health hazards of smoke, fire safety, and alternatives to burning to the public and for the local fire agency to hand out when burn permits are issued.

WHEREAS, the District will continue to prohibit the burning of non-glossy paper and cardboard and the use of burn barrels for burning except for the Iowa Hill area where a Request for Exemption is sought.

IT IS THEREFORE ORDERED that the Placer County Air Pollution Control District Board of Directors requests the California Air Resources Board to exempt the residents of Iowa Hill from portions of the California Air Resources Board's Airborne Toxic Control Measure to Reduce Emissions of Toxic Air Contaminants from Outdoor Residential Burning and thereby allow the residents of Iowa Hill to continue burning non-glossy paper, cardboard and using burn barrels in accordance with Section 93113, Title 17, California Code of Regulations, Section 93113 (e) Exemption Subsection (5) until December 31, 2018.

BE IT FURTHER ORDERED that the Placer County Air Pollution Control District Board of Directors directs the APCO to make the determination in 2018 prior to the exemption expiring in January 2019 that an exemption for Iowa Hill continues to be necessary; and if it is so determined, then the APCO is authorized and directed to submit a Request for Exemption on the Board's behalf, with any updated information, to CARB before the expiration of the current CARB approved exemption in accordance with Section 93113, Title 17, California Code of Regulations, Section 93113 (e) Exemption Subsection (5) until December 31, 2023.

ATTACHMENT #2

Subject:

Map of Placer County by Census Zip Codes, 2010 ZCTA Population Density

PLACER COUNTY APCD

ATCM Outdoor Residential Waste Burning

2000 and 2010 U.S. Census Zip Code Tabulation Areas (ZCTA)

Incorporated Places
Auburn
Colfax
Lincoln
Loomis
Rocklin
Roseville

2000 ZCTA	2000 Population Density (excludes population and land of Incorporated Places)	2010 ZCTA	2010 Population Density (excludes population and land of Incorporated Places)
95602	275.3	95602	303.5
95603	416.1	95603	448.8
		95604	187.5
95626	66.5	95626	80.6
95631	55.4	95631	39.9
95648	35.2	95648	37.3
95650	293.3	95650	381.2
95658	243.6	95658	253.5
95661	1022.1	95661	1926.6
95663	250.6	95663	298.2
95668	8.2	95668	7.3
95677	498.4	95677	2135.3
95678	0.0	95678	0.0
95681	52.9	95681	71.1
956XX	0.1		
95701	47.2	95701	29.5
95703	162.6	95703	201.6
95713	96.7	95713	107.9
95714	96.8	95714	113.7

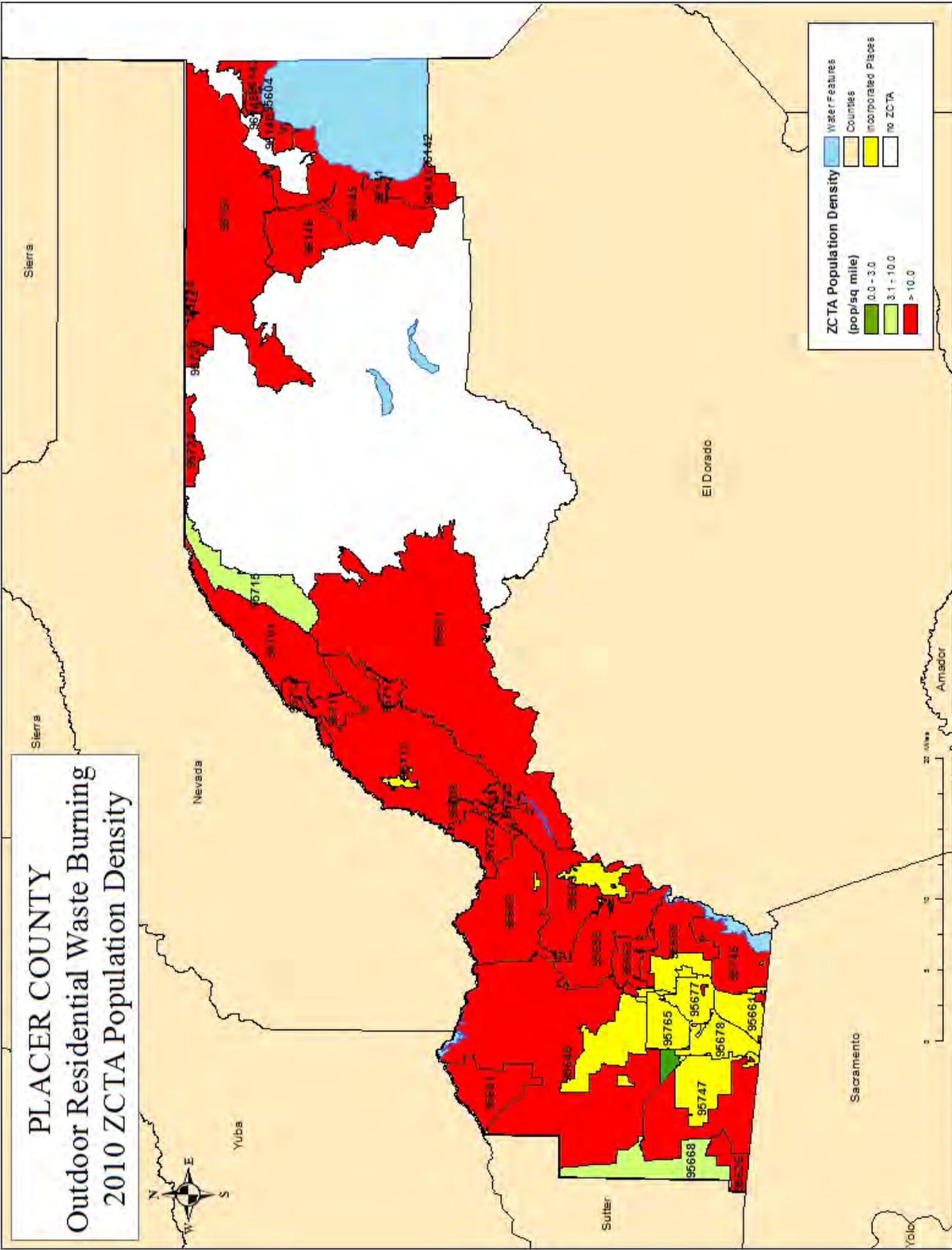
PLACER COUNTY APCD

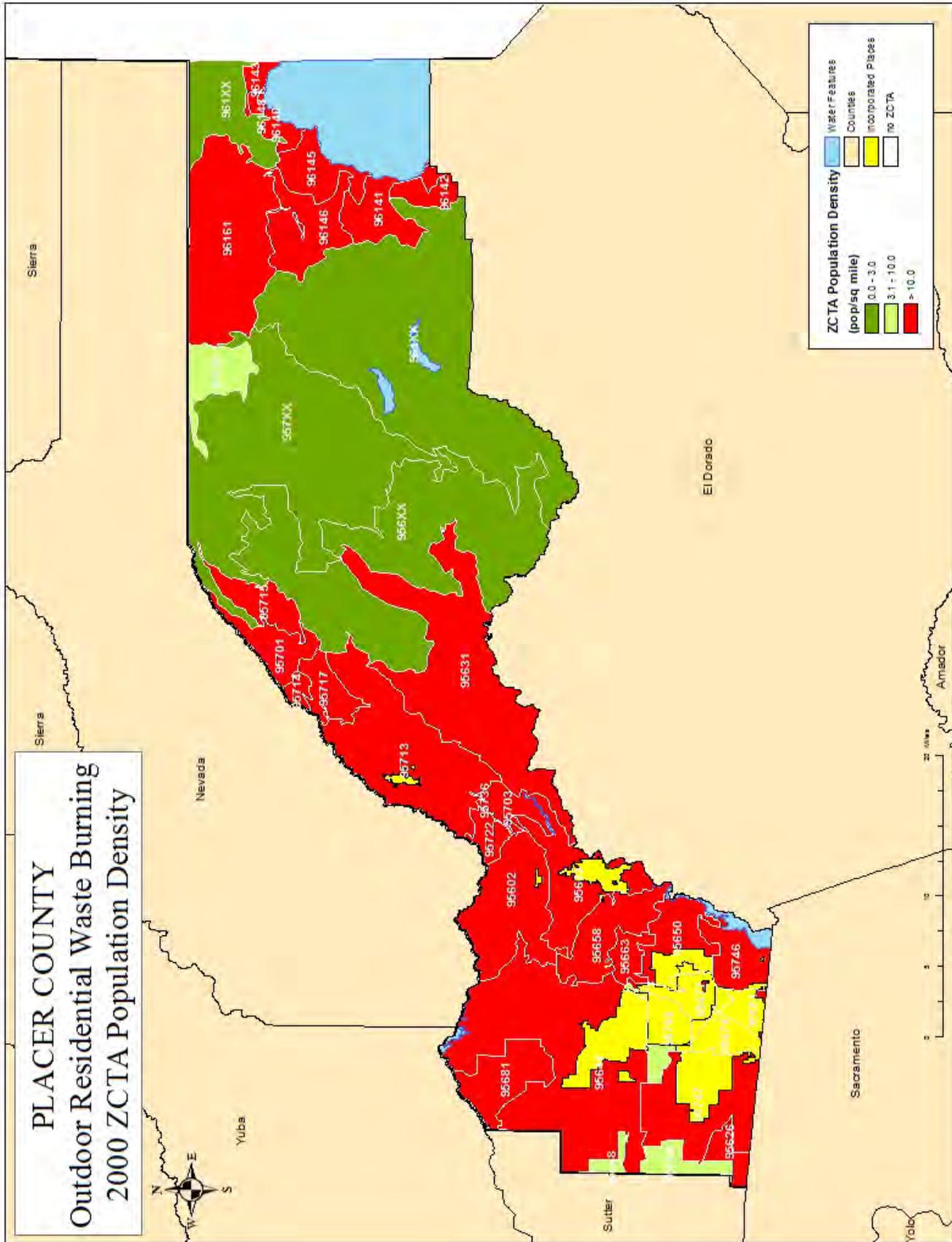
ATCM Outdoor Residential Waste Burning

2000 and 2010 U.S. Census Zip Code Tabulation Areas (ZCTA)

Incorporated Places
Auburn
Colfax
Lincoln
Loomis
Rocklin
Roseville

2000 ZCTA	2000 Population Density (excludes population and land of Incorporated Places)	2010 ZCTA	2010 Population Density (excludes population and land of Incorporated Places)
95715	12.6	95715	5.2
95717	33.0	95717	22.6
95722	519.9	95722	419.5
		95724	22.5
95728	4.5	95728	40.2
95736	2900.0	95736	960.0
95746	1118.2	95746	1115.7
95747	50.6	95747	163.3
95765	3.6	95765	0.0
957XX	0.1		
96140	299.8	96140	248.9
96141	43.8	96141	62.1
96142	36.4	96142	1222.2
96143	1177.0	96143	802.6
96145	229.1	96145	84.9
96146	34.1	96146	65.3
96148	1672.5	96148	579.4
96161	18.8	96161	17.0
961XX	0.0		
		non-ZCTA	0.0





ATTACHMENT #3

Subject:

Iowa Hill Volunteer Fire Company Letter

IOWA HILL VOLUNTEER FIRE COMPANY

3350 Iowa Hill Rd.

PO BOX 1014

FORESTHILL, CA 95631

530-367-2465 or 530-277-3753

June 7, 2013

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

Dear Chairman,

I am writing you on behalf of the Iowa Hill Volunteer Fire Company, The Iowa Hill Community Club, and the citizens of Iowa Hill. We are requesting that you continue the Burn Barrel Exemption originally issued to our area in 2003.

Although some of the citizens of Iowa Hill have received Garbage Service from Placer Auburn Disposal, there are still several outlying areas where this service is not practical to use due to the distance from homes to the main road where the disposal service will pick up.

The citizens of Iowa Hill would like to continue this exemption so that they can burn paper and cardboard and vegetative materials. The use of a burn barrel in our community is important, as the area in which we live is a high fire hazard zone. By using a burn barrel we are better able to contain what is burning.

Since the granting of the exemption in 2003, we have seen a noticeable difference in the amount of paper along the roadways and on public land in our community. This is such a positive for our area we would like to extend the exemption indefinitely.

We continue to research other possible solutions to our area refuse situation.

Thank you for your assistance in this matter.

Sincerely,



Luana R. Dowling
Chief

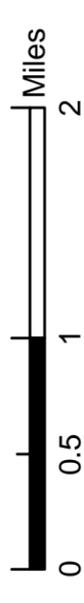
ATTACHMENT #4

Subject:

Map of Iowa Hill, Placer County Planning Department, County of Placer, Iowa Hill Area Map

County of Placer IOWA HILL POPULATION

Total Area: 35.7 square miles
Population (2010): 89
Population Density: 2.49 / sq mi





Board Agenda

Public Hearing/Action

Agenda Date: August 8, 2013

Prepared By: Jane Bailey, Fiscal Officer

Topic: Proposed Final Budget FY 2013-14

Action Requested:

- 1) Conduct a Public Hearing for the purpose of reviewing the District's Fiscal Year 2013-14 Proposed Final Budget.
- 2) Adopt Resolution #13-12 (Attachment #1), thereby approving the District's budget for Fiscal Year 2013-14.

Discussion: The District offers the following analysis of the differences between the *Proposed Final Budget* for FY 2013-14 and the *Approved Budget* for FY 2012-13.¹ Please refer to Table 1 (see Attachment #2) for the following discussion:

Proposed Revenue: There is a projected **\$53,817** net increase from the *Approved* FY 2012-13 Budget¹ for the total proposed Revenue of **\$3,487,365** in FY 2013-14 as compared to **\$3,433,548** in FY 2012-13. Increases to the DMV (AB 2766 and AB 923) revenue of \$40,348, Other Government Assistance of \$12,410, Burn/Land/ Other permits of \$1,113, Per Capita Assessment of \$1,068, and Project Generated Revenue of \$20,000 offset slight decreases in Permit Fees of \$16,042 and District Facility Rental Income of \$5,080.

Proposed Expenditures: The Total Expense of **\$4,066,503** for FY 2013-14 is **\$174,869** higher than the *Approved* Budget for FY 2012-13¹ showing a Total Expense of **\$3,891,634**. This is because "Salaries and Benefits" are proposed to be \$47,839 higher in FY 2013-14 due to a 2% COLA and other salary adjustments. See the fifth bullet on page 13 of the enclosed Proposed Final Budget for FY 2012-13 for a further detailed explanation. "Supplies and Services" are proposed to be increased by \$67,030 and "Clean Air Grants (CAG) and Technology Assessment Program (TAP)" are proposed to be \$60,000 higher than the *Approved* Budget for FY 2012-13. If Mitigation Revenue is received in the current FY 2013-14, the available CAG funding will be increased through a budget revision as has been the practice in past fiscal years.

¹The Approved Budget for FY 2012-13 has been revised four times since the original approval. It was revised first to fund the installation of a solar photovoltaic system on the roof of the District owned facility. The revision totaled \$40,000 (rescinding \$50,000 in pay back to the Settlement Fund and borrowing an additional \$40,000 from the same fund to cover the \$90,000 needed to purchase and install the system. A second revision was to appropriate the funding for evaluation of the District's air quality benefits from using forest biomass wastes for energy as an alternative to open burning -- \$60,000. A third revision was done to increase the funding for Clean Air Grants to be dispersed to Placer County recipients -- \$278,000. Finally, the District funded \$30,000 for the consulting and advocacy services in support to the District's forest resource sustainability initiatives. These revisions totaled \$408,000.

The total proposed Revenue -- **\$3,487,365** for FY 2013-14 combined with the total “Fund Carry-Over” -- **\$910,455** from FY 2012-13 are the “Total Funds Available” -- **\$4,397,820** (see the top pie chart shown in Attachment #3).

The total proposed Expenditures -- **\$4,066,503** for FY 2013-14 plus the Total Ending Fund Balance -- **\$331,317** for FY 2013-14 equal the “Total Fund Usage” -- **\$4,397,820** (see the bottom pie chart shown in Attachment #3).

In this enclosed Proposed Final Budget for FY 2013-14 (pages 4 through 10), Staff has linked program and project resource expenditures to specific goals and objectives contained within the District’s Mission Statement. Also, page 16 of the enclosed Proposed Final Budget FY 2013-14 has a complete listing of the expenditures proposed in this budget.

Fiscal Impact: The Proposed Final Budget for FY 2013-14 for **\$4,397,820** is 4.12% higher than the budget presented and approved in FY 2012-13. This proposed budget has **\$174,869 more** in expenditures than the FY 2012-13 Budget and covers the operational costs, maintains services and program delivery, and provides for selected critical resource needs. It also maintains an Operations Fund Balance of **\$329,699** which is 10.65% of the total Proposed Operations Budget for FY 2013-14.

Recommendation: Having complied with the Health and Safety Code 40131 (3) (A) and 40131 (3) (B) in regards to the adoption of a board approved budget, it is recommended that the Board adopt Resolution #13-12, thereby approving the District’s budget for Fiscal Year 2013-14.

Enclosure (s) #1: Proposed Final Budget FY 2013-14.

Attachment(s) #1: Resolution #13-12 for the approval of the proposed Budget FY 2013-14.
#2: Table showing comparison of Proposed Final Budget FY 2013-14 and the Approved Budget FY 2012-13.
#3: Pie Chart showing Funds Available and Fund Usage for FY 2013-14.

ATTACHMENT #1

SUBJECT:

Resolution #13-12
Approval of Proposed Final Budget for FY 2013-14



Board Resolution:
Resolution #13-12

Before the Placer County
Air Pollution Control District Board of Directors

In the Matter Of: Adopt a Resolution to Approve the Placer County Air Pollution Control District’s Fiscal Year 2013-14 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 8, 2013**, by the following vote:

- Ayes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Noes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Abstain: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____

Signed and approved by me after its passage:
_____ Chairperson

Attest:
_____ Clerk of said Board

WHEREAS, on June 13, 2013, 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 13, 2013, 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 13, 2013, as required by Health and Safety Code Section 40131(a)(2); and

WHEREAS, on August 8, 2013, the District Board held an appropriately noticed public hearing for the purpose of considering and adopting the District Budget for Fiscal Year 2013-14; 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 approves the proposed budget as the final budget of the Placer County Air Pollution Control District for Fiscal Year 2013-14, as shown in Enclosure #1 of the Staff Memorandum on the Fiscal Year 2013-14 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 2013-14.

ATTACHMENT #2

SUBJECT:

Comparison Between
Proposed Final Budget for FY 2013-14 and the
Approved Budget for FY 2012-13

**COMPARISON OF THE PROPOSED FY 2013-14
TO THE
APPROVED BUDGET FOR FY 2012-13**

Table 1

Funds Available:	Proposed Budget FY 2013-14	Approved Budget FY 2012-13	Difference	Percentage Change
Permit Fees	820,900	836,942	(16,042)	-1.92%
Fines & Penalties	35,000	35,000	-	0.00%
Interest	70,000	70,000	-	0.00%
DMV (AB2766, AB923)	2,080,348	2,040,000	40,348	1.98%
Statewide PERP	43,000	43,000	-	0.00%
State Subvention	106,000	106,000	-	0.00%
Other Government Assistance	87,276	74,866	12,410	16.58%
Mitigation Fees			-	
Burn / Land / Other Permits	33,247	32,134	1,113	3.46%
Per Capita Assessment	178,732	177,664	1,068	0.60%
District Facility Rental Income	10,162	15,242	(5,080)	-33.33%
From Settlement Fund			-	
Project Generated Revenue	20,000		20,000	
Miscellaneous	2,700	2,700	-	0.00%
TOTAL REVENUE	3,487,365	3,433,548	53,817	1.57%
Operations Fund Carry-Over from the Previous FY*	469,692	510,247	(40,555)	-7.95%
DMV (AB2766, AB923) Carry-Over from the Previous FY	169,576	97,257	72,319	74.36%
Mitigation Fund Carry-Over from the Previous FY	271,187	182,705	88,482	48.43%
TOTAL FUND CARRY-OVER	910,455	790,209	120,246	15.22%
TOTAL FUNDS AVAILABLE	4,397,820	4,223,757	174,063	4.12%
Fund Usage:				
Salary & Benefits	2,237,439	2,189,600	47,839	2.18%
Supplies & Services	809,064	742,034	67,030	9.03%
Clean Air Grants & TAP	970,000	910,000	60,000	6.59%
Building Purchase Payback	50,000	50,000	-	0.00%
TOTAL EXPENSE	4,066,503	3,891,634	174,869	4.49%
Operations Ending Fund Balance **	329,699	329,084	615	0.19%
DMV (AB2766 & AB923) Ending Fund Balance	431	334	97	29.08%
Mitigation Ending Fund Balance	1,187	2,705	(1,518)	-56.12%
TOTAL ENDING FUND BALANCE	331,317	332,123	(806)	-0.24%
TOTAL FUND USAGE	4,397,820	4,223,757	174,063	4.12%

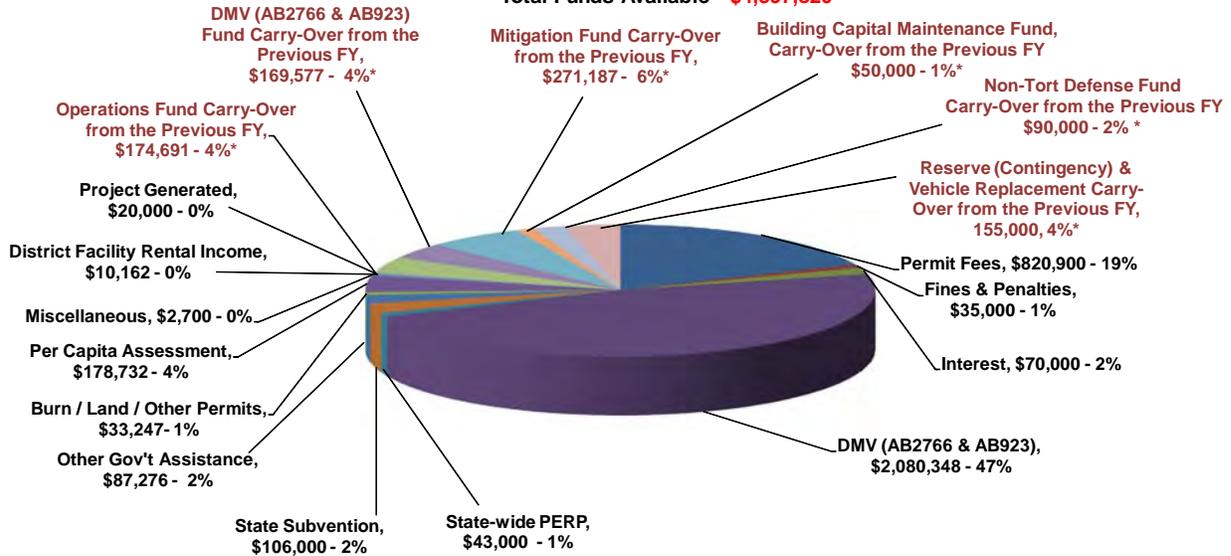
ATTACHMENT #3

SUBJECT:

Proposed Final Budget for Fiscal Year 2013-14
Pie Charts for Funds Available and Fund Usage

Consolidated Funds Available

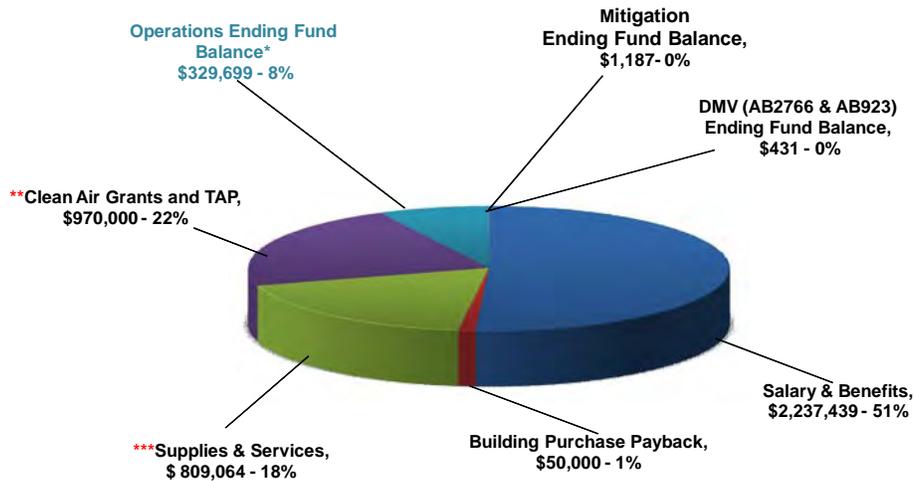
for FY 2013-14 Proposed Budget
Total Funds Available - **\$4,397,820**



*The total actual "Fund Carry-Over" from the previous fiscal year is \$910,455 (based on actual revenue and expenditures from FY 2012-13).

Consolidated Fund Usage

for FY 2013-14 Proposed Budget
Total Fund Usage - **\$4,397,820**



* The Operations Ending DMV Balance includes \$90,000 Non-Tort Defense Fund , \$95,000 Reserve (Contingency), \$50,000 Building Capital Maintenance Fund, \$60,000 Vehicle Replacement Fund, and \$34,699 general Operations Fund.

** "Clean Air Grants and TAP " are comprised of: \$650,000 from DMV Fund and \$270,000 from the Mitigation Fund for the CAG Program. This year he District is proposing to fund \$50,000 for the Technology Assessment Program (TAP).

***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 - \$83,750; Spare the Air Program - \$18,771; Legal Support - \$90,000; Gasoline Dispensing Facility Inspections - \$16,391; Programming and Software Support - \$125,398; Air Permitting Specialist Support - \$32,000; and \$58,750 for special services hat augment the existing Staff. Additional costs in the form of Liability Insurance - \$25,000; Air Monitoring Equipment Maintenance - \$15,000; District Facility Operations and Maintenance - \$41,823; O her District Participation - \$10,000 and Air Monitoring Site Maintenance and upgrades - \$5,000 are included. The District also contracts with the County for an additional \$176,171 in supporting services.



Board Agenda Item

Public Hearing/Action

Agenda Date: August 8, 2013

Prepared By: Don Duffy, Associate Air Pollution Control Engineer

Topic: Adoption of Amended Rule 502, New Source Review

Action Requested:

- 1) Conduct a Public Hearing regarding the proposed approval of amended Rule 502, New Source Review.
- 1) Adopt Resolution #13-07 (Attachment #1), thereby approving amended Rule 502, New Source Review, and the findings in the Staff Report of Attachment #2.

Discussion: Amended Rule 502, New Source Review, was adopted by the District Board on October 13, 2011, and submitted to EPA via the ARB by a letter dated November 18, 2011, for a revision of the California State Implementation Plan. This amended Rule, the current NSR version of Rule 502 in the SIP, has a limited approval, limited disapproval. In a Federal Register announcement (72 FR 12267) on February 22, 2013, EPA approved the bulk of Rule 502 for incorporation into the SIP, with disapproval of several minor items. The limited disapproval does not prevent the District from enforcing the rule as federally enforceable.

One of the issues is that EPA has clarified definitions of PM₁₀ and PM_{2.5} to include both solid and condensable gas components. Rule 502 needs to reflect this fact. While the District has always understood that the condensable component is part of the PM₁₀ and PM_{2.5}, it was not spelled out in the definition. Test procedures specified in the permits issued by the District have consistently required measuring both the solid and condensable components. This amendment of Rule 502 adds the clarification to the definitions of PM₁₀ and PM_{2.5}.

The second deficiency in Rule 502 noted by EPA has to do with interpollutant offset ratios for PM_{2.5}. This means that if a source is required to provide offsets for PM_{2.5}, they have the option of providing 100 pounds of NO_x for each pound of PM_{2.5} needed. The rationale for this is that NO_x is a precursor for PM_{2.5} and 100 pounds of NO_x can result in one pound of PM_{2.5}. Likewise, SO_x can produce PM_{2.5}. These ratios were originally recommended by EPA. Since the District last amended Rule 502, EPA has revised its policy regarding PM_{2.5} interpollutant offset ratios and no longer allows use of these ratios without an analytical justification. This amendment of Rule 502 deletes the option of these interpollutant ratios qualifying as PM_{2.5} and adds the requirement that a modeling demonstration be made to justify the interpollutant ratio if it is to be used.

EPA also noted that Rule 502 does not specify the emission level at which a public notice is required for new lead emissions. A statement has been added to Sections 103 and 406 requiring a public notice when new lead emissions reach five tons per year or more.

The Federal Register notice states that sanctions will be imposed on the District unless EPA approves a subsequent SIP revision that corrects the rule deficiencies within 18 months of March 24, 2013. Since the District is not able to control EPA's schedule, staff is proceeding with this amendment expeditiously in order to give EPA sufficient time to meet this deadline.

Fiscal Impact: The proposed amendment of Rule 502 should have no fiscal impact on permit applicants as compared with business under the current version of the rule. The clarification of the definitions of PM2.5 and PM10 to include condensable components does not change how the District has been treating PM2.5 and PM10.

Eliminating the stated inter-pollutant offset ratios for PM2.5 precursors is not likely to cause a fiscal impact to permit applicants because the ratios are so extreme that they would not be used.

Specifying that a public notice is required for increased lead emissions of five tons per year or more is not likely to cause increased costs to the applicant or the District because the type of industry in the District does not have lead emissions.

Recommendation: Staff recommends adoption of Resolution #13-07, thereby approving amended Rule 502, New Source Review, and approve and adopt the recommendations found in this document and the findings in the Staff Report of Attachment #2.

Attachments:

- #1: Resolution #13-07, Adoption of Rule 502, New Source Review, Exhibit I, Rule 502, New Source Review
- #2: Staff Report, including EPA's Technical Support Document on Rule 502

ATTACHMENT #1

SUBJECT

Resolution #13-07, Adoption of Rule 502, New Source Review



Board Resolution:
Resolution # 13-07

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

In the Matter Of: A Resolution to approve amendments to District Rule 502, New Source Review, as shown in Exhibit I.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **August 8, 2013**, by the following vote:

- Ayes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Noes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Abstain: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____

Signed and approved by me after its passage:

_____ Chairperson

_____ 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, the PCAPCD Board adopted amended Rule 502, New Source Review, on October 13, 2011, and the rule was sent to EPA in order to be approved into the State Implementation Plan; and

WHEREAS, the EPA granted Rule 502, New Source Review, limited approval and limited disapproval for incorporation into the State Implementation Plan on February 22, 2013; and

WHEREAS, the District is required to correct the deficiencies in Rule 502, New Source Review to gain full approval for incorporation into the State Implementation Plan or be subject to sanctions; 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;

NOW THEREFORE BE IT RESOLVED, that this Board approves and adopts amended Rule 502, New Source Review, as shown in Exhibit I.

BE IT RESOLVED AND ORDERED that the Air Pollution Control Officer is hereby authorized and directed to submit this adopted 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.

BE IT FURTHER RESOLVED AND ORDERED that the Air Pollution Control Officer is hereby authorized and directed to submit this adopted rule for approval as a revision of the State Implementation Plan (SIP).

EXHIBIT I

Rule 502, New Source Review

RULE 502 NEW SOURCE REVIEW

Adopted 11-12-74

(Amended 05-24-77, 06-19-79, 09-21-93, 11-03-94, 08-09-01, 12-09-04,
rescinded and re-adopted 2-11-10, amended 10-13-11, 8-8-13)

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100 GENERAL

101 PURPOSE: The purpose of this rule is to provide for the review of new and modified stationary air pollution sources and to provide mechanisms, including emission offsets, by which authorities to construct for such sources may be granted without interfering with the attainment or maintenance of ambient air quality standards.

102 APPLICABILITY: This rule shall apply to all new stationary sources and emissions units and all modifications to existing stationary sources and emissions units that, after construction, emit or may emit any NSR regulated pollutant within the District.

If any source or modification becomes a major source or major modification solely by virtue of the relaxation of any limitation that was established after August 7, 1980, on the capacity of the source or modification to emit a federal nonattainment pollutant or its precursor such as a restriction on hours of operation, then the requirements of this rule shall apply to such a source or modification as though construction had not yet commenced on the source or modification.

This rule shall not apply to prescribed burning of forest, agriculture or range land; open burning in accordance with District Regulation 3, OPEN BURNING; road construction, or any non-point source common to timber harvesting or agricultural practices.

The regulations in effect at the time any application for an Authority to Construct for a new or modified source is deemed complete shall apply to that source except when a new federal requirement not yet incorporated into this Rule applies to the new or modified source.

103 PUBLIC NOTIFICATION REQUIREMENTS: The public notice requirements of Sections 406 and 407 shall apply if the project is for a new or modified stationary source or emissions unit for which offsets are required pursuant to Section 303.1, and to all new or modified stationary sources that are projected to emit increased actual lead emissions at a rate of 5 tons per year or greater.

200 DEFINITIONS: The following definitions apply for all terms used in this Rule. If a term is not defined below, then the definitions provided in Rule 102, DEFINITIONS, and Rule 504, EMISSIONS REDUCTION CREDITS, apply in that hierarchical order.

201 ACTUAL EMISSIONS: Emissions having occurred from a source, based on source test and actual fuel consumption or process data, or monitoring data. If source test or monitoring data is not available, other appropriate, APCO-approved, emission factors may be used. Fugitive emissions associated with the emissions unit shall be included in the actual emissions of the emissions unit.

202 ACTUAL EMISSIONS REDUCTIONS (AER): The decrease of actual emissions, compared to Baseline Actual Emissions, from an emissions unit. AER shall be real, federally enforceable, quantifiable, surplus, and permanent.

203 ACTUAL INTERRUPTIONS OF ELECTRICAL POWER: When electrical service is interrupted by an unforeseeable event.

204 ALLOWABLE EMISSIONS: The emissions rate of a stationary source calculated using the maximum rated capacity of the source (unless the source is subject to federally enforceable limits which restrict the operating rate, hours of operation, or both) and the most stringent of the following:

204.1 Any applicable standards set forth in these regulations and 40 CFR Part 60, 61, or 63;

204.2 Any applicable emission limitation in the State Implementation Plan (SIP), including those with a future compliance date; or

204.3 The emissions rate specified as a federally enforceable permit condition, including those with a future compliance date.

205 AMBIENT AIR QUALITY STANDARDS: There are both State and federal ambient air quality standards. For the purpose of submittal to the U.S. Environmental Protection Agency for inclusion in the California State Implementation Plan all references in this rule to Ambient Air Quality Standards shall be interpreted as National Ambient Air Quality Standards.

206 BASELINE ACTUAL EMISSIONS (BAE):

206.1 "Baseline Actual Emissions" are the actual emissions for the existing emissions unit averaged over the consecutive two (2) year period immediately preceding the date of the application. If the last two years are unrepresentative of normal source operations as determined by the APCO, then any other 2 consecutive year period during the last five years which the APCO determines represents normal source operations may be used.

206.2 If, at any time during the 2 year period, actual emissions exceeded allowable emission levels, then actual emissions shall be reduced to reflect emission levels that would have occurred if the unit were in compliance with all applicable limitations and rules.

206.3 Where an emissions unit has been in operation for less than 2 years, a shorter averaging period of at least 12 months may be used, provided that the averaging period is representative of the full operational history of the emissions unit. If less than 12 months has passed since the date of issuance of the Permit to Operate then Actual Emissions shall be used as the Baseline Actual Emissions.

207 BEGIN ACTUAL CONSTRUCTION: Initiation of physical on-site construction activities on an emissions unit which is of a permanent nature. Such activities include, but are not limited to, installation of building supports and foundations, laying of underground pipework, and construction of permanent storage structures. With respect to a change in method of operation that does not involve a physical change, this term refers to those on-site activities, other than preparatory activities, which mark the start of the change in the method of operation.

208 BEST AVAILABLE CONTROL TECHNOLOGY (BACT): The most stringent emission limitation or control technique of the following:

208.1 Achieved in practice for such category and class of source; or

208.2 Contained in any SIP approved by the EPA for such category and class of source. A specific limitation or control technique shall not apply if the owner of the proposed emissions unit demonstrates to the satisfaction of the APCO that such a limitation or control technique is not presently achievable; or

208.3 Contained in an applicable federal New Source Performance Standard; or

208.4 Any other emission limitation or control technique, including process and equipment changes of basic or control equipment, found by the APCO to be cost effective and technologically feasible for such class or category of sources.

- 209 CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):** The California Environmental Quality Act, Public Resources Code, Section 21000, et seq.
- 210 CLASS I AREA:** Any area listed as Class I in 40 CFR 81.405 or an area otherwise specified as Class I in the legislation that creates a national monument, a national primitive area, a national preserve, a national recreational area, a national wild and scenic river, a national wildlife refuge, a national lakeshore or seashore. The only designated Class I area within 20 miles of Placer County as of October 13, 2011 was Desolation Wilderness Area in El Dorado County.
- 211 COMMENCE:** As applied to construction of a major stationary source or major modification means that the owner or operator has all necessary preconstruction approvals or permits and either has:
- 211.1 Begun, or caused to begin, a continuous program of actual on-site construction of the source, to be completed within a reasonable time; or
- 211.2 Entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of actual construction of the source to be completed within a reasonable time.
- 212 CARGO CARRIERS:** Cargo carriers are trains dedicated to a specific source.
- 213 CONSTRUCTION:** Means any physical change or change in the method of operation (including fabrication, erection, installation, demolition, or modification of an emissions unit) which would result in a change in actual emissions.
- 214 CONTIGUOUS PROPERTY:** Two or more parcels of land with a common point or boundary or separated solely by a public roadway or other public right-of-way.
- 215 COST-EFFECTIVE:** A cost per unit of emissions reduction which is lower than or equivalent to the maximum unit costs of the same emissions reduction through the use of Best Available Control Technology, calculated in current year dollars, in accordance with methodology and criteria specified in guidelines developed by the District.
- 216 EMERGENCY ENGINES:** A stationary engine that meets the criteria specified below:
- 216.1 It is installed for the primary purpose of providing electrical power or mechanical work for emergency use and is not the source of primary power at the facility; and
- 216.2 It is operated to provide electrical power or mechanical work during any emergency use; and
- 216.3 It is operated no more than 100 hours per year for maintenance and testing, emissions testing or initial start-up testing. Diesel engines may be further limited by the California Air Resources Board's Airborne Toxic Control Measure for Stationary Compression Engines in Section 93115.6(a)).
- 217 EMERGENCY USE:** The providing of electrical power or mechanical work during any of the following events.
- 217.1 The failure or loss of all or part of normal electrical power service or normal natural gas supply to the facility, or the failure of a facility's internal power distribution system:

- 217.1.1 Which is caused by any reason other than the adherence to a contractual obligation the owner or operator has with a third party or any other party; and
- 217.1.2 Which is demonstrated by the owner or operator, to the APCO's satisfaction, to have been beyond the reasonable control of the owner or operator.
- 217.2 The pumping of water or sewage to prevent or mitigate a flood or sewage overflow.
- 217.3 The pumping of water for fire suppression or protection.
- 217.4 The powering of ALSF-1 or ALSF-2 airport runway lights under category II or III weather conditions.
- 217.5 The pumping of water to maintain pressure in the water distribution system for the following reasons:
 - 217.5.1 A pipe break that substantially reduces water pressure; or
 - 217.5.2 High demand on the water supply system due to high use of water for fire suppression; or
 - 217.5.3 The breakdown of electric-powered pumping equipment at sewage treatment facilities or water delivery facilities.
- 217.6 The emergency operation of ski lifts during an actual interruption of normal electrical power service to the facility.
- 218 EMISSION DECREASE:** Any modification that would result in an emission decrease of actual emissions.
- 219 EMISSION REDUCTION CREDITS (ERC):** Reductions of actual emissions from emission units that are certified by an air district in accordance with that district's rules and are issued by the air district in the form of ERC certificates.
- 220 EMISSIONS LIMITATION:** One or more federally enforceable permit conditions specific to an emissions unit that restricts its maximum emissions, at or below the emissions associated with the maximum design capacity; and that is contained in the latest Authority to Construct or enforceable by the latest Permit to Operate for the emission unit.

Emissions limitations should be stated in a manner consistent with testing procedures. They may be expressed as an enforceable design, operational, or equipment standard.
- 221 EMISSIONS UNIT:** An identifiable operation or piece of process equipment such as an article, machine, or other contrivance which controls, emits, may emit, or results in the emissions of any air pollutant directly or as fugitive emissions.
- 222 FEDERALLY ENFORCEABLE:** All limitations and conditions which are enforceable by the EPA administrator, including those requirements developed pursuant to 40 CFR parts 60, 61 and 63, requirements within the California State Implementation Plan (SIP), any permit requirements established pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR part 51, subpart I, including operating permits issued under an EPA-approved program that is incorporated into the SIP and expressly requires adherence to any permit issued under such program.

223 FUGITIVE EMISSIONS: Those emissions that could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.

224 FUNCTIONALLY EQUIVALENT EMISSION UNIT: An emission unit that serves the identical function as the unit being replaced. The maximum rating and the potential to emit any pollutant shall not be greater from the functionally equivalent emission unit than the replaced unit. The emission increase from any such replacement shall not result in a major modification.

225 HALOGENATED HYDROCARBONS: For the purposes of this rule, halogenated hydrocarbons are the following:

- 225.1 1,1,1-trichloroethane
- 225.2 methylene chloride
- 225.3 2,2-dichloro-1,1,1-trifluoroethane (HCFC-123)
- 225.4 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124)
- 225.5 trichlorofluoromethane (CFC-11)
- 225.6 dichlorodifluoromethane (CFC-12)
- 225.7 1,1,1-trichloro-2,2,2-trifluoroethane (CFC-113)
- 225.8 1-chloro-1,1-difluoro-2-chloro-2,2-difluoroethane (CFC-114)
- 225.9 chloropentafluoroethane (CFC-115)
- 225.10 pentafluoroethane (HFC-125)
- 225.11 1,1,2,2-tetrafluoroethane (HFC-134)
- 225.12 tetrafluoroethane (HFC-134a)
- 225.13 1,1-dichloro-1-fluoroethane (HCFC-141b)
- 225.14 1-chloro-1,1-difluoroethane (HCFC-142b)
- 225.15 1,1,1-trifluoroethane (HFC-143a)
- 225.16 chlorodifluoromethane (HCFC-22)
- 225.17 trifluoromethane (HFC-23)
- 225.18 1,1-difluoroethane (HFC-152a)
- 225.19 The following four classes of perfluorocarbon compounds:
 - a. Cyclic, branched, or linear, completely fluorinated alkanes.
 - b. Cyclic, branched, or linear, completely fluorinated ethers, with no unsaturations.
 - c. Cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations.
 - d. Sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.
 - e. Perfluorocarbon compounds will be assumed to be absent from a product or process unless a manufacturer or facility operator identifies the specific individual compounds (from the broad classes of perfluorocarbon compounds) and the amounts present in the product or process and provides a validated test method which can be used to quantify the specific compounds.

226 HAZARDOUS AIR POLLUTANT (HAP): Any air pollutant listed pursuant to Section 112(b) of the Federal Clean Air Act as amended in 1990 (42 U.S.C. Section 7401 et seq.).

227 HISTORIC ACTUAL EMISSIONS (HAE): Historic Actual Emissions shall be calculated for each pollutant.

227.1 For a new emissions unit Historic Actual Emissions are equal to zero.

227.2 For an existing emissions unit, Historic Actual Emissions equals either, in hierarchical order;

227.2.1 The federally enforceable potential to emit (PTE) limit contained in the most recent Authority to Construct or Permit to Operate, if actual emissions are at least 80% of the permitted PTE limit, or

227.2.2 The federally enforceable PTE limit contained in the most recent Authority to Construct or Permit to Operate, if the emission unit was fully offset for any emission increases incurred since September 21, 1993, within the 5 year period prior to the date of application for the current project, or

227.2.3 The Baseline Actual Emissions.

228 IDENTICAL EMISSION UNIT: A replacement emissions unit which is the same as the original unit in all respects except for serial number.

229 LAKE TAHOE AIR BASIN: Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60113 (b), the basin includes that portion of Placer County within the drainage area naturally tributary to Lake Tahoe including said Lake, plus that area in the vicinity of the head of the Truckee River described as follows: commencing at the point common to the aforementioned drainage area crest line and the line common to Townships 15 North and 16 North, Mount Diablo Base and Meridian (M.D.B. & M.), and following that line in a westerly direction to the northwest corner of Section 3, Township 15 North, Range 16 East, (M.D.B. & M.), thence south along the west line of Sections 3 and 10, Township 15 North, Range 16 East, M.D.B. & M., to the intersection with the drainage crest line, thence following the said drainage area boundary in a southwesterly, then northeasterly direction to and along the Lake Tahoe Dam, thence following the said drainage area crest line in a northeasterly, then northwesterly direction to the point of beginning. This Air Basin is delineated on an official map on file at the California Air Resources Board Headquarters Office.

230 MAJOR STATIONARY SOURCE – SACRAMENTO AIR BASIN: A stationary source which emits or has the potential to emit: 25 tons per year (tpy) or more of nitrogen oxides or reactive organic compounds, or 100 tpy or more of sulfur oxides, or PM2.5. In addition, any physical change occurring at a stationary source not otherwise qualifying as a major stationary source, which would constitute a major stationary source by itself, makes the source a major stationary source.

231 MAJOR STATIONARY SOURCE – MOUNTAIN COUNTIES AIR BASIN: A stationary source which emits or has the potential to emit 25 tons per year (tpy) or more of nitrogen oxides or reactive organic compounds. In addition, any physical change occurring at a stationary source not otherwise qualifying as a major stationary source, which would constitute a major stationary source by itself, makes the source a major stationary source.

232 MAJOR MODIFICATION: A modification to a major stationary source in the Sacramento or Mountain Counties Air Basins which results in a significant emissions increase of the pollutant for which the source is classified as a major stationary source. For nitrogen oxides and reactive organic compounds, the increase shall be aggregated with all other increases and decreases in potential to emit over the period of the four consecutive years before the application for modification, plus the calendar year of the most recent application.

233 MODIFICATION: Any physical change, change in method of operation (including change in fuel characteristics), addition to, or any change in hours of operation, or change in production rate of, which:

- 233.1 For an emissions unit: would necessitate a change in permit conditions, permit equipment description, or emissions limitation.
- 233.2 For a stationary source: is a modification of any emissions unit, or addition of any new emissions unit.
- 233.3 Unless previously limited by a permit condition and that permit condition must be changed, the following shall not be considered a modification:
- 233.3.1 A change in ownership.
- 233.3.2 Routine maintenance and repair, or an identical replacement.
- 233.3.3 The addition of a continuous emission monitoring system.
- 233.3.4 The replacement of air pollution control equipment with new control equipment if the actual emissions of the new equipment are less than or equal to those from the original piece of equipment and the replacement is not a major modification under the United States Environmental Protection Agency (EPA) regulations promulgated pursuant to Title I of the Federal Clean Air Act, including 40 CFR Part 51.
- 233.3.5 Use of an alternative fuel or raw material by reason of an order under Sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation), or by reason of a natural gas curtailment plan pursuant to the Federal Power Act.
- 233.3.6 Use of an alternative fuel by reason of an order or rule under Section 125 of the Act.
- 233.4 A reconstructed stationary source or emissions unit shall be treated as a new stationary source or emissions unit, not as a modification.
- 234 MOUNTAIN COUNTIES AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60111 (I), the Mountain Counties Air Basin includes all of Placer County except that portion included in the Lake Tahoe Air Basin, defined by 17 CCR 60113(b), and that portion included in the Sacramento Valley Air Basin, defined by 17 CCR 60106(k).
- 235 NECESSARY PRECONSTRUCTION APPROVALS OR PERMITS:** Federal air quality control laws and regulations and those air quality control laws and regulations which are part of the SIP.
- 236 NONATTAINMENT POLLUTANT:** Any pollutant as well as any precursors of such pollutants which have been designated "nonattainment" by the U.S. Environmental Protection Agency as codified in 40 CFR 81.305, or which has been designated nonattainment by the California Air Resources Board pursuant to Section 39607 of the Health and Safety Code for specific air basins in Placer County.
- 237 NSR REGULATED POLLUTANT:** A pollutant for which an Ambient Air Quality Standard has been established by the EPA or by the California Air Resources Board (ARB), and the precursors to such pollutants, including, but not limited to, reactive organic compounds (ROC), nitrogen oxides (NO_x), sulfur oxides (SO_x), PM₁₀, PM_{2.5}, carbon monoxide (CO) and lead.

- 238 PM2.5:** Particulate matter with an aerodynamic diameter smaller than or equal to a nominal 2.5 microns. Gaseous emissions which condense to form PM2.5 shall also be counted as PM2.5.
- 239 PM10:** Particulate matter with an aerodynamic diameter smaller than or equal to a nominal 10 microns. Gaseous emissions which condense to form PM10 shall also be counted as PM10.
- 240 PORTABLE EQUIPMENT:** Equipment that is periodically relocated and is not operated more than a total of 180 days at any one location in the District within any continuous twelve (12) month period.
- 241 POTENTIAL TO EMIT (PTE):** The maximum physical and operational design capacity to emit an air pollutant. Any limitation on the physical or operational design capacity, including emission control devices and restrictions on hours of operation, or on the type, or amount of material combusted, stored, or processed, may be considered as part of the design only if the limitation, or the effect it would have on emissions, is incorporated into the Authority to Construct as a federally enforceable permit condition. Fugitive emissions associated with the emissions unit or stationary source shall be included in the potential to emit of the emissions unit or stationary source.
- 242 PRECURSOR:** A pollutant that, when emitted into the atmosphere, may undergo either a chemical or physical change which then produces another pollutant for which an Ambient Air Quality Standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more Ambient Air Quality Standards. The following precursor-secondary air contaminant relationships shall be used for the purposes of this rule:

<u>Precursor</u>	<u>Secondary Air Contaminant</u>
Reactive Organic Compound	a. Photochemical oxidants (Ozone) b. Organic fraction of PM10
Nitrogen Oxides	a. Nitrogen dioxide b. Nitrate fraction of PM10 c. Nitrate fraction of PM2.5 d. Photochemical oxidants (Ozone)
Sulfur Oxides	a. Sulfur dioxide b. Sulfates c. Sulfate fraction of PM10 d. Sulfate fraction of PM2.5

- 243 PREVENTION OF SIGNIFICANT DETERIORATION (PSD):** A federal permitting program for new and modified major stationary sources of air pollution for pollutants that do not exceed National Ambient Air Quality Standards.
- 244 PRIORITY RESERVE BANK:** A depository for preserving emission reduction credits pursuant to Rule 505, PRIORITY RESERVE.
- 245 PROPOSED EMISSIONS:** Emissions based on the potential to emit for the new or modified emissions unit which will be incorporated into the permit as federally enforceable permit conditions.
- 246 QUARTERLY:** Calendar quarters beginning January 1, April 1, July 1, and October 1.
- 247 QUARTERLY EMISSION LIMITATION:** One or a combination of permit conditions specific to an emissions unit that restricts its maximum emissions, in pounds per quarter, at or below the emissions associated with the maximum design capacity. A quarterly emissions limitation must be:

- 247.1 Contained in the latest Authority to Construct or enforceable by the latest Permit to Operate for the emissions unit, and
- 247.2 Enforceable on a quarterly basis.
- 248 REACTIVE ORGANIC COMPOUND:** For the purposes of this rule, reactive organic compound (ROC) has the same definition as volatile organic compound (VOC) in Rule 102, DEFINITIONS.
- 249 RECONSTRUCTED SOURCE:** Any stationary source or emissions unit undergoing physical modification where the fixed capital cost of the new components exceeds 50 percent of the fixed capital cost of a comparable entirely new stationary source or emissions unit. Fixed capital cost means that capital needed to provide all the depreciable components. A reconstructed source shall be treated as a new stationary source or emissions unit.
- 250 REDUCED SULFUR COMPOUNDS:** The sulfur compounds hydrogen sulfide, carbon disulfide and carbonyl sulfide.
- 251 REPLACEMENT EMISSION UNIT:** An emissions unit for which all the criteria listed below are met. No creditable emission reductions shall be generated from shutting down the existing emissions unit that is replaced unless:
- 251.1 The emissions unit is a reconstructed unit within the meaning of 40 CFR 60.15(b)(1), or the emissions unit completely takes the place of an existing emissions unit, or
- 251.2 The emissions unit is an identical emission unit or a functionally equivalent emission unit, or
- 251.3 The replacement does not alter the basic design parameters of the process unit, and
- 251.4 The replaced emissions unit is permanently removed from the stationary source, otherwise permanently disabled, or permanently barred from operation by a permit that is federally enforceable. If the replaced emissions unit is brought back into operation, it shall constitute a new emissions unit.
- 252 SACRAMENTO VALLEY AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60106(k), the basin includes that portion of Placer County which lies west of Range 9 east, Mount Diablo Base and Meridian (M.D.B. & M.).
- 253 SIGNIFICANT:** In reference to an emissions increase or the potential of a source to emit any of the following pollutants, a rate of emissions that would equal or exceed any of the following rates:
- 253.1 Carbon monoxide: 100 tpy;
- 253.2 Nitrogen oxides: 25 tpy;
- 253.3 Sulfur dioxide: 40 tpy;
- 253.4 Ozone: 25 tpy of VOCs or 25 tpy of nitrogen oxides;
- 253.5 PM10: 15 tpy

253.6 PM2.5: 10 tpy of direct PM2.5 emissions or 40 tpy of sulfur dioxide emissions or 40 tpy of nitrogen oxide emissions

253.7 Lead: 0.6 tpy.

254 SIGNIFICANT EMISSIONS INCREASE: For a regulated NSR pollutant, an increase in emissions that is significant for that pollutant.

255 STATIONARY SOURCE (SOURCE OR FACILITY): Any building, structure, facility, or emissions unit that emits or may emit any NSR regulated pollutant directly or as fugitive emissions.

255.1 Building, structure, facility, or emissions unit includes all pollutant emitting activities which:

255.1.1 belong to the same industrial grouping, and;

255.1.2 are located on one property or on two or more contiguous properties, and;

255.1.3 are under the same or common ownership, operation, or control or which are owned or operated by entities which are under common control.

255.2 Pollutant emitting activities shall be considered as part of the same industrial grouping if:

255.2.1 they belong to the same two digit standard industrial classification code under the system described in the 1987 Standard Industrial Classification Manual, or;

255.2.2 they are part of a common production process. (Common production process includes industrial processes, manufacturing processes and any connected processes involving a common material.)

255.3 The emissions of cargo carriers associated with the stationary source shall be considered emissions from the stationary source to the extent that emission reductions from these cargo carriers are proposed as offsets.

256 STATIONARY SOURCE PTE: The sum of the PTE for each emission unit which has been issued a Permit of Operate, Authority to Construct or for which an application has been submitted. Any fugitive emissions from such emission units shall be included in this calculation.

257 SURPLUS: The amount of emission reductions that are, at the time of generation of an Emissions Reduction Credit (ERC), not otherwise required by federal, state, or local law, not required by any legal settlement or consent decree, and not relied upon to meet any requirement related to the California State Implementation Plan (SIP). However, emission reductions required by a state statute that provides that the subject emission reductions shall be considered surplus may be considered surplus for purposes of this Rule if those reductions meet all other applicable requirements.

Examples of federal, state, and local laws, and of SIP-related requirements, include, but are not limited to, the following:

257.1 The federally-approved California SIP;

- 257.2 Other adopted state air quality laws and regulations not in the SIP, including but not limited to, any requirement, regulation, or measure that: (1) the District or the state has included on a legally-required and publicly-available list of measures that are scheduled for adoption by the District or the State in the future; or (2) is the subject of a public notice distributed by the District or the State regarding an intent to adopt such revision;
- 257.3 Any other source- or source-category specific regulatory or permitting requirement, including, but not limited to, Reasonable Available Control Technology (RACT), New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), Best Available Control Measures (BACM), Best Available Control Technology (BACT), and the Lowest Achievable Emission Rate (LAER); and
- 257.4 Any regulation or supporting documentation that is required by the federal Clean Air Act but is not contained or referenced in 40 C.F.R. Part 52, including but not limited to: assumptions used in attainment and maintenance demonstrations (including Reasonable Further Progress demonstrations and milestone demonstrations), including any proposed control measure identified as potentially contributing to an enforceable near-term emissions reduction commitment; assumptions used in conformity demonstrations; and assumptions used in emissions inventories.

258 TEMPORARY SOURCE: Temporary emission sources such as pilot plants, and portable facilities which will be terminated or located outside the District after less than a cumulative total of 90 days of operation in any 12 continuous months.

259 TOTAL REDUCED SULFUR COMPOUNDS: The sulfur compounds hydrogen sulfide, methyl mercaptan, dimethyl sulfide and dimethyl disulfide.

300 STANDARDS

301 EMISSION AND OFFSET CALCULATIONS: The following provisions shall be used to calculate emission increases and decreases from all new and modified emissions units located at a stationary source.

301.1 BACT – Emissions Increase: The emissions increase for each emissions unit related to the project for the purposes of determining BACT applicability shall be calculated as the proposed emissions minus the Baseline Actual Emissions. Calculations shall be performed separately for each emissions unit for each calendar quarter.

301.2 Offsets - Emissions Increase or Decrease: The emissions increase or decrease for each emissions unit related to the project for the purposes of determining Offset applicability shall be calculated as the proposed emissions, minus the Historic Actual Emissions. Emission increases or decreases shall be calculated for each emission unit and the project as a whole.

301.3 Project Emissions: If a project consists of more than one emission unit, the total emissions from all emissions units shall be summed for each pollutant to determine the emissions increase for the project. The project includes the entire scope of the preconstruction application for a new or modified stationary source.

301.4 Calculation Periods: The emissions increase or decrease for a project shall be calculated on a daily, quarterly and annual basis for each pollutant.

- 301.5 Potential To Emit - Stationary Sources: The potential to emit of a new or modified stationary source shall be calculated as the sum of the potential to emit, including fugitive emissions, for all emissions units, based on emission limitations established by current Permits to Operate, Authorities to Construct where permits to operate have not been issued, and the pending application.
- 301.6 Quantity of Offsets Required For New Major Sources or Major Modifications: If offsets are required pursuant to Section 303.2, the quantity of offsets to be provided shall be determined by calculating the emission increase for the project and applying the appropriate offset ratio based on pollutant and location as specified in Section 303.3. The calculations shall be performed separately for each pollutant and each emissions unit for each calendar quarter.
- 301.7 Quantity of General (State) Offsets Required: If offsets are required pursuant to Section 303.1, the quantity of offsets to be provided shall be determined as follows:
- 301.7.1 If offsets have already been provided by a stationary source for a particular pollutant, then multiply the emission increase calculated for the project by the appropriate offset ratio based on pollutant and location as specified in Section 303.3, or
- 301.7.2 If no offsets have been provided previously by a stationary source for a particular pollutant, then subtract the offset threshold specified in Section 303.1 for that pollutant from the stationary source PTE and multiply the value by the appropriate offset ratio based on pollutant and location as specified in Section 303.3.
- 301.8 Quantity of Offsets Required For A Modification That Makes An Existing Source A Major Stationary Source: When the proposed modification will make an existing minor source a new major source, offsets required shall be calculated as the sum of proposed PTE for all emissions units installed after September 21, 1993 based on current permits to operate and Authority to Constructs where permits to operate have not been issued, plus the pending application, minus offsets supplied since September 21, 1993. Calculations shall be performed separately for each pollutant and each emissions unit for each calendar quarter. The offset ratios of Section 303.3 shall be applied to determine the ERCs required.

302 REQUIREMENT TO APPLY BEST AVAILABLE CONTROL TECHNOLOGY: An applicant shall apply Best Available Control Technology (BACT) to a new emissions unit or modification of an existing emissions unit, except cargo carriers, if the change would result in an increase in quarterly emissions of a NSR regulated pollutant from the new or modified emissions unit and if the PTE of the new or modified emissions unit equals or exceeds the levels specified below.

<u>Pollutant</u>	<u>lb/day</u>
Reactive organic compounds	10
Nitrogen oxides	10
Sulfur oxides	80
PM10	80
PM2.5	80
Carbon monoxide	550
Lead	3.3
Vinyl chloride	5.5
Sulfuric acid mist	38
Hydrogen sulfide	55

Total reduced sulfur compounds	55
Reduced sulfur compounds	55

303 OFFSET REQUIREMENTS

303.1 General Requirement to Provide Offsets: An applicant whose facility is located in the Sacramento Valley Air Basin or the Mountain Counties Air Basin shall provide offsets for a NSR regulated pollutant if the potential to emit of a new or modified source exceeds either of the threshold quantities listed below:

<u>Pollutant</u>	<u>Pounds per quarter</u>	<u>Tons per year</u>
Reactive organic compounds	5,000	10
Nitrogen oxides	5,000	10
Sulfur oxides	13,750	27.5
PM10	7,500	15
PM2.5	7,500	15
Carbon monoxide	49,500	99

303.2 Major Source or Major Modification Requirement to Provide Offsets: An applicant whose facility is located in the Sacramento Valley Air Basin or the Mountain Counties Air Basin, and whose project emissions will result in a new major source or major modification, shall provide offsets for each NSR regulated pollutant that constitutes a major source or major modification.

303.3 Location of Offsets and Offset Ratios: The applicable offset ratio shall be determined based on the location of the new or modified stationary source required to provide offsets and the distance to the location of the emission offsets, as indicated in the following table.

<u>Location of Offset</u>	<u>Offset Ratio</u>	<u>Offset Ratio</u>
	<u>NOx and ROC</u>	<u>Other Pollutants</u>
Same Source	1.0 to 1.0	1.0 to 1.0
Within 15-Mile radius and within the same air basin	1.3 to 1.0	1.2 to 1.0
Greater than 15-Miles but within 50-Mile radius within the same air basin	1.5 to 1.0	1.5 to 1.0
Greater than 50-Mile radius and within the same air basin	Greater than 1.5 to 1.0	Greater than 1.5 to 1.0

303.3.1 The APCO may impose, based on the air quality analysis, a higher offset ratio such that the new or modified stationary source will not prevent or interfere with the attainment or maintenance of any ambient air quality standard.

303.3.2 Applicants providing offsets obtained pursuant to Rule 505, PRIORITY RESERVE, shall be subject to an offset ratio of 1.2 to 1.0 for all pollutants, except NOx and VOC, at all distances. The offset ratio for NOx and VOC offsets obtained pursuant to Rule 505, PRIORITY RESERVE, shall be subject to an offset ratio of 1.3 to 1.0 at all distances.

303.4 General Offset Provisions

303.4.1 All offsets shall be real, surplus, federally enforceable, quantifiable and permanent.

- 303.4.2 All offsets provided for major sources and major modifications shall be surplus at the time ERCs are surrendered to the District.
 - 303.4.3 All offsets shall be surrendered to the District prior to the initial startup of the new or modified source, and the offsets shall be maintained throughout the operation of the new or modified source which is the beneficiary of the offsets.
 - 303.4.4 Offsets can only come from air basins with the same or worse air quality designations than that of the stationary source requiring the offsets.
 - 303.4.5 In no case shall halogenated hydrocarbons, exempt compounds or any other compound excluded from the definition of reactive organic compounds, be used as offsets for reactive organic compounds.
 - 303.4.6 For sources which have provided full offsets of total suspended particulate (TSP), the PM10 emissions from an existing stationary source shall be recalculated from the TSP emission increases and decreases which have occurred since December 31, 1976, using PM10 emission factors. When PM10 emission factors do not exist, it shall be assumed that 50% of the TSP is PM10.
- 303.5 Timing of Quarterly Emission Offsets: Sufficient offsets shall be provided, from the same calendar quarter as the proposed emission increase, with the following exceptions:
- 303.5.1 Emission reductions of reactive organic compounds or nitrogen oxides during the quarters starting April 1 or July 1 may be used to offset emission increases of the same pollutants during any calendar quarter.
 - 303.5.2 Emission reductions of carbon monoxide during the quarters starting January 1 or October 1 may be used to offset emission increases of carbon monoxide during any calendar quarter.
 - 303.5.3 Emission reductions of PM10 or PM2.5 during the quarters starting January 1 or October 1 may be used to offset emission increases of PM10 or PM2.5 during any calendar quarter.
 - 303.5.4 Emission reductions of sulfur oxides during any quarter may be used to offset emission increases of sulfur oxides during any calendar quarter.
- 303.6 Interpollutant Offsets
- 303.6.1 The APCO may approve interpollutant offsets for precursor pollutants on a case by case basis, provided that the applicant demonstrates, through the use of an air quality model, that the emission increases from the new or modified source will not cause or contribute to a violation of an ambient air quality standard.
 - 303.6.2 Interpollutant offsets between PM10 and PM10 precursors are allowed only if PM10 precursors contribute significantly to the PM10 levels that exceed the PM10 ambient standards.
 - 303.6.3 PM10 emissions shall not be allowed to offset nitrogen oxides or reactive organic compound emissions in ozone nonattainment areas,

nor be allowed to offset sulfur oxide emissions in sulfate nonattainment areas.

303.6.4 Interpollutant emission offsets between PM2.5 precursors are not allowed unless modeling demonstrates that PM2.5 interpollutant offset ratios are appropriate in an approved PM2.5 attainment plan.

303.6.5 EPA and ARB must concur with all proposed interpollutant offsets ratios prior to use.

303.7 Intra-District Offsets

303.7.1 ERCs generated in another district may be used to offset emission increases in Placer County.

303.7.2 If the ERC generating source and the source with the proposed emissions increase are not in the same air basin, both of the following requirements must be met:

- a. The ERC generating source must be located in an upwind district that is classified, pursuant to Health and Safety Code Section 40910 et seq., as being in the same or a worse nonattainment status than the downwind district where the stationary source with the proposed emission increases will be located.
- b. The stationary source at which the emission increases are to be offset must be located in a downwind district that is overwhelmingly impacted, as determined pursuant to Health and Safety Code Section 39610, by emissions transported from the upwind district where the ERC generating source is located.

303.7.3 Any offset credited to a stationary source in one district using offsets obtained from reductions at a stationary source in another district shall be approved by a resolution adopted by the governing boards of both the upwind and downwind districts, after taking into consideration the impact of the offset on air quality, public health, and the regional economy. The District's governing board may delegate to the APCO the Board's authority to approve the offsets credited.

303.7.4 For ERCs generated in another district, the District may adjust the value of such credits to reflect any District requirements that would have applied if the credits had been generated within the District.

303.8 Emission Reductions, Shutdowns, and Curtailments: Actual emission reductions from an internal shutdown or curtailment of a permitted emission unit may be credited for the purposes of providing internal offsets provided:

303.8.1 The crediting of emission reductions from source shutdowns and curtailments comply with the current U.S. Environmental Protection Agency emissions trading policy and applicable federal regulations; and

303.8.2 Emissions reductions are ensured by federally enforceable emission limitations contained in the Permit to Operate, or the permanent surrender or cancellation of the Permit to Operate; and

303.8.3 If the shutdown emission unit is being replaced with a new or modified emission unit, the APCO may allow a maximum of 90 days as a

shakedown period for simultaneous operation of the existing and the new or modified emission unit.

303.9 Exemptions From Offset Requirements

303.9.1 Offsets shall not be required for temporary sources or portable equipment, if the emissions from such units do not constitute a major source or major modification to a major source.

303.9.2 Offsets shall not be required for an emergency engine which is used exclusively for testing, maintenance and emergency use, if the emissions from the emergency engine, excluding emergency use, do not exceed the offset limit by itself.

303.9.3 Offsets shall not be required for increases in carbon monoxide emissions if the applicant, using an Air Quality Model approved by the APCO, demonstrates that the increase in ambient concentration does not exceed 500 micrograms per cubic meter, 8 hour average, at or beyond the property line of the stationary source.

303.9.4 The requirement to provide offsets shall not apply to the following:

- a. Relocation of emissions units solely within only one air basin within the District, and the relocation does not result in any increase in potential to emit.
- b. Replacement emissions units, provided the replacement does not constitute a major source or major modification.
- c. Modifications necessary to comply with any regulations contained in Regulation 2 – PROHIBITIONS, or in the SIP, unless the modification will result in a major modification. This provision does not apply to changes in production rate, hours of operation, or any other change or modification not required for compliance with Regulation 2 or the SIP.
- d. If requested by the APCO, the applicant shall demonstrate through the use of an air quality model that the emission increases from the new or modified source will not cause or contribute to a violation of an ambient air quality standard.

304 MAJOR SOURCE ADMINISTRATIVE REQUIREMENTS: The following administrative requirements shall apply to any new major source or major modification regulated by the rule. Power plants over 50 megawatts shall be subject to the additional requirements of Section 500.

304.1 Alternative Siting: The applicant shall prepare an analysis functionally equivalent to the requirements of Division 13 of the Public Resources Code (California Environmental Quality Act-CEQA). The District will not issue an Authority to Construct unless the APCO has concluded, based on the information included in the Alternative Siting Analysis that the benefits of the proposed source significantly outweigh the environmental and social cost imposed as a result of its location, construction, or modification.

304.2 Certification of Compliance: The owner or operator of the proposed new or modified source has certified that all existing major stationary sources owned or operated by such person (or by any entity controlling, controlled by, or under

common control with such person) in California which are subject to emission limitations are in compliance, or on an expeditious schedule for compliance, with all applicable emission limitations and standards.

- 304.3 Potential Visibility Impacts: The APCO shall consult with the Federal Land Manager on a proposed major stationary source or major modification that may impact visibility in any Class 1 Area, in accordance with 40 CFR 51.307 if the net emissions increase from the new or modified source exceeds 10 tons/year of PM_{2.5}, 15 tons/year of PM₁₀, or 40 tons/year of NO_x; and the location of the source, relative to the closest boundary of a specified federal Class I area is within 20 miles.

305 GENERAL PROVISIONS

- 305.1 Air Quality Models: All estimates of ambient concentrations required pursuant to this rule shall be based on applicable air quality models, databases, and other requirements specified in 40 CFR Part 51, Appendix W ("Guideline on Air Quality Models"). Where an air quality model specified in 40 CFR Part 51, Appendix W ("Guideline on Air Quality Models") is inappropriate, the model may be modified or another model substituted. Such a modification or substitution of a model may be made on a case-by-case basis or, where appropriate, on a generic basis. Written approval from the United States Environmental Protection Agency (EPA) must be obtained for any modification or substitution. In addition, use of a modified or substituted model must be subject to notice and opportunity for public comment.
- 305.2 Ambient Air Quality Standards: In no case shall emissions from the new or modified stationary source prevent or interfere with the attainment or maintenance of any applicable ambient air quality standard. The Air Pollution Control Officer (APCO) may require the use of an air quality model to estimate the effects of a new or modified stationary source. The analysis shall estimate the effects of the new or modified stationary source, and verify that the new or modified stationary source will not prevent or interfere with the attainment or maintenance of any ambient air quality standard. In making this determination the APCO shall take into account the mitigation of emissions through offsets pursuant to this rule and the impacts of transported pollutants on downwind pollutant concentrations. The APCO may impose, based on an air quality analysis, offset ratios greater than the requirements of Section 303.2.

400 APPLICATION PROCESSING

- 401 **REQUIREMENT TO SUBMIT APPLICATION:** Any person building, erecting, altering or replacing any article, machine, equipment or other contrivance, the use of which may cause, eliminate, reduce, or control the issuance of air contaminants, shall first obtain authorization for such construction from the APCO as specified in this rule. Exemptions from this requirement are listed in Rule 501, GENERAL PERMIT REQUIREMENTS. The application shall be submitted on forms supplied by the District.
- 402 **COMPLETE APPLICATION REQUIREMENT:** The APCO shall determine whether an application is complete no later than 30 days after receipt of the application, or after such longer time period that the applicant and the APCO have agreed to in writing.

If the APCO determines that the application is not complete, the applicant shall be notified in writing of the decision specifying the information required. Upon receipt of any re-submittal of the application, a new 30-day period to determine completeness shall begin. Completeness of an application or a re-submitted application shall be evaluated on the basis of the information requirements set forth in District regulations as they exist on

the date on which the application or re-submitted application was received, or when the CEQA-related information which satisfies the requirements of the District's CEQA Guidelines has been received, whichever is later.

The APCO may, during the processing of the application, request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application.

- 403 PRELIMINARY DECISION:** Following acceptance of an application as complete, the APCO shall perform the evaluations required to determine compliance with all applicable District rules and regulations and make a preliminary written decision as to whether an Authority to Construct should be approved, conditionally approved, or denied.

The decision shall be based on the Section 300 standards in force on the date the application is deemed complete, except when a new federal requirement not yet incorporated into this Rule applies to the new or modified source.

When the District is the CEQA Lead Agency for a project, the APCO shall not issue a preliminary decision until the draft Environmental Impact Report or Negative Declaration is available for public review. The decision shall be supported by a succinct written analysis. For projects requiring offsets, the APCO shall transmit its preliminary written decision and analysis to the California Air Resources Board and the U.S. Environmental Protection Agency for a 45 day review period.

404 TIMING FOR FINAL ACTION

- 404.1 The APCO shall not take final action for any project for which an Environmental Impact Report (EIR) or a Negative Declaration is being prepared until a final EIR for that project has been certified or a Negative Declaration for that project has been approved, and the APCO has considered the information in that final EIR or Negative Declaration.

The APCO shall take final action on the application within whichever of the following periods of time is longer:

404.1.1 Within 180 days after the certification of the final EIR or approval of the Negative Declaration, or

404.1.2 Within 180 days of the date on which the application was determined complete by the APCO.

- 404.2 Except as provided in Section 103, the APCO shall provide written notice of the final action to the applicant, any commenters, the U.S. Environmental Protection Agency, and the California Air Resources Board.

- 405 AUTHORITY TO CONSTRUCT AND PERMIT TO OPERATE CONTENT:** Each Authority to Construct and/or Permit to Operate issued by the APCO shall include the following minimum terms and conditions:

- 405.1 A provision stating that the emission unit shall be operated in a manner consistent with the application used to determine compliance with this rule.

- 405.2 The following emissions limitations shall be included, if applicable:

405.2.1 BACT emission limitations if required by Section 302. Such condition(s) shall be expressed in a manner consistent with testing procedures, such as ppmv NO_x, g/liter VOC, or lbs/hr.

405.2.2 A quarterly emissions limitation for each offset pollutant, if offsets are required pursuant to Section 303.

405.2.3 An emission limitation (daily, monthly, or quarterly) shall be contained in the Authority to Construct and Permit to Operate for all NSR pollutants for which offsets are not being provided pursuant to Section 303, or when required to be consistent with ambient air quality standards.

405.3 Design, Operational, or Equipment Standards: If the APCO determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of a numerical emission standard infeasible, the APCO may instead prescribe a design, operational, or equipment standard. In such cases, the District shall make its best estimate as to the emission rate that will be achieved and shall specify that rate in required submissions to the U.S. Environmental Protection Agency. Any Authority to Construct or permit issued without an enforceable numerical emission standard must contain enforceable conditions which assure that the design characteristics or equipment will be properly maintained, or that the operational conditions will be properly performed, so as to continuously achieve the assumed degree of control.

406 PUBLICATION AND PUBLIC COMMENT: If a proposed project is required to provide offsets pursuant to Section 303, or if a proposed project may emit increased actual lead emissions at a rate of 5 tons per year or greater, within ten calendar days following a preliminary decision, the APCO shall publish in at least one newspaper of general circulation in the District a notice stating the preliminary decision of the APCO, noting how the pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of publication.

407 PUBLIC INSPECTION: Except as provided in Section 103, the APCO shall make available for public inspection at the District's office the information submitted by the applicant and the APCO's analysis no later than the date the notice of the preliminary decision is published. Information submitted which contains trade secrets shall be handled in accordance with Section 6254.7 of the California Government Code and relevant sections of the California Administrative Code. Further, all such information shall be transmitted no later than the date of publication to the California Air Resources Board and the U.S. Environmental Protection Agency regional office, and to any party which requests such information.

408 DENIAL, FAILURE TO MEET STANDARDS: The APCO shall deny any Authority to Construct or Permit to Operate if the APCO finds that the subject of the application would not comply with the standards set forth in District, state, or federal rules or regulations.

409 DENIAL, FAILURE TO MEET CEQA: The APCO shall deny any Authority to Construct or Permit to Operate if the APCO finds that the subject of the application would not comply with the standards set forth in CEQA.

410 ISSUANCE, PERMIT TO OPERATE: The APCO shall issue a Permit to Operate an emissions unit subject to the requirements of this rule after determining that all conditions specified in the Authority to Construct have been complied with or will be complied with by the dates specified on the Authority to Construct. Such applicable conditions shall be contained in the Permit to Operate. Where a new or modified stationary source is, in whole or in part, a replacement for an existing stationary source on the same property, the APCO may allow a maximum of 90 days as a shakedown period for simultaneous operation of the existing stationary source and the new source or replacement.

500 **ADDITIONAL PROVISIONS FOR POWER PLANTS:** This Section shall apply to power plants with maximum ratings equal to, or in excess of 50 megawatts proposed to be constructed in the District and for which a Notice of Intention (NOI) or Application for Certification (AFC) has been accepted by the California Energy Commission.

501 Within 14 days of receipt of a Notice of Intention, the APCO shall notify the California Air Resources Board and the California Energy Commission of the District's intent to participate in the Notice of Intention proceeding. If the District chooses to participate in the Notice of Intention proceeding, the APCO shall prepare and submit a report to the California Air Resources Board and the California Energy Commission prior to the conclusion of the non-adjudicatory hearing specified in Section 25509.5 of the California Public Resources Code. That report shall include, at a minimum:

501.1 A preliminary specific definition of Best Available Control Technology for the proposed facility;

501.2 A preliminary discussion of whether there is substantial likelihood that the requirements of this rule and all other District regulations can be satisfied by the proposed facility;

501.3 A preliminary list of conditions which the proposed facility must meet in order to comply with this rule or any other applicable District regulation.

The preliminary determinations contained in the report shall be as specific as possible within the constraints of the information contained in the Notice of Intention.

502 Upon receipt of an Application for Certification for a power plant, the APCO shall conduct a determination of compliance review. This determination shall consist of a review identical to that which would be performed if an application for an Authority to Construct had been received for the power plant. If the information contained in the Application for Certification does not meet the requirements of this rule, the APCO shall, within 20 calendar days of receipt of the Application for Certification, so inform the California Energy Commission, and the Application for Certification shall be considered incomplete and returned to the applicant for re-submittal.

503 The APCO shall consider the Application for Certification to be equivalent to an application for a permit to construct during the determination of compliance review, and shall apply all provisions of this rule which apply to applications for an Authority to Construct.

504 The APCO may request from the applicant any information necessary for the completion of the determination of compliance review. If the APCO is unable to obtain the information, the APCO may petition the presiding Commissioner of the California Energy Commission for an order directing the applicant to supply such information.

505 Within 180 days of accepting an Application for Certification as complete, the APCO shall make a preliminary decision on:

505.1 Whether the proposed power plant meets the requirements of this rule and all other applicable District regulations, and;

505.2 In the event of compliance, what permit conditions will be required including the specific Best Available Control Technology requirements and a description of required mitigation measures.

The preliminary written decision of this Section shall be treated as a preliminary decision under Section 403 of this Rule, and shall be finalized by the APCO only after being

subject to the public notice and comment requirements of Sections 406 and 407. The APCO shall not issue a determination of compliance for the power plant unless all requirements of this rule are met.

506 Within 240 days of the filing date, the APCO shall issue and submit to the California Energy Commission a determination of compliance or, if such a determination cannot be issued, shall so inform the California Energy Commission. A determination of compliance shall confer the same rights and privileges as an Authority to Construct only when and if the California Energy Commission approves the Application for Certification, and the California Energy Commission certificate includes all requirements of the conditions contained within the determination of compliance.

507 Any applicant receiving a certificate from the California Energy Commission pursuant to this Section and in compliance with all conditions of the certificate shall be issued a Permit to Operate by the APCO.

600 MONITORING AND RECORDS

601 RECORDKEEPING: The following records shall be maintained for two years. Records shall be provided to the APCO upon request.

601.1 Emergency Engines: Records of hours of operation for maintenance purposes and for actual interruptions of electrical power. Such records shall include the date and hours of operation, as well as the reason for operation.

601.2 Portable and Temporary Equipment: Records of operating location(s) and corresponding dates of operation.

ATTACHMENT #2

SUBJECT

Staff Report: Amendment of Rule 502, New Source Review

**PLACER COUNTY
AIR POLLUTION CONTROL DISTRICT**

STAFF REPORT

RULE 502

NEW SOURCE REVIEW

PROPOSED AMENDMENTS

AUGUST 8, 2013

**PROPOSED AMENDMENT OF
RULE 502, NEW SOURCE REVIEW
STAFF REPORT**

Executive Summary

Placer County Air Pollution Control District's (District) New Source Review (NSR) Rule 502 was amended on October 13, 2011, in order to obtain full approval of the United States Environmental Protection Agency (EPA) and the California Air Resources Board (ARB) for incorporation into the State Implementation Plan (SIP). Prior to adoption, staff had worked with these agencies and believed the proposed rule would be approvable. Upon legal review of the rule by EPA, they approved most of the rule, but also cited some new deficiencies that must be addressed before the rule can fully be approved into the SIP. EPA's action was published in the Federal Register on February 22, 2013, as FR 12267. EPA prepared a Technical Support Document (TSD) which gives the basis for the limited approval, limited disapproval. The TSD is included as an attachment to this staff report.

The limited disapproval resulted from two main deficiencies:

- The definition of "NSR Regulated Pollutant" does not specify that gaseous emissions which condense to form either PM10 or PM2.5 must be counted as PM10 or PM2.5, respectively.
- EPA has revised its policy regarding PM2.5 interpollutant offset ratios. Any ratio involving PM2.5 precursors now must be submitted to EPA for approval for use in a district's interpollutant offset program for PM2.5 nonattainment areas. Section 303.6.4 of the rule states specific offset ratios. This section must be deleted or the District must submit a technical demonstration that shows the net air quality benefits of such ratio for the relevant PM2.5 nonattainment area.

EPA also has suggested that a potential issue with the rule in the future is lack of a threshold for lead emissions where a public notice would be required. This was a recent issue with Sacramento Metropolitan Air Quality Management District's New Source Review rule.

The proposed amendments to Rule 502 to remove these deficiencies are:

- Add a sentence to the PM10 definition to address condensable emissions: "Gaseous emissions which condense to form PM10 shall also be counted as PM10", and
- Add a sentence to the PM2.5 definition to address condensable emissions: "Gaseous emissions which condense to form PM2.5 shall also be counted as PM2.5", and

- To address the interpollutant ratio issue, delete the wording in section 303.6.4 “The interpollutant offset ratios for PM_{2.5} shall be: NO_x to PM_{2.5}--100:1 and SO_x to PM_{2.5}--40:1, and add “Interpollutant emission offsets between PM_{2.5} and PM_{2.5} precursors are not allowed unless modeling demonstrates that PM_{2.5} interpollutant offset ratios are appropriate in an approved PM_{2.5} attainment plan”, and
- The potential lead public notice issue can be resolved by adding the following sentence to Section 103: “The public notification requirements of Sections 406 and 407 also apply to all new or modified stationary sources that are projected to emit increased actual lead emissions at a rate of 5 tons per year or greater”. A similar statement is also added to Section 406.

Discussion of Proposed Amendments

Amended Rule 502, New Source Review, was adopted by the District Board on October 13, 2011 and submitted to EPA via the ARB by a letter dated November 18, 2011, for a revision of the California State Implementation Plan. The current NSR version of Rule 502 in the SIP has a limited approval, limited disapproval. In a Federal Register announcement (72 FR 12267) on February 22, 2013, EPA approved the bulk of Rule 502 for incorporation into the SIP with disapproval of several minor items. The limited disapproval does not prevent the District from enforcing the rule as federally enforceable.

One of the issues is that EPA has clarified definitions of PM₁₀ and PM_{2.5} to include both solid and condensable gas components. Rule 502 needs to reflect this fact. While the District has always understood that the condensable component is part of the PM₁₀ and PM_{2.5}, it was not spelled out in the definition. Test procedures specified in the permits issued by the District have consistently required measuring both the solid and condensable components.

The definitions in the rule (Section 238, PM_{2.5} and Section 239, PM₁₀) are amended to add the sentence:

Gaseous emissions which condense to form PM_{2.5} shall also be counted as PM_{2.5}

or

Gaseous emissions which condense to form PM₁₀ shall also be counted as PM₁₀.

The second deficiency in Rule 502 noted by EPA has to do with interpollutant offset ratios for PM_{2.5}. Section 303.6.4 of the rule states:

The interpollutant offset ratios for PM_{2.5} shall be: NO_x to PM_{2.5} – 100 to 1 and SO_x to PM_{2.5} – 40 to 1.

This means that if a source is required to provide offsets for PM_{2.5}, they have the option of providing 100 pounds of NO_x for each pound of PM_{2.5} needed. The rationale for this is that NO_x is a precursor for PM_{2.5} and 100 pounds of NO_x can result in one pound of PM_{2.5}. Likewise, SO_x can produce PM_{2.5}. These ratios were originally recommended by EPA.

Since the District last amended Rule 502, EPA has revised its policy regarding PM_{2.5} interpollutant offset ratios. EPA now says that in order to use these offset ratios, the District will need to provide a submittal making the necessary demonstration of these ratios in our region.

The amended Rule 502 deletes the specific ratios in this section (Section 303.6.4). A sentence is added to the section which states: "Interpollutant emission offsets between PM_{2.5} and PM_{2.5} precursors are not allowed unless modeling demonstrates that PM_{2.5} interpollutant offset ratios are appropriate in an approved PM_{2.5} attainment plan". This demonstration is a very involved analysis and the District does not plan to conduct it at this time.

The final issue with the rule is the suggestion by EPA to add a statement dealing with when a public notice is required for new lead emissions. The trigger for when a public notice is required for most pollutants is when a new or modified source is required to provide offsets. There is not an offset threshold for lead, so the notice would never be required by the current rule. The Federal Clean Air Act requires a public notice for lead when new emissions of lead are at five tons per year or more.

The amended rule adds a sentence to Section 103, Public Notification Requirements that states:

The public notification requirements of Sections 406 and 407 also apply to all new or modified stationary sources that are projected to emit increased actual lead emissions at a rate of 5 tons per year or greater.

A similar statement is also added to Section 406.

Currently, there are no sources in the District that emit significant quantities of lead. The only permit issued in recent history that had lead emissions was for the repainting of the Foresthill Bridge. In this project, the old paint that was removed by shot blasting contained lead. While the paint stripping was contained in enclosures with the air exhausted through filters, some lead was emitted to the air. The permit limit for lead emissions is 32 pounds per year.

Fiscal Impact

The proposed amendment of Rule 502 should have no fiscal impact on permit applicants as compared with business under the current version of the rule. The clarification of the

definitions of PM2.5 and PM10 to include condensable components does not change how the District has been treating PM2.5 and PM10.

Eliminating the stated interpollutant offset ratios for PM2.5 precursors is not likely to cause a fiscal impact to permit applicants because the ratios are so extreme that they would not be used.

Specifying that a public notice is required for increased lead emissions of five tons per year or more is not likely to cause increased costs to the applicant or the District because the type of industry in the District does not have lead emissions.

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”. Since the amendment of Rule 502 has no cost impact on the public or permit applicants, there is no cost-effectiveness related to this action.

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 2012, the population of Placer County was approximately 355,000 persons.

California Environmental Quality Act (CEQA)

Proposed amended Rule 502 is not an activity that may cause a direct or reasonably foreseeable indirect physical effect in the environment therefore not considered a “project”, as defined by Section 21065 of the California Public Resource Code and Section 15378(b)(4)&(5) of the CEQA guidelines. A CEQA analysis is therefore not necessary.

The amendments to Rule 502 are changes to bring the current rule into compliance with the federal Clean Air Act.

Findings

- A. **Necessity** – The amendment of Rule 502 is necessary in order to obtain federal and state recognition the District’s New Source Review rule in the SIP.
- B. **Authority** – California Health and Safety Code, Sections 40000, 40001, 40701, 40702, and 40716 are provisions of law that provide the District with the authority to adopt this amended 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.

RULE 502 NEW SOURCE REVIEW

Adopted 11-12-74

(Amended 05-24-77, 06-19-79, 09-21-93, 11-03-94, 08-09-01, 12-09-04,
rescinded and re-adopted 2-11-10, amended 10-13-11, ~~6-138-8-13~~)

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100 GENERAL

101 PURPOSE: The purpose of this rule is to provide for the review of new and modified stationary air pollution sources and to provide mechanisms, including emission offsets, by which authorities to construct for such sources may be granted without interfering with the attainment or maintenance of ambient air quality standards.

102 APPLICABILITY: This rule shall apply to all new stationary sources and emissions units and all modifications to existing stationary sources and emissions units that, after construction, emit or may emit any NSR regulated pollutant within the District.

If any source or modification becomes a major source or major modification solely by virtue of the relaxation of any limitation that was established after August 7, 1980, on the capacity of the source or modification to emit a federal nonattainment pollutant or its precursor such as a restriction on hours of operation, then the requirements of this rule shall apply to such a source or modification as though construction had not yet commenced on the source or modification.

This rule shall not apply to prescribed burning of forest, agriculture or range land; open burning in accordance with District Regulation 3, OPEN BURNING; road construction, or any non-point source common to timber harvesting or agricultural practices.

The regulations in effect at the time any application for an Authority to Construct for a new or modified source is deemed complete shall apply to that source except when a new federal requirement not yet incorporated into this Rule applies to the new or modified source.

103 PUBLIC NOTIFICATION REQUIREMENTS: ~~If the project is for a new or modified stationary source or emissions unit for which offsets are required pursuant to Section 303.1, the~~ The public notice requirements of Sections 406 and 407 shall apply ~~if the project is for a new or modified stationary source or emissions unit for which offsets are required pursuant to Section 303.1, and to all new or modified stationary sources that are projected to emit increased actual lead emissions at a rate of 5 tons per year or greater.~~

200 DEFINITIONS: The following definitions apply for all terms used in this Rule. If a term is not defined below, then the definitions provided in Rule 102, DEFINITIONS, and Rule 504, EMISSIONS REDUCTION CREDITS, apply in that hierarchical order.

201 ACTUAL EMISSIONS: Emissions having occurred from a source, based on source test and actual fuel consumption or process data, or monitoring data. If source test or monitoring data is not available, other appropriate, APCO-approved, emission factors may be used. Fugitive emissions associated with the emissions unit shall be included in the actual emissions of the emissions unit.

202 ACTUAL EMISSIONS REDUCTIONS (AER): The decrease of actual emissions, compared to Baseline Actual Emissions, from an emissions unit. AER shall be real, federally enforceable, quantifiable, surplus, and permanent.

203 ACTUAL INTERRUPTIONS OF ELECTRICAL POWER: When electrical service is interrupted by an unforeseeable event.

204 ALLOWABLE EMISSIONS: The emissions rate of a stationary source calculated using the maximum rated capacity of the source (unless the source is subject to federally enforceable limits which restrict the operating rate, hours of operation, or both) and the most stringent of the following:

- 204.1 Any applicable standards set forth in these regulations and 40 CFR Part 60, 61, or 63;
- 204.2 Any applicable emission limitation in the State Implementation Plan (SIP), including those with a future compliance date; or
- 204.3 The emissions rate specified as a federally enforceable permit condition, including those with a future compliance date.

205 AMBIENT AIR QUALITY STANDARDS: There are both State and federal ambient air quality standards. For the purpose of submittal to the U.S. Environmental Protection Agency for inclusion in the California State Implementation Plan all references in this rule to Ambient Air Quality Standards shall be interpreted as National Ambient Air Quality Standards.

206 BASELINE ACTUAL EMISSIONS (BAE):

- 206.1 "Baseline Actual Emissions" are the actual emissions for the existing emissions unit averaged over the consecutive two (2) year period immediately preceding the date of the application. If the last two years are unrepresentative of normal source operations as determined by the APCO, then any other 2 consecutive year period during the last five years which the APCO determines represents normal source operations may be used.
- 206.2 If, at any time during the 2 year period, actual emissions exceeded allowable emission levels, then actual emissions shall be reduced to reflect emission levels that would have occurred if the unit were in compliance with all applicable limitations and rules.
- 206.3 Where an emissions unit has been in operation for less than 2 years, a shorter averaging period of at least 12 months may be used, provided that the averaging period is representative of the full operational history of the emissions unit. If less than 12 months has passed since the date of issuance of the Permit to Operate then Actual Emissions shall be used as the Baseline Actual Emissions.

207 BEGIN ACTUAL CONSTRUCTION: Initiation of physical on-site construction activities on an emissions unit which is of a permanent nature. Such activities include, but are not limited to, installation of building supports and foundations, laying of underground pipework, and construction of permanent storage structures. With respect to a change in method of operation that does not involve a physical change, this term refers to those on-site activities, other than preparatory activities, which mark the start of the change in the method of operation.

208 BEST AVAILABLE CONTROL TECHNOLOGY (BACT): The most stringent emission limitation or control technique of the following:

- 208.1 Achieved in practice for such category and class of source; or
- 208.2 Contained in any SIP approved by the EPA for such category and class of source. A specific limitation or control technique shall not apply if the owner of the proposed emissions unit demonstrates to the satisfaction of the APCO that such a limitation or control technique is not presently achievable; or
- 208.3 Contained in an applicable federal New Source Performance Standard; or

- 208.4 Any other emission limitation or control technique, including process and equipment changes of basic or control equipment, found by the APCO to be cost effective and technologically feasible for such class or category of sources.
- 209 CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):** The California Environmental Quality Act, Public Resources Code, Section 21000, et seq.
- 210 CLASS I AREA:** Any area listed as Class I in 40 CFR 81.405 or an area otherwise specified as Class I in the legislation that creates a national monument, a national primitive area, a national preserve, a national recreational area, a national wild and scenic river, a national wildlife refuge, a national lakeshore or seashore. The only designated Class I area within 20 miles of Placer County as of October 13, 2011 was Desolation Wilderness Area in El Dorado County.
- 211 COMMENCE:** As applied to construction of a major stationary source or major modification means that the owner or operator has all necessary preconstruction approvals or permits and either has:
- 211.1 Begun, or caused to begin, a continuous program of actual on-site construction of the source, to be completed within a reasonable time; or
- 211.2 Entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of actual construction of the source to be completed within a reasonable time.
- 212 CARGO CARRIERS:** Cargo carriers are trains dedicated to a specific source.
- 213 CONSTRUCTION:** Means any physical change or change in the method of operation (including fabrication, erection, installation, demolition, or modification of an emissions unit) which would result in a change in actual emissions.
- 214 CONTIGUOUS PROPERTY:** Two or more parcels of land with a common point or boundary or separated solely by a public roadway or other public right-of-way.
- 215 COST-EFFECTIVE:** A cost per unit of emissions reduction which is lower than or equivalent to the maximum unit costs of the same emissions reduction through the use of Best Available Control Technology, calculated in current year dollars, in accordance with methodology and criteria specified in guidelines developed by the District.
- 216 EMERGENCY ENGINES:** A stationary engine that meets the criteria specified below:
- 216.1 It is installed for the primary purpose of providing electrical power or mechanical work for emergency use and is not the source of primary power at the facility; and
- 216.2 It is operated to provide electrical power or mechanical work during any emergency use; and
- 216.3 It is operated no more than 100 hours per year for maintenance and testing, emissions testing or initial start-up testing. Diesel engines may be further limited by the California Air Resources Board's Airborne Toxic Control Measure for Stationary Compression Engines in Section 93115.6(a)).
- 217 EMERGENCY USE:** The providing of electrical power or mechanical work during any of the following events.

- 217.1 The failure or loss of all or part of normal electrical power service or normal natural gas supply to the facility, or the failure of a facility's internal power distribution system:
 - 217.1.1 Which is caused by any reason other than the adherence to a contractual obligation the owner or operator has with a third party or any other party; and
 - 217.1.2 Which is demonstrated by the owner or operator, to the APCO's satisfaction, to have been beyond the reasonable control of the owner or operator.
- 217.2 The pumping of water or sewage to prevent or mitigate a flood or sewage overflow.
- 217.3 The pumping of water for fire suppression or protection.
- 217.4 The powering of ALSF-1 or ALSF-2 airport runway lights under category II or III weather conditions.
- 217.5 The pumping of water to maintain pressure in the water distribution system for the following reasons:
 - 217.5.1 A pipe break that substantially reduces water pressure; or
 - 217.5.2 High demand on the water supply system due to high use of water for fire suppression; or
 - 217.5.3 The breakdown of electric-powered pumping equipment at sewage treatment facilities or water delivery facilities.
- 217.6 The emergency operation of ski lifts during an actual interruption of normal electrical power service to the facility.
- 218 EMISSION DECREASE:** Any modification that would result in an emission decrease of actual emissions.
- 219 EMISSION REDUCTION CREDITS (ERC):** Reductions of actual emissions from emission units that are certified by an air district in accordance with that district's rules and are issued by the air district in the form of ERC certificates.
- 220 EMISSIONS LIMITATION:** One or more federally enforceable permit conditions specific to an emissions unit that restricts its maximum emissions, at or below the emissions associated with the maximum design capacity; and that is contained in the latest Authority to Construct or enforceable by the latest Permit to Operate for the emission unit.

Emissions limitations should be stated in a manner consistent with testing procedures. They may be expressed as an enforceable design, operational, or equipment standard.
- 221 EMISSIONS UNIT:** An identifiable operation or piece of process equipment such as an article, machine, or other contrivance which controls, emits, may emit, or results in the emissions of any air pollutant directly or as fugitive emissions.
- 222 FEDERALLY ENFORCEABLE:** All limitations and conditions which are enforceable by the EPA administrator, including those requirements developed pursuant to 40 CFR parts 60, 61 and 63, requirements within the California State Implementation Plan (SIP), any

permit requirements established pursuant to 40 CFR 52.21 or under regulations approved pursuant to 40 CFR part 51, subpart I, including operating permits issued under an EPA-approved program that is incorporated into the SIP and expressly requires adherence to any permit issued under such program.

223 FUGITIVE EMISSIONS: Those emissions that could not reasonably pass through a stack, chimney, vent, or other functionally equivalent opening.

224 FUNCTIONALLY EQUIVALENT EMISSION UNIT: An emission unit that serves the identical function as the unit being replaced. The maximum rating and the potential to emit any pollutant shall not be greater from the functionally equivalent emission unit than the replaced unit. The emission increase from any such replacement shall not result in a major modification.

225 HALOGENATED HYDROCARBONS: For the purposes of this rule, halogenated hydrocarbons are the following:

- 225.1 1,1,1-trichloroethane
- 225.2 methylene chloride
- 225.3 2,2-dichloro-1,1,1-trifluoroethane (HCFC-123)
- 225.4 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124)
- 225.5 trichlorofluoromethane (CFC-11)
- 225.6 dichlorodifluoromethane (CFC-12)
- 225.7 1,1,1-trichloro-2,2,2-trifluoroethane (CFC-113)
- 225.8 1-chloro-1,1-difluoro-2-chloro-2,2-difluoroethane (CFC-114)
- 225.9 chloropentafluoroethane (CFC-115)
- 225.10 pentafluoroethane (HFC-125)
- 225.11 1,1,2,2-tetrafluoroethane (HFC-134)
- 225.12 tetrafluoroethane (HFC-134a)
- 225.13 1,1-dichloro-1-fluoroethane (HCFC-141b)
- 225.14 1-chloro-1,1-difluoroethane (HCFC-142b)
- 225.15 1,1,1-trifluoroethane (HFC-143a)
- 225.16 chlorodifluoromethane (HCFC-22)
- 225.17 trifluoromethane (HFC-23)
- 225.18 1,1-difluoroethane (HFC-152a)
- 225.19 The following four classes of perfluorocarbon compounds:
 - a. Cyclic, branched, or linear, completely fluorinated alkanes.
 - b. Cyclic, branched, or linear, completely fluorinated ethers, with no unsaturations.
 - c. Cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations.
 - d. Sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.
 - e. Perfluorocarbon compounds will be assumed to be absent from a product or process unless a manufacturer or facility operator identifies the specific individual compounds (from the broad classes of perfluorocarbon compounds) and the amounts present in the product or process and provides a validated test method which can be used to quantify the specific compounds.

226 HAZARDOUS AIR POLLUTANT (HAP): Any air pollutant listed pursuant to Section 112(b) of the Federal Clean Air Act as amended in 1990 (42 U.S.C. Section 7401 et seq.).

227 HISTORIC ACTUAL EMISSIONS (HAE): Historic Actual Emissions shall be calculated for each pollutant.

- 227.1 For a new emissions unit Historic Actual Emissions are equal to zero.
- 227.2 For an existing emissions unit, Historic Actual Emissions equals either, in hierarchical order;
- 227.2.1 The federally enforceable potential to emit (PTE) limit contained in the most recent Authority to Construct or Permit to Operate, if actual emissions are at least 80% of the permitted PTE limit, or
- 227.2.2 The federally enforceable PTE limit contained in the most recent Authority to Construct or Permit to Operate, if the emission unit was fully offset for any emission increases incurred since September 21, 1993, within the 5 year period prior to the date of application for the current project, or
- 227.2.3 The Baseline Actual Emissions.

- 228 IDENTICAL EMISSION UNIT:** A replacement emissions unit which is the same as the original unit in all respects except for serial number.
- 229 LAKE TAHOE AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60113 (b), the basin includes that portion of Placer County within the drainage area naturally tributary to Lake Tahoe including said Lake, plus that area in the vicinity of the head of the Truckee River described as follows: commencing at the point common to the aforementioned drainage area crest line and the line common to Townships 15 North and 16 North, Mount Diablo Base and Meridian (M.D.B. & M.), and following that line in a westerly direction to the northwest corner of Section 3, Township 15 North, Range 16 East, (M.D.B. & M.), thence south along the west line of Sections 3 and 10, Township 15 North, Range 16 East, M.D.B. & M., to the intersection with the drainage crest line, thence following the said drainage area boundary in a southwesterly, then northeasterly direction to and along the Lake Tahoe Dam, thence following the said drainage area crest line in a northeasterly, then northwesterly direction to the point of beginning. This Air Basin is delineated on an official map on file at the California Air Resources Board Headquarters Office.
- 230 MAJOR STATIONARY SOURCE – SACRAMENTO AIR BASIN:** A stationary source which emits or has the potential to emit: 25 tons per year (tpy) or more of nitrogen oxides or reactive organic compounds, or 100 tpy or more of sulfur oxides, or PM2.5. In addition, any physical change occurring at a stationary source not otherwise qualifying as a major stationary source, which would constitute a major stationary source by itself, makes the source a major stationary source.
- 231 MAJOR STATIONARY SOURCE – MOUNTAIN COUNTIES AIR BASIN:** A stationary source which emits or has the potential to emit 25 tons per year (tpy) or more of nitrogen oxides or reactive organic compounds. In addition, any physical change occurring at a stationary source not otherwise qualifying as a major stationary source, which would constitute a major stationary source by itself, makes the source a major stationary source.
- 232 MAJOR MODIFICATION:** A modification to a major stationary source in the Sacramento or Mountain Counties Air Basins which results in a significant emissions increase of the pollutant for which the source is classified as a major stationary source. For nitrogen oxides and reactive organic compounds, the increase shall be aggregated with all other increases and decreases in potential to emit over the period of the four consecutive years before the application for modification, plus the calendar year of the most recent application.

- 233 MODIFICATION:** Any physical change, change in method of operation (including change in fuel characteristics), addition to, or any change in hours of operation, or change in production rate of, which:
- 233.1 For an emissions unit: would necessitate a change in permit conditions, permit equipment description, or emissions limitation.
 - 233.2 For a stationary source: is a modification of any emissions unit, or addition of any new emissions unit.
 - 233.3 Unless previously limited by a permit condition and that permit condition must be changed, the following shall not be considered a modification:
 - 233.3.1 A change in ownership.
 - 233.3.2 Routine maintenance and repair, or an identical replacement.
 - 233.3.3 The addition of a continuous emission monitoring system.
 - 233.3.4 The replacement of air pollution control equipment with new control equipment if the actual emissions of the new equipment are less than or equal to those from the original piece of equipment and the replacement is not a major modification under the United States Environmental Protection Agency (EPA) regulations promulgated pursuant to Title I of the Federal Clean Air Act, including 40 CFR Part 51.
 - 233.3.5 Use of an alternative fuel or raw material by reason of an order under Sections 2(a) and (b) of the Energy Supply and Environmental Coordination Act of 1974 (or any superseding legislation), or by reason of a natural gas curtailment plan pursuant to the Federal Power Act.
 - 233.3.6 Use of an alternative fuel by reason of an order or rule under Section 125 of the Act.
 - 233.4 A reconstructed stationary source or emissions unit shall be treated as a new stationary source or emissions unit, not as a modification.
- 234 MOUNTAIN COUNTIES AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60111 (I), the Mountain Counties Air Basin includes all of Placer County except that portion included in the Lake Tahoe Air Basin, defined by 17 CCR 60113(b), and that portion included in the Sacramento Valley Air Basin, defined by 17 CCR 60106(k).
- 235 NECESSARY PRECONSTRUCTION APPROVALS OR PERMITS:** Federal air quality control laws and regulations and those air quality control laws and regulations which are part of the SIP.
- 236 NONATTAINMENT POLLUTANT:** Any pollutant as well as any precursors of such pollutants which have been designated "nonattainment" by the U.S. Environmental Protection Agency as codified in 40 CFR 81.305, or which has been designated nonattainment by the California Air Resources Board pursuant to Section 39607 of the Health and Safety Code for specific air basins in Placer County.
- 237 NSR REGULATED POLLUTANT:** A pollutant for which an Ambient Air Quality Standard has been established by the EPA or by the California Air Resources Board (ARB), and

the precursors to such pollutants, including, but not limited to, reactive organic compounds (ROC), nitrogen oxides (NOx), sulfur oxides (SOx), PM10, PM2.5, carbon monoxide (CO) and lead.

- 238 **PM2.5:** Particulate matter with an aerodynamic diameter smaller than or equal to a nominal 2.5 microns. Gaseous emissions which condense to form PM2.5 shall also be counted as PM2.5.
- 239 **PM10:** Particulate matter with an aerodynamic diameter smaller than or equal to a nominal 10 microns. Gaseous emissions which condense to form PM10 shall also be counted as PM10.
- 240 **PORTABLE EQUIPMENT:** Equipment that is periodically relocated and is not operated more than a total of 180 days at any one location in the District within any continuous twelve (12) month period.
- 241 **POTENTIAL TO EMIT (PTE):** The maximum physical and operational design capacity to emit an air pollutant. Any limitation on the physical or operational design capacity, including emission control devices and restrictions on hours of operation, or on the type, or amount of material combusted, stored, or processed, may be considered as part of the design only if the limitation, or the effect it would have on emissions, is incorporated into the Authority to Construct as a federally enforceable permit condition. Fugitive emissions associated with the emissions unit or stationary source shall be included in the potential to emit of the emissions unit or stationary source.
- 242 **PRECURSOR:** A pollutant that, when emitted into the atmosphere, may undergo either a chemical or physical change which then produces another pollutant for which an Ambient Air Quality Standard has been adopted, or whose presence in the atmosphere will contribute to the violation of one or more Ambient Air Quality Standards. The following precursor-secondary air contaminant relationships shall be used for the purposes of this rule:

Precursor	Secondary Air Contaminant
Reactive Organic Compound	a. Photochemical oxidants (Ozone) b. Organic fraction of PM10
Nitrogen Oxides	a. Nitrogen dioxide b. Nitrate fraction of PM10 c. Nitrate fraction of PM2.5 d. Photochemical oxidants (Ozone)
Sulfur Oxides	a. Sulfur dioxide b. Sulfates c. Sulfate fraction of PM10 d. Sulfate fraction of PM2.5

- 243 **PREVENTION OF SIGNIFICANT DETERIORATION (PSD):** A federal permitting program for new and modified major stationary sources of air pollution for pollutants that do not exceed National Ambient Air Quality Standards.
- 244 **PRIORITY RESERVE BANK:** A depository for preserving emission reduction credits pursuant to Rule 505, PRIORITY RESERVE.
- 245 **PROPOSED EMISSIONS:** Emissions based on the potential to emit for the new or modified emissions unit which will be incorporated into the permit as federally enforceable permit conditions.
- 246 **QUARTERLY:** Calendar quarters beginning January 1, April 1, July 1, and October 1.

- 247 QUARTERLY EMISSION LIMITATION:** One or a combination of permit conditions specific to an emissions unit that restricts its maximum emissions, in pounds per quarter, at or below the emissions associated with the maximum design capacity. A quarterly emissions limitation must be:
- 247.1 Contained in the latest Authority to Construct or enforceable by the latest Permit to Operate for the emissions unit, and
 - 247.2 Enforceable on a quarterly basis.
- 248 REACTIVE ORGANIC COMPOUND:** For the purposes of this rule, reactive organic compound (ROC) has the same definition as volatile organic compound (VOC) in Rule 102, DEFINITIONS.
- 249 RECONSTRUCTED SOURCE:** Any stationary source or emissions unit undergoing physical modification where the fixed capital cost of the new components exceeds 50 percent of the fixed capital cost of a comparable entirely new stationary source or emissions unit. Fixed capital cost means that capital needed to provide all the depreciable components. A reconstructed source shall be treated as a new stationary source or emissions unit.
- 250 REDUCED SULFUR COMPOUNDS:** The sulfur compounds hydrogen sulfide, carbon disulfide and carbonyl sulfide.
- 251 REPLACEMENT EMISSION UNIT:** An emissions unit for which all the criteria listed below are met. No creditable emission reductions shall be generated from shutting down the existing emissions unit that is replaced unless:
- 251.1 The emissions unit is a reconstructed unit within the meaning of 40 CFR 60.15(b)(1), or the emissions unit completely takes the place of an existing emissions unit, or
 - 251.2 The emissions unit is an identical emission unit or a functionally equivalent emission unit, or
 - 251.3 The replacement does not alter the basic design parameters of the process unit, and
 - 251.4 The replaced emissions unit is permanently removed from the stationary source, otherwise permanently disabled, or permanently barred from operation by a permit that is federally enforceable. If the replaced emissions unit is brought back into operation, it shall constitute a new emissions unit.
- 252 SACRAMENTO VALLEY AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60106(k), the basin includes that portion of Placer County which lies west of Range 9 east, Mount Diablo Base and Meridian (M.D.B. & M.).
- 253 SIGNIFICANT:** In reference to an emissions increase or the potential of a source to emit any of the following pollutants, a rate of emissions that would equal or exceed any of the following rates:
- 253.1 Carbon monoxide: 100 tpy;
 - 253.2 Nitrogen oxides: 25 tpy;
 - 253.3 Sulfur dioxide: 40 tpy;

- 253.4 Ozone: 25 tpy of VOCs or 25 tpy of nitrogen oxides;
- 253.5 PM10: 15 tpy
- 253.6 PM2.5: 10 tpy of direct PM2.5 emissions or 40 tpy of sulfur dioxide emissions or 40 tpy of nitrogen oxide emissions
- 253.7 Lead: 0.6 tpy.

254 SIGNIFICANT EMISSIONS INCREASE: For a regulated NSR pollutant, an increase in emissions that is significant for that pollutant.

255 STATIONARY SOURCE (SOURCE OR FACILITY): Any building, structure, facility, or emissions unit that emits or may emit any NSR regulated pollutant directly or as fugitive emissions.

255.1 Building, structure, facility, or emissions unit includes all pollutant emitting activities which:

255.1.1 belong to the same industrial grouping, and;

255.1.2 are located on one property or on two or more contiguous properties, and;

255.1.3 are under the same or common ownership, operation, or control or which are owned or operated by entities which are under common control.

255.2 Pollutant emitting activities shall be considered as part of the same industrial grouping if:

255.2.1 they belong to the same two digit standard industrial classification code under the system described in the 1987 Standard Industrial Classification Manual, or;

255.2.2 they are part of a common production process. (Common production process includes industrial processes, manufacturing processes and any connected processes involving a common material.)

255.3 The emissions of cargo carriers associated with the stationary source shall be considered emissions from the stationary source to the extent that emission reductions from these cargo carriers are proposed as offsets.

256 STATIONARY SOURCE PTE: The sum of the PTE for each emission unit which has been issued a Permit of Operate, Authority to Construct or for which an application has been submitted. Any fugitive emissions from such emission units shall be included in this calculation.

257 SURPLUS: The amount of emission reductions that are, at the time of generation of an Emissions Reduction Credit (ERC), not otherwise required by federal, state, or local law, not required by any legal settlement or consent decree, and not relied upon to meet any requirement related to the California State Implementation Plan (SIP). However, emission reductions required by a state statute that provides that the subject emission reductions shall be considered surplus may be considered surplus for purposes of this Rule if those reductions meet all other applicable requirements.

Examples of federal, state, and local laws, and of SIP-related requirements, include, but are not limited to, the following:

- 257.1 The federally-approved California SIP;
- 257.2 Other adopted state air quality laws and regulations not in the SIP, including but not limited to, any requirement, regulation, or measure that: (1) the District or the state has included on a legally-required and publicly-available list of measures that are scheduled for adoption by the District or the State in the future; or (2) is the subject of a public notice distributed by the District or the State regarding an intent to adopt such revision;
- 257.3 Any other source- or source-category specific regulatory or permitting requirement, including, but not limited to, Reasonable Available Control Technology (RACT), New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), Best Available Control Measures (BACM), Best Available Control Technology (BACT), and the Lowest Achievable Emission Rate (LAER); and
- 257.4 Any regulation or supporting documentation that is required by the federal Clean Air Act but is not contained or referenced in 40 C.F.R. Part 52, including but not limited to: assumptions used in attainment and maintenance demonstrations (including Reasonable Further Progress demonstrations and milestone demonstrations), including any proposed control measure identified as potentially contributing to an enforceable near-term emissions reduction commitment; assumptions used in conformity demonstrations; and assumptions used in emissions inventories.

258 TEMPORARY SOURCE: Temporary emission sources such as pilot plants, and portable facilities which will be terminated or located outside the District after less than a cumulative total of 90 days of operation in any 12 continuous months.

259 TOTAL REDUCED SULFUR COMPOUNDS: The sulfur compounds hydrogen sulfide, methyl mercaptan, dimethyl sulfide and dimethyl disulfide.

300 STANDARDS

301 EMISSION AND OFFSET CALCULATIONS: The following provisions shall be used to calculate emission increases and decreases from all new and modified emissions units located at a stationary source.

301.1 BACT – Emissions Increase: The emissions increase for each emissions unit related to the project for the purposes of determining BACT applicability shall be calculated as the proposed emissions minus the Baseline Actual Emissions. Calculations shall be performed separately for each emissions unit for each calendar quarter.

301.2 Offsets - Emissions Increase or Decrease: The emissions increase or decrease for each emissions unit related to the project for the purposes of determining Offset applicability shall be calculated as the proposed emissions, minus the Historic Actual Emissions. Emission increases or decreases shall be calculated for each emission unit and the project as a whole.

301.3 Project Emissions: If a project consists of more than one emission unit, the total emissions from all emissions units shall be summed for each pollutant to determine the emissions increase for the project. The project includes the entire scope of the preconstruction application for a new or modified stationary source.

- 301.4 Calculation Periods: The emissions increase or decrease for a project shall be calculated on a daily, quarterly and annual basis for each pollutant.
- 301.5 Potential To Emit - Stationary Sources: The potential to emit of a new or modified stationary source shall be calculated as the sum of the potential to emit, including fugitive emissions, for all emissions units, based on emission limitations established by current Permits to Operate, Authorities to Construct where permits to operate have not been issued, and the pending application.
- 301.6 Quantity of Offsets Required For New Major Sources or Major Modifications: If offsets are required pursuant to Section 303.2, the quantity of offsets to be provided shall be determined by calculating the emission increase for the project and applying the appropriate offset ratio based on pollutant and location as specified in Section 303.3. The calculations shall be performed separately for each pollutant and each emissions unit for each calendar quarter.
- 301.7 Quantity of General (State) Offsets Required: If offsets are required pursuant to Section 303.1, the quantity of offsets to be provided shall be determined as follows:
- 301.7.1 If offsets have already been provided by a stationary source for a particular pollutant, then multiply the emission increase calculated for the project by the appropriate offset ratio based on pollutant and location as specified in Section 303.3, or
- 301.7.2 If no offsets have been provided previously by a stationary source for a particular pollutant, then subtract the offset threshold specified in Section 303.1 for that pollutant from the stationary source PTE and multiply the value by the appropriate offset ratio based on pollutant and location as specified in Section 303.3.
- 301.8 Quantity of Offsets Required For A Modification That Makes An Existing Source A Major Stationary Source: When the proposed modification will make an existing minor source a new major source, offsets required shall be calculated as the sum of proposed PTE for all emissions units installed after September 21, 1993 based on current permits to operate and Authority to Constructs where permits to operate have not been issued, plus the pending application, minus offsets supplied since September 21, 1993. Calculations shall be performed separately for each pollutant and each emissions unit for each calendar quarter. The offset ratios of Section 303.3 shall be applied to determine the ERCs required.

302 REQUIREMENT TO APPLY BEST AVAILABLE CONTROL TECHNOLOGY: An applicant shall apply Best Available Control Technology (BACT) to a new emissions unit or modification of an existing emissions unit, except cargo carriers, if the change would result in an increase in quarterly emissions of a NSR regulated pollutant from the new or modified emissions unit and if the PTE of the new or modified emissions unit equals or exceeds the levels specified below.

<u>Pollutant</u>	<u>lb/day</u>
Reactive organic compounds	10
Nitrogen oxides	10
Sulfur oxides	80
PM10	80
PM2.5	80
Carbon monoxide	550

Lead	3.3
Vinyl chloride	5.5
Sulfuric acid mist	38
Hydrogen sulfide	55
Total reduced sulfur compounds	55
Reduced sulfur compounds	55

303 OFFSET REQUIREMENTS

303.1 General Requirement to Provide Offsets: An applicant whose facility is located in the Sacramento Valley Air Basin or the Mountain Counties Air Basin shall provide offsets for a NSR regulated pollutant if the potential to emit of a new or modified source exceeds either of the threshold quantities listed below:

<u>Pollutant</u>	<u>Pounds per quarter</u>	<u>Tons per year</u>
Reactive organic compounds	5,000	10
Nitrogen oxides	5,000	10
Sulfur oxides	13,750	27.5
PM10	7,500	15
PM2.5	7,500	15
Carbon monoxide	49,500	99

303.2 Major Source or Major Modification Requirement to Provide Offsets: An applicant whose facility is located in the Sacramento Valley Air Basin or the Mountain Counties Air Basin, and whose project emissions will result in a new major source or major modification, shall provide offsets for each NSR regulated pollutant that constitutes a major source or major modification.

303.3 Location of Offsets and Offset Ratios: The applicable offset ratio shall be determined based on the location of the new or modified stationary source required to provide offsets and the distance to the location of the emission offsets, as indicated in the following table.

<u>Location of Offset</u>	<u>Offset Ratio</u>	
	<u>NOx and ROC</u>	<u>Other Pollutants</u>
Same Source	1.0 to 1.0	1.0 to 1.0
Within 15-Mile radius and within the same air basin	1.3 to 1.0	1.2 to 1.0
Greater than 15-Miles but within 50-Mile radius within the same air basin	1.5 to 1.0	1.5 to 1.0
Greater than 50-Mile radius and within the same air basin	Greater than 1.5 to 1.0	Greater than 1.5 to 1.0

303.3.1 The APCO may impose, based on the air quality analysis, a higher offset ratio such that the new or modified stationary source will not prevent or interfere with the attainment or maintenance of any ambient air quality standard.

303.3.2 Applicants providing offsets obtained pursuant to Rule 505, PRIORITY RESERVE, shall be subject to an offset ratio of 1.2 to 1.0 for all pollutants, except NOx and VOC, at all distances. The offset ratio for NOx and VOC offsets obtained pursuant to Rule 505, PRIORITY RESERVE, shall be subject to an offset ratio of 1.3 to 1.0 at all distances.

303.4 General Offset Provisions

- 303.4.1 All offsets shall be real, surplus, federally enforceable, quantifiable and permanent.
- 303.4.2 All offsets provided for major sources and major modifications shall be surplus at the time ERCs are surrendered to the District.
- 303.4.3 All offsets shall be surrendered to the District prior to the initial startup of the new or modified source, and the offsets shall be maintained throughout the operation of the new or modified source which is the beneficiary of the offsets.
- 303.4.4 Offsets can only come from air basins with the same or worse air quality designations than that of the stationary source requiring the offsets.
- 303.4.5 In no case shall halogenated hydrocarbons, exempt compounds or any other compound excluded from the definition of reactive organic compounds, be used as offsets for reactive organic compounds.
- 303.4.6 For sources which have provided full offsets of total suspended particulate (TSP), the PM10 emissions from an existing stationary source shall be recalculated from the TSP emission increases and decreases which have occurred since December 31, 1976, using PM10 emission factors. When PM10 emission factors do not exist, it shall be assumed that 50% of the TSP is PM10.

303.5 Timing of Quarterly Emission Offsets: Sufficient offsets shall be provided, from the same calendar quarter as the proposed emission increase, with the following exceptions:

- 303.5.1 Emission reductions of reactive organic compounds or nitrogen oxides during the quarters starting April 1 or July 1 may be used to offset emission increases of the same pollutants during any calendar quarter.
- 303.5.2 Emission reductions of carbon monoxide during the quarters starting January 1 or October 1 may be used to offset emission increases of carbon monoxide during any calendar quarter.
- 303.5.3 Emission reductions of PM10 or PM2.5 during the quarters starting January 1 or October 1 may be used to offset emission increases of PM10 or PM2.5 during any calendar quarter.
- 303.5.4 Emission reductions of sulfur oxides during any quarter may be used to offset emission increases of sulfur oxides during any calendar quarter.

303.6 Interpollutant Offsets

- 303.6.1 The APCO may approve interpollutant offsets for precursor pollutants on a case by case basis, provided that the applicant demonstrates, through the use of an air quality model, that the emission increases from the new or modified source will not cause or contribute to a violation of an ambient air quality standard.

- 303.6.2 Interpollutant offsets between PM10 and PM10 precursors are allowed only if PM10 precursors contribute significantly to the PM10 levels that exceed the PM10 ambient standards.
- 303.6.3 PM10 emissions shall not be allowed to offset nitrogen oxides or reactive organic compound emissions in ozone nonattainment areas, nor be allowed to offset sulfur oxide emissions in sulfate nonattainment areas.
- 303.6.4 ~~The interpollutant offset ratios for PM2.5 shall be: NOx to PM2.5—100:1 and SOx to PM2.5—40:1. Interpollutant emission offsets between PM2.5 precursors are not allowed unless modeling demonstrates that PM2.5 interpollutant offset ratios are appropriate in an approved PM2.5 attainment plan.~~
- 303.6.5 EPA and ARB must concur with all proposed interpollutant offsets ratios prior to use.

303.7 Intra-District Offsets

- 303.7.1 ERCs generated in another district may be used to offset emission increases in Placer County.
- 303.7.2 If the ERC generating source and the source with the proposed emissions increase are not in the same air basin, both of the following requirements must be met:
 - a. The ERC generating source must be located in an upwind district that is classified, pursuant to Health and Safety Code Section 40910 et seq., as being in the same or a worse nonattainment status than the downwind district where the stationary source with the proposed emission increases will be located.
 - b. The stationary source at which the emission increases are to be offset must be located in a downwind district that is overwhelmingly impacted, as determined pursuant to Health and Safety Code Section 39610, by emissions transported from the upwind district where the ERC generating source is located.
- 303.7.3 Any offset credited to a stationary source in one district using offsets obtained from reductions at a stationary source in another district shall be approved by a resolution adopted by the governing boards of both the upwind and downwind districts, after taking into consideration the impact of the offset on air quality, public health, and the regional economy. The District's governing board may delegate to the APCO the Board's authority to approve the offsets credited.
- 303.7.4 For ERCs generated in another district, the District may adjust the value of such credits to reflect any District requirements that would have applied if the credits had been generated within the District.

303.8 Emission Reductions, Shutdowns, and Curtailments: Actual emission reductions from an internal shutdown or curtailment of a permitted emission unit may be credited for the purposes of providing internal offsets provided:

- 303.8.1 The crediting of emission reductions from source shutdowns and curtailments comply with the current U.S. Environmental Protection

Agency emissions trading policy and applicable federal regulations;
and

303.8.2 Emissions reductions are ensured by federally enforceable emission limitations contained in the Permit to Operate, or the permanent surrender or cancellation of the Permit to Operate; and

303.8.3 If the shutdown emission unit is being replaced with a new or modified emission unit, the APCO may allow a maximum of 90 days as a shakedown period for simultaneous operation of the existing and the new or modified emission unit.

303.9 Exemptions From Offset Requirements

303.9.1 Offsets shall not be required for temporary sources or portable equipment, if the emissions from such units do not constitute a major source or major modification to a major source.

303.9.2 Offsets shall not be required for an emergency engine which is used exclusively for testing, maintenance and emergency use, if the emissions from the emergency engine, excluding emergency use, do not exceed the offset limit by itself.

303.9.3 Offsets shall not be required for increases in carbon monoxide emissions if the applicant, using an Air Quality Model approved by the APCO, demonstrates that the increase in ambient concentration does not exceed 500 micrograms per cubic meter, 8 hour average, at or beyond the property line of the stationary source.

303.9.4 The requirement to provide offsets shall not apply to the following:

- a. Relocation of emissions units solely within only one air basin within the District, and the relocation does not result in any increase in potential to emit.
- b. Replacement emissions units, provided the replacement does not constitute a major source or major modification.
- c. Modifications necessary to comply with any regulations contained in Regulation 2 – PROHIBITIONS, or in the SIP, unless the modification will result in a major modification. This provision does not apply to changes in production rate, hours of operation, or any other change or modification not required for compliance with Regulation 2 or the SIP.
- d. If requested by the APCO, the applicant shall demonstrate through the use of an air quality model that the emission increases from the new or modified source will not cause or contribute to a violation of an ambient air quality standard.

304 MAJOR SOURCE ADMINISTRATIVE REQUIREMENTS: The following administrative requirements shall apply to any new major source or major modification regulated by the rule. Power plants over 50 megawatts shall be subject to the additional requirements of Section 500.

304.1 Alternative Siting: The applicant shall prepare an analysis functionally equivalent to the requirements of Division 13 of the Public Resources Code (California

Environmental Quality Act-CEQA). The District will not issue an Authority to Construct unless the APCO has concluded, based on the information included in the Alternative Siting Analysis that the benefits of the proposed source significantly outweigh the environmental and social cost imposed as a result of its location, construction, or modification.

- 304.2 Certification of Compliance: The owner or operator of the proposed new or modified source has certified that all existing major stationary sources owned or operated by such person (or by any entity controlling, controlled by, or under common control with such person) in California which are subject to emission limitations are in compliance, or on an expeditious schedule for compliance, with all applicable emission limitations and standards.
- 304.3 Potential Visibility Impacts: The APCO shall consult with the Federal Land Manager on a proposed major stationary source or major modification that may impact visibility in any Class 1 Area, in accordance with 40 CFR 51.307 if the net emissions increase from the new or modified source exceeds 10 tons/year of PM_{2.5}, 15 tons/year of PM₁₀, or 40 tons/year of NO_x; and the location of the source, relative to the closest boundary of a specified federal Class I area is within 20 miles.

305 GENERAL PROVISIONS

- 305.1 Air Quality Models: All estimates of ambient concentrations required pursuant to this rule shall be based on applicable air quality models, databases, and other requirements specified in 40 CFR Part 51, Appendix W (“Guideline on Air Quality Models”). Where an air quality model specified in 40 CFR Part 51, Appendix W (“Guideline on Air Quality Models”) is inappropriate, the model may be modified or another model substituted. Such a modification or substitution of a model may be made on a case-by-case basis or, where appropriate, on a generic basis. Written approval from the United States Environmental Protection Agency (EPA) must be obtained for any modification or substitution. In addition, use of a modified or substituted model must be subject to notice and opportunity for public comment.
- 305.2 Ambient Air Quality Standards: In no case shall emissions from the new or modified stationary source prevent or interfere with the attainment or maintenance of any applicable ambient air quality standard. The Air Pollution Control Officer (APCO) may require the use of an air quality model to estimate the effects of a new or modified stationary source. The analysis shall estimate the effects of the new or modified stationary source, and verify that the new or modified stationary source will not prevent or interfere with the attainment or maintenance of any ambient air quality standard. In making this determination the APCO shall take into account the mitigation of emissions through offsets pursuant to this rule and the impacts of transported pollutants on downwind pollutant concentrations. The APCO may impose, based on an air quality analysis, offset ratios greater than the requirements of Section 303.2.

400 APPLICATION PROCESSING

- 401 **REQUIREMENT TO SUBMIT APPLICATION:** Any person building, erecting, altering or replacing any article, machine, equipment or other contrivance, the use of which may cause, eliminate, reduce, or control the issuance of air contaminants, shall first obtain authorization for such construction from the APCO as specified in this rule. Exemptions from this requirement are listed in Rule 501, GENERAL PERMIT REQUIREMENTS. The application shall be submitted on forms supplied by the District.

402 COMPLETE APPLICATION REQUIREMENT: The APCO shall determine whether an application is complete no later than 30 days after receipt of the application, or after such longer time period that the applicant and the APCO have agreed to in writing.

If the APCO determines that the application is not complete, the applicant shall be notified in writing of the decision specifying the information required. Upon receipt of any re submittal of the application, a new 30-day period to determine completeness shall begin. Completeness of an application or a re-submitted application shall be evaluated on the basis of the information requirements set forth in District regulations as they exist on the date on which the application or re-submitted application was received, or when the CEQA-related information which satisfies the requirements of the District's CEQA Guidelines has been received, whichever is later.

The APCO may, during the processing of the application, request an applicant to clarify, amplify, correct, or otherwise supplement the information submitted in the application.

403 PRELIMINARY DECISION: Following acceptance of an application as complete, the APCO shall perform the evaluations required to determine compliance with all applicable District rules and regulations and make a preliminary written decision as to whether an Authority to Construct should be approved, conditionally approved, or denied.

The decision shall be based on the Section 300 standards in force on the date the application is deemed complete, except when a new federal requirement not yet incorporated into this Rule applies to the new or modified source.

When the District is the CEQA Lead Agency for a project, the APCO shall not issue a preliminary decision until the draft Environmental Impact Report or Negative Declaration is available for public review. The decision shall be supported by a succinct written analysis. For projects requiring offsets, the APCO shall transmit its preliminary written decision and analysis to the California Air Resources Board and the U.S. Environmental Protection Agency for a 45 day review period.

404 TIMING FOR FINAL ACTION

404.1 The APCO shall not take final action for any project for which an Environmental Impact Report (EIR) or a Negative Declaration is being prepared until a final EIR for that project has been certified or a Negative Declaration for that project has been approved, and the APCO has considered the information in that final EIR or Negative Declaration.

The APCO shall take final action on the application within whichever of the following periods of time is longer:

404.1.1 Within 180 days after the certification of the final EIR or approval of the Negative Declaration, or

404.1.2 Within 180 days of the date on which the application was determined complete by the APCO.

404.2 Except as provided in Section 103, the APCO shall provide written notice of the final action to the applicant, any commenters, the U.S. Environmental Protection Agency, and the California Air Resources Board.

405 AUTHORITY TO CONSTRUCT AND PERMIT TO OPERATE CONTENT: Each Authority to Construct and/or Permit to Operate issued by the APCO shall include the following minimum terms and conditions:

- 405.1 A provision stating that the emission unit shall be operated in a manner consistent with the application used to determine compliance with this rule.
- 405.2 The following emissions limitations shall be included, if applicable:
 - 405.2.1 BACT emission limitations if required by Section 302. Such condition(s) shall be expressed in a manner consistent with testing procedures, such as ppmv NOx, g/liter VOC, or lbs/hr.
 - 405.2.2 A quarterly emissions limitation for each offset pollutant, if offsets are required pursuant to Section 303.
 - 405.2.3 An emission limitation (daily, monthly, or quarterly) shall be contained in the Authority to Construct and Permit to Operate for all NSR pollutants for which offsets are not being provided pursuant to Section 303, or when required to be consistent with ambient air quality standards.
- 405.3 Design, Operational, or Equipment Standards: If the APCO determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of a numerical emission standard infeasible, the APCO may instead prescribe a design, operational, or equipment standard. In such cases, the District shall make its best estimate as to the emission rate that will be achieved and shall specify that rate in required submissions to the U.S. Environmental Protection Agency. Any Authority to Construct or permit issued without an enforceable numerical emission standard must contain enforceable conditions which assure that the design characteristics or equipment will be properly maintained, or that the operational conditions will be properly performed, so as to continuously achieve the assumed degree of control.

406 PUBLICATION AND PUBLIC COMMENT: If a proposed project is required to provide offsets pursuant to Section 303, or if a proposed project may emit increased actual lead emissions at a rate of 5 tons per year or greater, within ten calendar days following a preliminary decision, the APCO shall publish in at least one newspaper of general circulation in the District a notice stating the preliminary decision of the APCO, noting how the pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of publication.

407 PUBLIC INSPECTION: Except as provided in Section 103, the APCO shall make available for public inspection at the District's office the information submitted by the applicant and the APCO's analysis no later than the date the notice of the preliminary decision is published. Information submitted which contains trade secrets shall be handled in accordance with Section 6254.7 of the California Government Code and relevant sections of the California Administrative Code. Further, all such information shall be transmitted no later than the date of publication to the California Air Resources Board and the U.S. Environmental Protection Agency regional office, and to any party which requests such information.

408 DENIAL, FAILURE TO MEET STANDARDS: The APCO shall deny any Authority to Construct or Permit to Operate if the APCO finds that the subject of the application would not comply with the standards set forth in District, state, or federal rules or regulations.

409 DENIAL, FAILURE TO MEET CEQA: The APCO shall deny any Authority to Construct or Permit to Operate if the APCO finds that the subject of the application would not comply with the standards set forth in CEQA.

410 ISSUANCE, PERMIT TO OPERATE: The APCO shall issue a Permit to Operate an emissions unit subject to the requirements of this rule after determining that all conditions specified in the Authority to Construct have been complied with or will be complied with by the dates specified on the Authority to Construct. Such applicable conditions shall be contained in the Permit to Operate. Where a new or modified stationary source is, in whole or in part, a replacement for an existing stationary source on the same property, the APCO may allow a maximum of 90 days as a shakedown period for simultaneous operation of the existing stationary source and the new source or replacement.

500 ADDITIONAL PROVISIONS FOR POWER PLANTS: This Section shall apply to power plants with maximum ratings equal to, or in excess of 50 megawatts proposed to be constructed in the District and for which a Notice of Intention (NOI) or Application for Certification (AFC) has been accepted by the California Energy Commission.

501 Within 14 days of receipt of a Notice of Intention, the APCO shall notify the California Air Resources Board and the California Energy Commission of the District's intent to participate in the Notice of Intention proceeding. If the District chooses to participate in the Notice of Intention proceeding, the APCO shall prepare and submit a report to the California Air Resources Board and the California Energy Commission prior to the conclusion of the non-adjudicatory hearing specified in Section 25509.5 of the California Public Resources Code. That report shall include, at a minimum:

501.1 A preliminary specific definition of Best Available Control Technology for the proposed facility;

501.2 A preliminary discussion of whether there is substantial likelihood that the requirements of this rule and all other District regulations can be satisfied by the proposed facility;

501.3 A preliminary list of conditions which the proposed facility must meet in order to comply with this rule or any other applicable District regulation.

The preliminary determinations contained in the report shall be as specific as possible within the constraints of the information contained in the Notice of Intention.

502 Upon receipt of an Application for Certification for a power plant, the APCO shall conduct a determination of compliance review. This determination shall consist of a review identical to that which would be performed if an application for an Authority to Construct had been received for the power plant. If the information contained in the Application for Certification does not meet the requirements of this rule, the APCO shall, within 20 calendar days of receipt of the Application for Certification, so inform the California Energy Commission, and the Application for Certification shall be considered incomplete and returned to the applicant for re-submittal.

503 The APCO shall consider the Application for Certification to be equivalent to an application for a permit to construct during the determination of compliance review, and shall apply all provisions of this rule which apply to applications for an Authority to Construct.

504 The APCO may request from the applicant any information necessary for the completion of the determination of compliance review. If the APCO is unable to obtain the information, the APCO may petition the presiding Commissioner of the California Energy Commission for an order directing the applicant to supply such information.

505 Within 180 days of accepting an Application for Certification as complete, the APCO shall make a preliminary decision on:

- 505.1 Whether the proposed power plant meets the requirements of this rule and all other applicable District regulations, and;
- 505.2 In the event of compliance, what permit conditions will be required including the specific Best Available Control Technology requirements and a description of required mitigation measures.

The preliminary written decision of this Section shall be treated as a preliminary decision under Section 403 of this Rule, and shall be finalized by the APCO only after being subject to the public notice and comment requirements of Sections 406 and 407. The APCO shall not issue a determination of compliance for the power plant unless all requirements of this rule are met.

- 506** Within 240 days of the filing date, the APCO shall issue and submit to the California Energy Commission a determination of compliance or, if such a determination cannot be issued, shall so inform the California Energy Commission. A determination of compliance shall confer the same rights and privileges as an Authority to Construct only when and if the California Energy Commission approves the Application for Certification, and the California Energy Commission certificate includes all requirements of the conditions contained within the determination of compliance.
- 507** Any applicant receiving a certificate from the California Energy Commission pursuant to this Section and in compliance with all conditions of the certificate shall be issued a Permit to Operate by the APCO.

600 MONITORING AND RECORDS

- 601 RECORDKEEPING:** The following records shall be maintained for two years. Records shall be provided to the APCO upon request.
 - 601.1 Emergency Engines: Records of hours of operation for maintenance purposes and for actual interruptions of electrical power. Such records shall include the date and hours of operation, as well as the reason for operation.
 - 601.2 Portable and Temporary Equipment: Records of operating location(s) and corresponding dates of operation.

Technical Support Document
for
EPA's Notice of Proposed Rulemaking
for the
California State Implementation Plan

Placer County Air Pollution Control District
Rule 502 New Source Review



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February 8, 2013

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Introduction

Part D of title I of the Clean Air Act (CAA or Act) contains the requirements for areas designated “nonattainment” for any of the National Ambient Air Quality Standards (NAAQS). Among other things, Part D requires pre-construction permit programs for certain new or modified stationary sources of nonattainment pollutants in nonattainment areas, referred to as “Nonattainment NSR” (NSR). The NSR program applies to “major” stationary sources and “major modifications” as those terms are defined in 40 CFR Part 51, Subpart I.

NSR Program SIP Revision Submittal

Rule 502 –*New Source Review (NSR)* was adopted by the Placer County Air Pollution Control District (PCAPCD or District) on October 13, 2011 and submitted to EPA via the California Air Resources Board (ARB) by a letter dated November 18, 2011. The District adopted Rule 502 to implement the federal nonattainment NSR program requirements in Placer County.

ARB is the governor’s designee for submitting official revisions of the California State Implementation Plan (SIP) to EPA, and PCAPCD is the local agency responsible for regulating the construction and modification of stationary sources within Placer County.

Background

On July 27, 2011, EPA finalized a limited approval and limited disapproval of PCAPCD Rule 502 –*New Source Review (NSR)*. See 76 FR 44809. The effect of this action was to incorporate Rule 502 into the SIP, in place of existing SIP Rule 508 –*New Source Review*, and to trigger sanctions clocks with respect to certain provisions of the rule that did not satisfy the requirements of section 110 and title I, part D of the CAA. Sanctions will be imposed under section 179 of the Act according to 40 CFR 52.31 unless EPA approves SIP revisions that correct the identified rule deficiencies by February 26, 2013. PCAPCD’s submitted Rule 502 is intended to address these previously identified rule deficiencies.

The CAA defines a “nonattainment” area as any area that does not meet (or that contributes to ambient air quality in a nearby area that does not meet) the national primary or secondary NAAQS for a pollutant. CAA 107(d)(1)(A)(i). The Sacramento Valley Air Basin and Mountain Counties Air Basin portions of Placer County are currently designated and classified as severe nonattainment for the 1997 and 2008 8-hour ozone NAAQS. The Sacramento Valley Air Basin portion of Placer County is currently designated nonattainment for the 2006 24-hour PM_{2.5} NAAQS. See 40 CFR 81.305. Therefore, California is required to implement a SIP-approved NSR program for the Placer area that applies, at minimum, to the following NAAQS pollutants and precursor pollutants: volatile organic compounds (VOCs), nitrogen oxides (NO_x), particular matter of 2.5 microns or less (PM_{2.5}) and sulfur oxides (SO_x). VOCs and NO_x are subject to NSR as precursors to ozone, and NO_x and SO_x are subject to NSR as precursors to PM_{2.5}. See 40 CFR 51.165(a)(1)(xxxvii)(C). Rule 502 constitutes the District’s non-attainment major source program, as well as its minor source program, for all regulated NSR pollutants.

Rule Summary

Rule 502 contains the substantial requirements of the NSR program and is comprised of six sections: Section 100 – General, Section 200 – Definitions, Section 300 – Standards, Section 400 – Application Processing, Section 500 – Additional Provisions for Power Plants, and Section 600 – Monitoring and Records. Section 100 includes provisions that outline the purpose and applicability of the rule, and public notice thresholds. Section 200 contains 59 definitions (five of which are new), and clarifies which other rules may be used to define a term if it is not defined within this section. Section 300 contains the requirements that apply to projects undergoing new source review, including Best Available Control Technology (BACT), emission offset requirements, as well as the calculation methodologies to be used to make various determinations throughout the rule. Section 400 contains administrative requirements, including provisions for determining when an application is complete, which air quality models must be used, public notice requirements, requirements for a final action, and other administrative provisions. Section 500 contains specific requirements for power plant applications and Section 600 contains recordkeeping requirements for emergency engines, and portable and temporary equipment.

Rule Evaluation

This Technical Support Document (TSD) provides EPA’s evaluation of the District’s revised Rule 502 (including revisions made by the District to address the deficiencies identified in our July 27, 2011 final action on PCAPCD’s NSR program submittal). We have reviewed Rule 502 for compliance with the requirements of section 110 and part D of title I of the Act and EPA’s current implementing regulations at 40 CFR 51.160 through 51.165.

For a more comprehensive analysis of how Rule 502 satisfies the applicable requirements of the Act and 40 CFR 51.160 through 51.165, please also see the TSD supporting our July 27, 2011 limited approval and limited disapproval of Rule 502 at 76 FR 44809. “Technical Support Document for EPA’s Notice of Proposed Rulemaking for the California State Implementation Plan, Placer County Air Pollution Control District, Rule 502 New Source Review,” May 6, 2011. We also considered the following materials in our review: General Preamble for the Implementation of Title I of the Clean Air Act Amendments of 1990 (see 57 FR 13498, April 16, 1992), EPA’s Emission Offset Interpretive Ruling (40 CFR part 51, Appendix S), and EPA’s policy document entitled, “Improving Air Quality with Economic Incentive Programs,” which was published in January 2001. EPA has condensed the approval criteria contained in these various materials in this TSD, which describes reasons for our proposed action on the Rule 502 SIP submittal. All references below to “Rule 502” are to the rule as amended October 13, 2011, unless otherwise noted.

Rule 502 –New Source Review

In our May 19, 2011 Notice of Proposed Rulemaking on Rule 502 (see 76 FR 28944), we identified the following deficiencies and suggested corrections:

1. Add definitions for the terms “begin actual construction,” “federally enforceable” and “necessary preconstruction approvals or permits.”
2. Add a provision, pursuant to 40 CFR 51.165(a)(5)(ii), which requires new source review for a source or modification which becomes major due to a relaxation in a federally-enforceable limit. Such sources and modifications shall be subject to new source review “as though construction had not yet commenced.”

The District revised Rule 502 to address each of these deficiencies. The revisions made to Rule 502, including those which address the deficiencies identified in EPA’s previous rulemaking, are discussed below.

Item 1: Definitions have been added for each of the following terms: Begin Actual Construction, Class I Area, Commence, Federally Enforceable and Necessary Preconstruction Approvals or Permits. These new definitions are either identical or equivalent to EPA’s definitions in 40 CFR 51.165(a)(1) and therefore correct the identified deficiencies.

Item 2: New language consistent with the requirements of 40 CFR 51.165(a)(5)(ii) has been added to Section 102. This new language corrects the identified deficiency.

Other Revisions:

- A. Within the definition of the term “significant” the defined emission rate for nitrogen oxides and VOC has been revised to 25 tpy to reflect the District’s status as a severe ozone non-attainment area. Twenty-five tpy is the appropriate threshold for this classification.
- B. The requirement in Section 304.3 for sources with potential visibility impacts has been revised to specify when a visibility analysis is required, based on emission rates and location of the facility.
- C. In several places throughout the rule, text has been revised to clarify that “federal” enforceability of certain provisions is required (e.g., Sections 220, 227). These provisions are at least as stringent as the corresponding EPA definitions in 40 CFR 51.165 (e.g., the definition of “federally enforceable” in section 51.165(a)(1)(xiv)).

New Deficiencies:

- A. The definition of “NSR Regulated Pollutant” does not specify that gaseous emissions which condense to form either PM₁₀ or PM_{2.5} must be counted as PM₁₀ or PM_{2.5}, respectively. This revision to the definition of NSR Regulated Pollutant was made as part of our Phase II rulemaking for Implementation of the New Source Review (NSR) Program for Particulate Matter Less Than 2.5 Micrometers (PM_{2.5}). See 73 FR 28321. This omission creates a deficiency which must be corrected by providing this clarification

regarding the treatment of condensable gaseous emissions within the definition NSR Regulated Pollutant or the definitions of PM₁₀ and PM_{2.5}.

- B. Since the District revised Rule 502 in October 2011, EPA has revised its policy regarding PM_{2.5} interpollutant offset ratios. Under EPA's "Revised Policy to Address Reconsideration of Interpollutant Trading Provisions for Fine Particles (PM_{2.5})," dated July 21, 2011, any ratio involving PM_{2.5} precursors must be submitted to EPA for approval for use in a district's interpollutant offset program for PM_{2.5} nonattainment areas. The submittal must be accompanied by a technical demonstration that shows the net air quality benefits of such ratio for the relevant PM_{2.5} nonattainment area. Because such ratios are not allowed in the absence of such a demonstration, and PCAPCD has not provided such a demonstration, Placer must either remove these provisions from Rule 502 (section 303.6.4) or provide a submittal making the necessary demonstration. The inclusion of interpollutant offset ratios for PM_{2.5} without the necessary demonstration is a program deficiency.

Section 110(l) of the Act

Section 110(l) states: "Each revision to an implementation plan submitted by a State under this chapter shall be adopted by such State after reasonable notice and public hearing. The Administrator shall not approve a revision of a plan if the revision would interfere with any applicable requirement concerning attainment and reasonable further progress (as defined in section 7501 of this title), or any other applicable requirement of this chapter."

With respect to the procedural requirements of CAA section 110(l), based on our review of the public process documentation included in PCAPCD's November 18, 2011 rule submittal, we find that the State has provided sufficient evidence of public notice and opportunity for comment and public hearings prior to adoption and submittal of these rules to EPA.

With respect to the substantive requirements of section 110(l), our approval of revised Rule 502 (to replace current SIP Rule 502) would strengthen the SIP-approved nonattainment NSR and minor NSR programs in Placer County compared to the existing SIP program as approved July 27, 2011. As discussed above, the District has added several required definitions to Rule 502 and corrected a provision that was inconsistent with the applicable NSR regulations in 40 CFR 51.165. The rule revisions strengthen the nonattainment NSR program in Placer County by clarifying its applicability and compliance provisions and addressing NSR requirements that the current SIP program fails to adequately address. None of the revisions to Rule 502 relax any control requirement or related compliance provision.

In addition, we are unaware of any reliance by PCAPCD on the continuation of any aspect of the permit-related rules in Placer County for the purpose of continued attainment or maintenance of the NAAQS. Given all these considerations, we propose to conclude that our approval of Rule 502 into the California SIP would not interfere with any applicable requirement concerning attainment and reasonable further progress (RFP) or any other applicable requirement of the Act.

Section 193 of the Act

Section 193 of the Act, which was added by the Clean Air Act Amendments of 1990, includes a savings clause which provides, in pertinent part: “No control requirement in effect, or required to be adopted by an order, settlement agreement, or plan in effect before November 15, 1990, in any area which is a nonattainment area for any air pollutant may be modified after November 15, 1990, in any manner unless the modification insures equivalent or greater emission reductions of such air pollutant.”

EPA does not believe that NSR programs are control requirements for the purposes of section 193. See 70 FR 39413, at 39417 (July 8, 2005). However, we recognize that, on December 22, 2006, the D.C. Circuit issued a decision on *South Coast Air Quality Management District v. EPA*, No. 14-1200, that may lead EPA to modify its interpretation of “control requirement” for the purposes of CAA section 193. Nonetheless, we evaluated Rule 502 against the existing pre-1990 SIP requirements of Rule 508 (which Rule 502 was to replace) in our May 2011 analysis and determined we could approve submitted Rule 502 under section 193 of the Act. See the TSD supporting our July 27, 2011 limited approval and limited disapproval of Rule 502 at 76 FR 44809. “Technical Support Document for EPA’s Notice of Proposed Rulemaking for the California State Implementation Plan, Placer County Air Pollution Control District, Rule 502 New Source Review,” May 6, 2011. As discussed in the 110(l) analysis above, the current revisions to Rule 502 do not relax any requirements of the rule. Therefore our previous section 193 evaluation is still valid and no further analysis is required as part of our current evaluation of Rule 502.

Recommendations

Pursuant to section 110(k)(3) of the Act, we recommend a limited approval / limited disapproval of the submitted NSR rule. We recommend limited approval based on our determination that the rule complies with applicable statutory and regulatory provisions requiring regulation of stationary sources in general and requiring permit programs for major stationary sources in particular, including section 110(a)(2)(C) and part D of title I of the Act. In support of this recommendation, we have concluded that our approval of Rule 502 complies with section 110(l) and 193 of the Act because the new rule does not relax control technology and offset requirements and therefore would not interfere with the strategy for attainment of the Ozone or PM_{2.5} NAAQS in PCAPCD or the continued attainment of the other NAAQS in PCAPCD. We recommend limited disapproval to correct the deficiencies listed below. If we finalize this action as proposed, our action would be codified through revisions to 40 CFR 52.220 (identification of plan).

Deficiencies as listed in this TSD under subsection entitled “New Deficiencies.”

1. Revise the definition of “NSR Regulated Pollutant” or the definitions of “PM₁₀” and “PM_{2.5}” to specify that gaseous emissions which condense to form either PM₁₀ or PM_{2.5} must be counted as PM₁₀ or PM_{2.5}, respectively.

2. Delete section 303.6.4 or submit a technical demonstration that shows the net air quality benefits of such ratio for the relevant PM_{2.5} nonattainment area.

Attachments

1. Submitted PCAPCD Rule 502, *New Source Review*, amended October 13, 2011.
2. PCAPCD Staff Report for Proposed Amendment of Rule 502, *New Source Review*; undated.
3. “Technical Support Document for EPA’s Notice of Proposed Rulemaking for the California State Implementation Plan, Placer County Air Pollution Control District, Rule 502 New Source Review,” May 6, 2011.



Board Agenda Item

Public Hearing/Action

Agenda Date: August 8, 2013

Prepared By: John Finnell, Manager, Permitting and Engineering

Topic: Adoption of New Rule 249, Surface Coating of Plastic Parts and Products

Action Requested:

- 1) Conduct a Public Hearing regarding the proposed new Rule 249, Surface Coating of Plastic Parts and Products.
- 2) Adopt Resolution #13-08 (Attachment #1), thereby approving new Rule 249, Surface Coating of Plastic Parts and Products, and the Findings in the Staff Report of Attachment #2.

Discussion:

This rule is being proposed to address the control guidance for Miscellaneous Plastic Parts Coatings contained in the U.S. Environmental Protection Agency (EPA) "Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings" (CTG), September 2008.

This proposed rule fulfills the EPA's requirement to adopt a measure that incorporates the CTG guidance.

Placer County currently has only one minor source, Freedom Refinishing, under permit which would be required to meet the requirements of this rule. The owner indicates that he occasionally coats plastic parts and the total coated amounts to approximately 2% of his business. The company is aware of the proposed rule and has no concerns.

Fiscal Impact:

None. The rule limits the VOC content of coatings used to coat miscellaneous plastic parts and products. These coating are readily available at no additional cost.

Public Outreach:

In addition to contacting the one affected stationary source, Rule 249 was forwarded to EPA for comment in May, 2013, and EPA staff responded with a number of comments, primarily clarifications on definitions. The rule was revised and sent to EPA for a final review. EPA reviewed the final draft and indicated they have no further comments.

The public hearing on Rule 249 before the Board of Directors was noticed by newspaper publication in the Auburn Journal on July 7, 2013. No comments have been received.

The final draft was forwarded to the California Air Resources Board (CARB) for review and comments. A response has not been received.

Recommendation:

Staff recommends adoption of Resolution #13-08 (Attachment #1) approving new Rule 249, Surface Coating of Plastic Parts and Products, and approval of the Findings in the Staff Report in Attachment #2.

Attachments: **#1:** Resolution #13-08, Adoption of new Rule 249, Surface Coating of Plastic Parts and Products, Exhibit I, Rule 249, Surface Coating of Plastic Parts and Products

#2: Staff Report

ATTACHMENT #1

Subject:

Resolution #13-08, Adoption of
New Rule 249, Surface Coating of Plastic Parts and Products



Board Resolution:
Resolution # 13-08

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

In the Matter Of: A Resolution to approve new District Rule 249, Surface Coating of Plastic Parts and Products, as shown in Exhibit I.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **August 8, 2013**, by the following vote:

- Ayes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Noes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Abstain: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____

Signed and approved by me after its passage:

_____ Chairperson

_____ Attest: Clerk of said Board

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District is authorized to adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted by Health and Safety Code Sections 40001, 40702, 40716, 41010, and 41013 (Health and Safety Code Section 40727(b)(2)); and

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District has determined that the meaning of the new Rule 249 can be easily understood by the persons directly affected by it (Health and Safety Code Section 40727(b)(3)); and

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District has determined that the new Rule 249 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations (Health and Safety Code Section 40727(b)(4)); and

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District has maintained records of the rulemaking proceedings (Health and Safety Code Section 40728); and

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District held a duly noticed public hearing on August 8, 2013, that was noticed in newspapers of general circulation in the District no less than 30 days in advance of said hearing, and the Board has considered public comments on the proposed new rule with evidence having been received and this Board having duly considered the evidence (Health and Safety Code Sections 40725 40726, and 40920.6); and

WHEREAS, the District Board has made the findings pursuant to Health and Safety Code Section 40727, of necessity, authority, clarity, consistency, non-duplication, and reference in regard to the proposed new rule 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, the District finds that the proposed new Rule 249 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 as an action by a regulatory agency for protection of the environment (Class 8 Categorical Exemption, CEQA Guidelines §15308); and

WHEREAS, portions of the Placer County Air Pollution Control District (PCAPCD) have been designated as “severe” non-attainment areas for the federal 8-hour ozone standard, and as non-attainment for the 1-hour ozone standard, pursuant to the Federal Clean Air Act Amendments of 1990 (FCAA): and

WHEREAS, The California State Clean Air Act requires the adoption of all feasible measures; and

WHEREAS, The Board of Directors of the PCAPCD determined in the 2011 RACT SIP Update Analysis that there were non-Major Stationary Sources of VOC in the PCAPCD in the categories of plastic parts and products coatings for which a control measure was required to comply with requirements of California Health and Safety Code Sections 40001 and 40910, and with Title 1, Part D, Subpart 2, Section 182(b)(2), of the 1990 Federal Clean Air Act Amendments for the submittal of Reasonable Available Control Technology (RACT); and

NOW THEREFORE BE IT RESOLVED, that this Board approves the adoption of new Rule 249, Surface Coating of Plastic Parts and Products, as shown in Exhibit I.

BE IT FURTHER RESOLVED AND ORDERED that the Air Pollution Control Officer is hereby authorized and directed to submit Rule 249, in the form required, to 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.

BE IT FURTHER ORDERED that the Air Pollution Control Officer is hereby authorized and directed to request that new Rule 249 be adopted by the California Air Resources Board into the State Implementation Plan (SIP) and that approval of the revision to the SIP be requested of the United States Environmental Protection Agency on behalf of the Placer County Air Pollution Control District.

Exhibit I: Clean Copy of New Rule 249, Surface Coating of Plastic Parts and Products

EXHIBIT I

Rule 249, Surface Coating of Plastic Parts and Products

RULE 249 SURFACE COATING OF PLASTIC PARTS AND PRODUCTS

Adopted 8-8-13

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100 GENERAL

101 PURPOSE: To limit the emission of volatile organic compounds from the application of coatings, coating removers (strippers), surface preparation materials, and cleanup materials in plastic parts and products coating operations.

102 APPLICABILITY: The provisions of this rule apply to all of Placer County.

103 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.

104 EXEMPTIONS, LOW USAGE OF MATERIALS EXCEEDING VOC CONTENT LIMITS:

104.1 Low Usage of Non-Compliant Coating Materials: The VOC requirements of Section 301 of this rule shall not apply to coating operations where (1) the total volume of such non-compliant coatings is less than 55 gallons per calendar year, if substitute compliant coatings are not available, and (2) the requirements of Sections 401 and 501 are met.

105 EXEMPTIONS, SPECIFIC OPERATIONS AND COATINGS: This rule shall not apply to:

105.1 Coating of prefabricated architectural components or structures not coated in a shop environment and which are regulated by Rule 218, Architectural Coatings.

105.2 Motor vehicles including automotive, truck and heavy equipment which are regulated by Rule 234, Automotive Refinishing Operations.

105.3 Coating of metal cans, which is regulated by Rule 223, Metal Container Coating.

105.4 Coating of metal parts and products which are regulated by Rule 245, Surface Coating of Metal Parts and Products.

105.5 Adhesives and other materials which are regulated by Rule 235, Adhesives.

105.6 Polyester resin operations which is regulated by Rule 243, Polyester Resin Operations.

105.7 Coatings sold in non-refillable aerosol containers having a capacity of 1 liter (1.1 quarts, or 34 fluid ounces), or less.

105.8 Powder coatings.

106 PARTIAL EXEMPTIONS:

106.1 Coating operations used for repair and touchup are exempt from all sections of the rule except the application method requirements of Section 302, surface preparation and cleanup of Section 303, the work practices requirements of Section 304, and the recordkeeping requirements of Section 501 shall apply.

106.2 Coating operations used for stencil, safety indicating, solid film lubricating, electric insulating, thermal conduction, and magnetic data storage, are exempt from all sections of the rule except the application method requirements of Section 302, surface preparation and cleanup of Section 303, the work practices requirements of Section 304, and the recordkeeping requirements of Section 501 shall apply.

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200 DEFINITIONS

- 201 ADHESIVE:** Any substance that is used to bond one surface to another by attachment.
- 202 AEROSOL CONTAINER:** A hand-held, non-refillable container which expels pressurized product ingredients by means of a propellant-induced force.
- 203 APPLICATION EQUIPMENT:** A device used to apply coatings or used in preparing a coating material, such as stir sticks or funnels.
- 204 CLEANUP MATERIAL:** A VOC-containing material used to clean parts and application equipment used in miscellaneous plastic parts and products coating operations.
- 205 CLOSED CONTAINER:** A container whose cover meets with the main body of the container without any visible gaps between the cover and the main body of the container.
- 206 ELECTRIC DISSIPATING COATING AND SHOCK-FREE COATING:** A coating that rapidly dissipates a high voltage electric charge.
- 207 EXEMPT COMPOUNDS:** For a current listing of exempt compounds, see Rule 102, Definitions.
- 208 EXTREME PERFORMANCE COATING (2 PACK):** A coating applied to a plastic surface where the coated surface, in its intended use, is frequently or chronically exposed to any of the following:
- 208.1 Corrosive, caustic or acidic agents, chemicals, chemical fumes, chemical mixtures or solution.
 - 208.2 Repeated exposure to temperatures in excess of 250°F (121°C).
 - 208.3 Repeated heavy abrasion, including mechanical wear and repeated scrubbing with industrial grade solvents, cleansers or scouring agents.
- 209 FLOW COAT:** A coating method which is applied by flowing a stream of coating over an object and allowing any excess material to drain.
- 210 HAND COATING:** The application of coatings by manually-held, non-mechanically operated equipment. Such equipment includes paint brushes, hand rollers, caulking guns, trowels, spatulas, syringe daubers and sponges.
- 211 HIGH VOLUME, LOW PRESSURE (HVLP) APPLICATION EQUIPMENT:** Equipment used to apply coatings by means of a gun which is designed to be operated, and which is operated between 0.1 and 10 psig air pressure, measured dynamically at the center of the air cap and at the air horns.
- 212 KEY SYSTEM OPERATING PARAMETER:** A variable that is critical to the operation of an emission control system and that ensures both operation of the system within the system manufacturer's specifications, and compliance with the overall system efficiency standard required by Section 305. Such variables may include, but are not limited to, hours of operation, temperature, flow rate and pressure.
- 213 LOW VOLUME, LOW PRESSURE (LVLP) APPLICATION EQUIPMENT:** Equipment used to apply coatings by means of a gun which is designed to be operated, and which is operated between 0.1 and 10 psig air pressure, with air volume less than 15.5 cfm per spray gun, and which operates at a maximum fluid delivery pressure of 50 psig.

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- 214 MAINTENANCE CLEANING:** The cleaning of tools, forms, molds, jigs, machinery and equipment, and the cleaning of work areas where maintenance or manufacturing occurs.
- 215 METALLIC COATING:** A coating which contains more than 0.042 lb/gal (5.0 g/l) of metal particles, as applied, where such particles are visible in the dried film.
- 216 MILITARY SPECIFICATION:** A coating which has a formulation approved by a United States Military Agency for use on military equipment.
- 217 MOLD-SEAL COATING:** The initial coating applied to a new mold or repaired mold and associated tooling to provide a smooth surface which, when coated with a mold release material, prevents products from sticking to the mold or to the tooling.
- 218 MULTI-COLORED COATING:** A coating which exhibits more than one color when applied, and which is packaged in a single container and applied in a single coat.
- 219 MULTI-COMPONENT COATING:** A coating requiring the addition of a separate reactive resin, commonly known as a catalyst or hardener, before application to form an acceptable dry film.
- 220 ONE-COMPONENT COATING:** A coating that is ready for application as it comes out of its container to form an acceptable dry film. A thinner, necessary to reduce the viscosity, is not considered a component.
- 221 OPTICAL COATING:** A coating applied to an optical lens.
- 222 PLASTIC PARTS AND PRODUCTS:** Any components or complete units fabricated from plastic, except those subject to the provisions of other District source-specific rules
- 223 TRANSFER EFFICIENCY:** The ratio of the weight or volume of coating solids adhering to an object, to the total weight or volume, respectively, of coating solids used in the application process, expressed as a percentage.
- 224 VACUUM-METALIZING COMPOUND:** The undercoat applied to the substrate on which the metal is deposited, or the overcoat applied directly to the metal film. Vacuum metalizing/physical vapor deposition (PVD) is the process whereby metal is vaporized and deposited on a substrate in a vacuum chamber.
- 225 VOLATILE ORGANIC COMPOUND (VOC):** For the purposes of this rule, “volatile organic compound” has the same meaning as in Rule 102, Definitions.
- 226 VOLATILE ORGANIC COMPOUND (VOC) AS APPLIED:** For the purposes of this rule, “volatile organic compound as applied” means the VOC content including thinners, reducers, hardeners, retarders, catalysts and additives, calculated pursuant to Sections 403 or 404, as applicable.

300 STANDARDS

- 301 LIMITS: VOC CONTENT OF COATINGS FOR PLASTIC PARTS AND PRODUCTS:** Except for materials and processes listed in Sections 104 or 105, no person shall apply any coatings to a plastic part or product, or use VOC-containing solvents, if such materials have a VOC content exceeding the applicable limits specified in the following Table 1. The VOC content of coating materials shall be determined in accordance with Section 403. The VOC content of solvents, strippers and cleanup materials, shall be determined in accordance with Sections 404.

Table 1 – VOC Content Limits for Coatings and Materials Used to Coat Plastic Parts and Products

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	VOC As Applied Limit, grams/liter (lb/gal), (Less water and exempt compounds)
General One Component	275 (2.3)
General Multi-Component	420 (3.5)
Specialty Coatings	
Electric Dissipating and Shock-free	800 (6.7)
Extreme Performance (2 pack)	420 (3.5)
Metallic	420 (3.5)
Military Specification (1 pack)	335 (2.8)
Military Specification (2 pack)	420 (3.5)
Mold Seal	755 (6.3)
Multi-colored	680 (5.7)
Optical	800 (6.7)
Vacuum Metalizing	800 (6.7)

302 APPLICATION METHODS: A person shall not apply coatings to plastic parts and products subject to the provisions of this rule unless the coatings are applied using properly operated equipment, and by using either: one of the following application methods or any other high transfer efficiency application method which has been approved in advance, in writing, by the Air Pollution Control Officer and United States Environmental Protection Agency:

- 302.1 Electrostatic attraction, operated in accordance with manufacturer's recommendations.
- 302.2 High-Volume, Low-Pressure (HVLP) spray system operated in accordance with manufacturer's recommendations.
- 302.3 Low-Volume, Low-Pressure (LVLP) spray system operated in accordance with manufacturer's recommendations.
- 302.4 Flow Coat
- 302.5 Dip Coat
- 302.6 Hand Coat
- 302.7 Roll Coat

303 SURFACE PREPARATION AND CLEAN-UP REQUIREMENTS:

- 303.1 A person shall not use materials which have a VOC content in excess of 200 grams per liter (1.67 pounds/gallon) of material, as defined in Section 404, for stripping any coating governed by this rule.
- 303.2 A person shall not perform cleanup of application equipment (including spray gun nozzles), product cleaning, or surface preparation, with a material containing VOC in excess of 50 grams per liter (0.42 pounds per gallon), as defined in Section 404.

304 WORK PRACTICE REQUIREMENTS:

304.1 Spillage of VOC-containing materials shall be minimized.

304.2 VOC-containing materials and used shop towels or sponges shall be stored and disposed of in closed containers. Storage and disposal containers must be kept closed, except when depositing or removing the materials. Disposal shall be conducted in a manner that the VOCs are not emitted to the atmosphere.

304.3 VOC-containing materials shall be conveyed in closed containers or pipes.

305 EMISSION CONTROL EQUIPMENT: As an alternative to using materials that meet the VOC limits in Sections 301, a person may comply with the VOC provisions of this rule by using an emission control equipment system approved by the District, the California Air Resources Board and the U.S. Environmental Protection Agency. Such compliance may be demonstrated by a system to capture and control emissions, which will reduce VOC emissions by at least 90% by weight.

400 ADMINISTRATIVE REQUIREMENTS

401 PROHIBITION OF SPECIFICATION: No person shall require for use or specify the application of any coating subject to the provisions of this rule that does not meet the limits and requirements of this rule. The prohibition of this Section shall apply to all written or oral contracts under the terms of which any coating is to be applied to any Plastic parts or product at any physical location within the District.

402 PRODUCT INFORMATION REQUIREMENTS FOR SELLERS: Any person who sells any coating, coating remover (stripper), surface preparation or cleanup material subject to this rule, shall provide the following information on material data sheets made available to the purchaser at the time of sale:

402.1 The material type by name/code/manufacturer.

402.2 For coating materials, the maximum VOC content of the material, as applied, after any mixing or thinning as recommended by the manufacturer: VOC content shall be displayed as grams per liter (pounds per gallon) of coating, excluding water and exempt compounds, pursuant to Section 403.

402.3 For coating removers (strippers), surface preparation and cleanup materials, the maximum VOC content of the material, as applied, after any mixing or thinning as recommended by the manufacturer: VOC content shall be displayed as grams per liter (pounds per gallon) of material, including water and exempt compounds, pursuant to Section 404.

402.4 For all materials, recommendations regarding thinning, reducing, or mixing with any VOC-containing material.

402.5 For all materials, VOC content may be calculated using product formulation data, or may be determined using the test method in Section 503.1.

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- 403 DETERMINATION OF VOC CONTENT OF COATINGS, LESS WATER AND EXEMPT COMPOUNDS:** The weight of VOC per combined volume of VOC and coating solids shall be calculated by the following equation:

$$G = \frac{W_v - W_w - W_{ec}}{V_m - V_w - V_{ec}}$$

- Where: G = Weight of VOC per liter of coating, less water and exempt compounds
 W_v = Weight of volatile compounds, in grams
 W_w = Weight of water, in grams
 W_{ec} = Weight of exempt compounds, in grams
 V_m = Volume of coating material, in liters
 V_w = Volume of water in liters
 V_{ec} = Volume of exempt compounds, in liters.

- 404 DETERMINATION OF VOC CONTENT PER LITER OF COATING REMOVERS (STRIPPERS), SURFACE PREPARATION MATERIALS, AND CLEANUP MATERIALS:** The weight (in grams) of VOC per liter of coating materials shall be calculated by the following equation:

$$G = \frac{W_v - W_w - W_{ec}}{V_m}$$

- Where: G = Weight of VOC per total volume of material, in grams per liter.
 W_v = Weight of all volatile compounds, in grams
 W_w = Weight of water, in grams
 W_{ec} = Weight of exempt compounds, in grams
 V_m = Volume of coating material, including any added VOC-containing solvents or reducers, but excluding any colorants added to tint the base, in liters.

- 405 OPERATION AND MAINTENANCE PLAN:** A person using an emission control system pursuant to Section 305, as a means of alternate compliance with this rule, must submit an Operation and Maintenance Plan for the emission control system to the Air Pollution Control Officer for approval. A person proposing to install a new emission control system as a means of alternate compliance with this rule shall submit in addition to an Operation and Maintenance Plan, an application for Authority to Construct, pursuant to Rule 501, General Permit Requirements. The plan shall specify operating and maintenance procedures which will demonstrate continuous operation of the emission control system during periods of emission-producing operations. The Plan shall also specify which records must be kept to document these operating and maintenance procedures. These records shall comply with the requirements of Section 501. The plan shall be implemented upon approval of the Air Pollution Control Officer.

500 MONITORING AND RECORDS

- 501 RECORDKEEPING:** In addition to any applicable record-keeping requirements of either Rule 502, New Source Review, Rule 507, Federal Operating Permit Program, Rule 511, Potential To Emit, or any other District Rule which might be applicable, any person applying coating products, surface preparation solvents, cleanup solvents, or strippers subject to any provision of this rule shall maintain the following records for non-exempt materials in order to evaluate compliance:

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501.1 Product Data: A list of currently used coating products, surface preparation solvents, cleanup solvents or strippers subject to this rule. This list shall include all of the following data for each material used:

501.1.1 The material's manufacturer, product name and product number or code.

501.1.2 Classification according to the terminology used in Sections 301, 302 and 303.

501.1.3 The material's VOC content as applied, determined according to Sections 403 and 404, when used in the mixing ratios recommended by the manufacturer.

501.1.4 The actual mixing ratio, if different from the manufacturer's recommendation, used in applying the material.

501.2 Product Usage and Frequency: Any person using materials regulated by this rule shall record and maintain records of the volume used per month of each individual material as listed pursuant to Section 501.1. The quantity of each non-compliant coating usage which qualifies for an exemption under Section 104.1 shall be recorded on a daily basis.

501.3 Emission Control Equipment Records:

501.3.1 A person using emission control equipment as a means of alternate compliance pursuant to Section 305, shall maintain records on a daily basis, showing the type and volume of coatings and solvents used.

501.3.2 A person using emission control equipment as a means of alternate compliance with this rule pursuant to Section 305, shall maintain daily records of key system operating parameters and maintenance procedures which will demonstrate continuous operation and compliance of the emission control system during periods of emission-producing activities. Key system operating parameters are those necessary to ensure compliance with the requirements of Section 305.

501.4 Retention of Records: All records required by this rule shall be retained for at least three years, except for sources subject to Rule 507, Federal Operating Permit Program, which shall be retained for at least five years. Such records shall be made available to the Air Pollution Control Officer, upon request.

502 VOC EMISSION THRESHOLD: If VOC emissions from all emission units at the facility for any calendar year exceed 10,000 pounds, additional recordkeeping documentation will be required per Rule 511, Potential To Emit.

503 TEST METHODS:

503.1 Determination of VOC Content: VOC content of coatings, solvents, strippers and surface preparation materials shall be determined in accordance with United States Environmental Protection Agency (USEPA) Method 24 or Method 24A.

503.2 Determination of Compounds Exempt From VOC Definition: Exempt compounds referenced in Section 207 and listed in Rule 102, Definitions, shall be determined in accordance with ASTM D 4457-85 "Standard Test Method for Determination of Dichloromethane and 1,1,1-Trichloroethane in Paints and Coatings by Direct Injection into a Gas Chromatograph" or California Air Resources Board Method 432 "Determination of Dichloromethane and 1,1,1-Trichloroethane in Paints and

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Coatings”. If any perfluorocarbons or volatile cyclic and linear methyl siloxanes are being claimed as exempt compounds, the person making the claim must state in advance which compounds are present and the USEPA-approved test method used to make the determination of these compounds.

- 503.3 Determination of Control Efficiency: Control efficiency of emissions control equipment referenced in Section 305, shall be determined in accordance with USEPA Method 25 or 25A: and USEPA Method 2 or 2C (whichever is applicable). USEPA Method 18 or CARB Method 422 “Determination of Volatile Organic Compounds in Emissions from Stationary Sources” may be used to determine emissions of exempt compounds.
- 503.4 Determination of Collection Efficiency: Collection efficiency of the control equipment referenced in Section 305 shall be determined in accordance with U.S. EPA’s “Guidelines for Determining Capture Efficiency, January 9, 1995”. Individual collection efficiency test runs subject to the U.S. EPA’s technical guidelines shall be determined by:
- 503.4.1 40 CFR 51, Appendix M, Methods 204-204F; or
- 503.4.2 The South Coast AQMD “Protocol for Determination of Volatile Organic Compound (VOC) Capture Efficiency”; or
- 503.4.3 Any other method approved by the USEPA, the California Air Resources Board, and the Air Pollution Control Officer.
- 503.5 Emissions From Spray Gun Cleaning Systems: Determination of emissions of VOC from spray gun cleaning systems shall be made using South Coast Air Quality Management District “General Method for Determining Solvent Losses From Spray Gun Cleaning Systems”, October 1989.
- 503.6 Transfer Efficiency: Determination of transfer efficiency shall be made using South Coast Air Quality Management District Test Method “Spray Equipment Transfer Efficiency Test Procedure for Equipment Users”, May 24, 1989.
- 503.7 Multiple Test Methods: When more than one test method or a set of test methods is specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of this rule.

ATTACHMENT #2

Subject:

Staff Report

**PLACER COUNTY
AIR POLLUTION CONTROL DISTRICT**

STAFF REPORT

**PROPOSED NEW RULE 249,
SURFACE COATING OF PLASTIC PARTS AND PRODUCTS**

August 8, 2013

SUMMARY

The District is required to adopt volatile organic compounds (VOCs) standards at least as stringent as contained in the U.S. EPA “Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings” (CTG), September 2008. Rule 245, Surface Coating of Metal Parts and Products, was amended August 20, 2009 to meet the requirements for metal parts. Adoption of this proposed new Rule 249, Surface Coating of Plastic Parts and Products, would meet the requirements for plastic parts.

A draft version of Rule 249 was forwarded to the U.S. EPA on May 29, 2013, for review and comment. Comments were received on June 26, 2013. The District revised Rule 249 and re-sent the Rule to EPA for final comments. EPA indicated that the changes to the Rule were fine and there were no further comments.

BACKGROUND

Clean Air Act (CAA) section 172(c)(1) provides that state implementation plans (SIPs) for nonattainment areas must include “reasonably available control measures” (RACM) including “reasonably available control technology” (RACT) for sources of emissions. Section 182(b)(2)(A) provides that for certain nonattainment areas, states must revise their SIPs to include RACT for each category of volatile organic compound (VOC) sources covered by a control techniques guidelines (CTG) document issued between November 15, 1990, and the date of attainment.

The United States Environmental Protection Agency (EPA) defines RACT as “the lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility.

DISCUSSION OF THE PROPOSED RULE

Placer County currently has only one minor source, Freedom Refinishing, under permit which would be required to meet the requirements of this rule. The owner indicates that he occasionally coats plastic parts and the total plastic parts coated amounts to approximately 2% of his business. He uses the same paint to coat plastic as he uses for metal parts. The company is currently in compliance with the proposed rule.

The following is a summary of the rule sections.

Applicability:

The rule applies throughout all of Placer County.

Exemptions:

Section 104 contains a low usage exemption for non-compliant coatings used in quantities of less than 55 gallons, if substitute compliant coatings are not available, and (2) the requirements of Sections 401 and 501 are met.

Section 105 contains the exemptions for operations and coating which are covered by other specific rules.

Section 106 contains partial exemptions for coating operations used for repair and touchup. Coating operations used for repair and touchup are exempt from all sections of the rule except the application method requirements of Section 302, surface preparation and cleanup of Section 303, the work practices requirements of Section 304, and the recordkeeping requirements of Section 501 shall apply.

Coating operations used for stencil, safety indicating, solid film lubricating, electric insulating, thermal conduction, and magnetic data storage, are exempt from all sections of the rule except the application method requirements of Section 302, surface preparation and cleanup of Section 303, the work practices requirements of Section 304, and the recordkeeping requirements of Section 501 shall apply.

Definitions:

The definitions were based on definitions used in other District Rules or in EPA's CTG.

Standards:

The VOC limits are listed in Table 1 of Section 301. The limits are expressed in both grams per liter and pounds per gallon (lb/gal).

The coating categories covered are; general one component, general multi-component, and specialty coating categories of: electric dissipating and shockfree coating, extreme performance (2 pack), metallic, military specification (1 pack), military specification (2 pack), mold seal, multi-colored, optical and vacuum metalizing.

Administrative:

The administrative requirements contain prohibition of specification, product information requirements for sellers, formula for determining the VOC Content of the coatings, formula for determining the VOC Content per Liter of Coating Removers (Strippers), surface preparation materials, and cleanup materials.

Monitoring and Records:

Standard recordkeeping is required, including a monthly record of the volume of each product used.

Records must be retained for at least 3 years, unless the source is a Title V source subject to Rule 507, Federal Operating Permit Program.

FINDINGS

FINDING	DEFINITION	REFERENCE
Authority	The District is permitted or required to adopt, amend, or repeal the rule by a provision of law or a state or federal regulation.	California Health and Safety Code, Section 40702 and Section 41010; 1990 Federal Clean Air Act, Section 110(a) (2) (H) and Section 182(d).
Necessity	The District has demonstrated that a need exists for the rule, or for its amendment or repeal.	The adoption of proposed new Rule 249 is necessary to satisfy the requirement that U.S. Environmental Protection Agency “Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings” (CTG) be implemented.
Clarity	The rule is written or displayed so that its meaning can be easily understood by the persons directly affected by it.	There is no indication at this time that the rule is not written in such a manner that the person affected by the rule can easily understand it.
Consistency	The rule is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.	The District has found that the rule is consistent with existing state and federal guidelines.
Non-duplication	The rule does not impose the same requirements as an existing state or federal regulation, unless the District finds that the requirements are necessary or proper to execute the powers and duties granted to, and imposed upon the District.	There are no other duplicate requirements in federal law. The limits came from the CTG, which is a guideline to agencies.
Reference	Any statute, court decision, or other provision of law that the District implements, interprets, or makes specific by adopting, amending, or repealing the rule. An example of this would be the 1988 EPA State Implementation Plan call to revise District rules.	This rule is being proposed because of the requirements of the Federal Clean Air Act Amendments of 1990.

SUMMARY

District staff recommends the District Board approve the Findings in this document and adopt the proposed new Rule 249, Surface Coating of Plastic Parts and Products, with standards for plastic parts and products as contained in the U.S. EPA “Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings” (CTG), September, 2008.

RULE 249 SURFACE COATING OF PLASTIC PARTS AND PRODUCTS

Adopted 8-8-13

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100 GENERAL

101 PURPOSE: To limit the emission of volatile organic compounds from the application of coatings, coating removers (strippers), surface preparation materials, and cleanup materials in plastic parts and products coating operations.

102 APPLICABILITY: The provisions of this rule apply to all of Placer County.

103 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.

104 EXEMPTIONS, LOW USAGE OF MATERIALS EXCEEDING VOC CONTENT LIMITS:

104.1 Low Usage of Non-Compliant Coating Materials: The VOC requirements of Section 301 of this rule shall not apply to coating operations where (1) the total volume of such non-compliant coatings is less than 55 gallons per calendar year, if substitute compliant coatings are not available, and (2) the requirements of Sections 401 and 501 are met.

105 EXEMPTIONS, SPECIFIC OPERATIONS AND COATINGS: This rule shall not apply to:

105.1 Coating of prefabricated architectural components or structures not coated in a shop environment and which are regulated by Rule 218, Architectural Coatings.

105.2 Motor vehicles including automotive, truck and heavy equipment which are regulated by Rule 234, Automotive Refinishing Operations.

105.3 Coating of metal cans, which is regulated by Rule 223, Metal Container Coating.

105.4 Coating of metal parts and products which are regulated by Rule 245, Surface Coating of Metal Parts and Products.

105.5 Adhesives and other materials which are regulated by Rule 235, Adhesives.

105.6 Polyester resin operations which is regulated by Rule 243, Polyester Resin Operations.

105.7 Coatings sold in non-refillable aerosol containers having a capacity of 1 liter (1.1 quarts, or 34 fluid ounces), or less.

105.8 Powder coatings.

106 PARTIAL EXEMPTIONS:

106.1 Coating operations used for repair and touchup are exempt from all sections of the rule except the application method requirements of Section 302, surface preparation and cleanup of Section 303, the work practices requirements of Section 304, and the recordkeeping requirements of Section 501 shall apply.

106.2 Coating operations used for stencil, safety indicating, solid film lubricating, electric insulating, thermal conduction, and magnetic data storage, are exempt from all sections of the rule except the application method requirements of Section 302, surface preparation and cleanup of Section 303, the work practices requirements of Section 304, and the recordkeeping requirements of Section 501 shall apply.

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200 DEFINITIONS

- 201 ADHESIVE:** Any substance that is used to bond one surface to another by attachment.
- 202 AEROSOL CONTAINER:** A hand-held, non-refillable container which expels pressurized product ingredients by means of a propellant-induced force.
- 203 APPLICATION EQUIPMENT:** A device used to apply coatings or used in preparing a coating material, such as stir sticks or funnels.
- 204 CLEANUP MATERIAL:** A VOC-containing material used to clean parts and application equipment used in miscellaneous plastic parts and products coating operations.
- 205 CLOSED CONTAINER:** A container whose cover meets with the main body of the container without any visible gaps between the cover and the main body of the container.
- 206 ELECTRIC DISSIPATING COATING AND SHOCK-FREE COATING:** A coating that rapidly dissipates a high voltage electric charge.
- 207 EXEMPT COMPOUNDS:** For a current listing of exempt compounds, see Rule 102, Definitions.
- 208 EXTREME PERFORMANCE COATING (2 PACK):** A coating applied to a plastic surface where the coated surface, in its intended use, is frequently or chronically exposed to any of the following:
- 208.1 Corrosive, caustic or acidic agents, chemicals, chemical fumes, chemical mixtures or solution.
 - 208.2 Repeated exposure to temperatures in excess of 250°F (121°C).
 - 208.3 Repeated heavy abrasion, including mechanical wear and repeated scrubbing with industrial grade solvents, cleansers or scouring agents.
- 209 FLOW COAT:** A coating method which is applied by flowing a stream of coating over an object and allowing any excess material to drain.
- 210 HAND COATING:** The application of coatings by manually-held, non-mechanically operated equipment. Such equipment includes paint brushes, hand rollers, caulking guns, trowels, spatulas, syringe daubers and sponges.
- 211 HIGH VOLUME, LOW PRESSURE (HVLP) APPLICATION EQUIPMENT:** Equipment used to apply coatings by means of a gun which is designed to be operated, and which is operated between 0.1 and 10 psig air pressure, measured dynamically at the center of the air cap and at the air horns.
- 212 KEY SYSTEM OPERATING PARAMETER:** A variable that is critical to the operation of an emission control system and that ensures both operation of the system within the system manufacturer's specifications, and compliance with the overall system efficiency standard required by Section 305. Such variables may include, but are not limited to, hours of operation, temperature, flow rate and pressure.
- 213 LOW VOLUME, LOW PRESSURE (LVLP) APPLICATION EQUIPMENT:** Equipment used to apply coatings by means of a gun which is designed to be operated, and which is operated between 0.1 and 10 psig air pressure, with air volume less than 15.5 cfm per spray gun, and which operates at a maximum fluid delivery pressure of 50 psig.

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- 214 MAINTENANCE CLEANING:** The cleaning of tools, forms, molds, jigs, machinery and equipment, and the cleaning of work areas where maintenance or manufacturing occurs.
- 215 METALLIC COATING:** A coating which contains more than 0.042 lb/gal (5.0 g/l) of metal particles, as applied, where such particles are visible in the dried film.
- 216 MILITARY SPECIFICATION:** A coating which has a formulation approved by a United States Military Agency for use on military equipment.
- 217 MOLD-SEAL COATING:** The initial coating applied to a new mold or repaired mold and associated tooling to provide a smooth surface which, when coated with a mold release material, prevents products from sticking to the mold or to the tooling.
- 218 MULTI-COLORED COATING:** A coating which exhibits more than one color when applied, and which is packaged in a single container and applied in a single coat.
- 219 MULTI-COMPONENT COATING:** A coating requiring the addition of a separate reactive resin, commonly known as a catalyst or hardener, before application to form an acceptable dry film.
- 220 ONE-COMPONENT COATING:** A coating that is ready for application as it comes out of its container to form an acceptable dry film. A thinner, necessary to reduce the viscosity, is not considered a component.
- 221 OPTICAL COATING:** A coating applied to an optical lens.
- 222 PLASTIC PARTS AND PRODUCTS:** Any components or complete units fabricated from plastic, except those subject to the provisions of other District source-specific rules
- 223 TRANSFER EFFICIENCY:** The ratio of the weight or volume of coating solids adhering to an object, to the total weight or volume, respectively, of coating solids used in the application process, expressed as a percentage.
- 224 VACUUM-METALIZING COMPOUND:** The undercoat applied to the substrate on which the metal is deposited, or the overcoat applied directly to the metal film. Vacuum metalizing/physical vapor deposition (PVD) is the process whereby metal is vaporized and deposited on a substrate in a vacuum chamber.
- 225 VOLATILE ORGANIC COMPOUND (VOC):** For the purposes of this rule, “volatile organic compound” has the same meaning as in Rule 102, Definitions.
- 226 VOLATILE ORGANIC COMPOUND (VOC) AS APPLIED:** For the purposes of this rule, “volatile organic compound as applied” means the VOC content including thinners, reducers, hardeners, retarders, catalysts and additives, calculated pursuant to Sections 403 or 404, as applicable.

300 STANDARDS

- 301 LIMITS: VOC CONTENT OF COATINGS FOR PLASTIC PARTS AND PRODUCTS:** Except for materials and processes listed in Sections 104 or 105, no person shall apply any coatings to a plastic part or product, or use VOC-containing solvents, if such materials have a VOC content exceeding the applicable limits specified in the following Table 1. The VOC content of coating materials shall be determined in accordance with Section 403. The VOC content of solvents, strippers and cleanup materials, shall be determined in accordance with Sections 404.

Table 1 – VOC Content Limits for Coatings and Materials Used to Coat Plastic Parts and Products

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	VOC As Applied Limit, grams/liter (lb/gal), (Less water and exempt compounds)
General One Component	275 (2.3)
General Multi-Component	420 (3.5)
Specialty Coatings	
Electric Dissipating and Shock-free	800 (6.7)
Extreme Performance (2 pack)	420 (3.5)
Metallic	420 (3.5)
Military Specification (1 pack)	335 (2.8)
Military Specification (2 pack)	420 (3.5)
Mold Seal	755 (6.3)
Multi-colored	680 (5.7)
Optical	800 (6.7)
Vacuum Metalizing	800 (6.7)

302 APPLICATION METHODS: A person shall not apply coatings to plastic parts and products subject to the provisions of this rule unless the coatings are applied using properly operated equipment, and by using either: one of the following application methods or any other high transfer efficiency application method which has been approved in advance, in writing, by the Air Pollution Control Officer and United States Environmental Protection Agency:

- 302.1 Electrostatic attraction, operated in accordance with manufacturer's recommendations.
- 302.2 High-Volume, Low-Pressure (HVLP) spray system operated in accordance with manufacturer's recommendations.
- 302.3 Low-Volume, Low-Pressure (LVLP) spray system operated in accordance with manufacturer's recommendations.
- 302.4 Flow Coat
- 302.5 Dip Coat
- 302.6 Hand Coat
- 302.7 Roll Coat

303 SURFACE PREPARATION AND CLEAN-UP REQUIREMENTS:

- 303.1 A person shall not use materials which have a VOC content in excess of 200 grams per liter (1.67 pounds/gallon) of material, as defined in Section 404, for stripping any coating governed by this rule.
- 303.2 A person shall not perform cleanup of application equipment (including spray gun nozzles), product cleaning, or surface preparation, with a material containing VOC in excess of 50 grams per liter (0.42 pounds per gallon), as defined in Section 404.

304 WORK PRACTICE REQUIREMENTS:

304.1 Spillage of VOC-containing materials shall be minimized.

304.2 VOC-containing materials and used shop towels or sponges shall be stored and disposed of in closed containers. Storage and disposal containers must be kept closed, except when depositing or removing the materials. Disposal shall be conducted in a manner that the VOCs are not emitted to the atmosphere.

304.3 VOC-containing materials shall be conveyed in closed containers or pipes.

305 EMISSION CONTROL EQUIPMENT: As an alternative to using materials that meet the VOC limits in Sections 301, a person may comply with the VOC provisions of this rule by using an emission control equipment system approved by the District, the California Air Resources Board and the U.S. Environmental Protection Agency. Such compliance may be demonstrated by a system to capture and control emissions, which will reduce VOC emissions by at least 90% by weight.

400 ADMINISTRATIVE REQUIREMENTS

401 PROHIBITION OF SPECIFICATION: No person shall require for use or specify the application of any coating subject to the provisions of this rule that does not meet the limits and requirements of this rule. The prohibition of this Section shall apply to all written or oral contracts under the terms of which any coating is to be applied to any Plastic parts or product at any physical location within the District.

402 PRODUCT INFORMATION REQUIREMENTS FOR SELLERS: Any person who sells any coating, coating remover (stripper), surface preparation or cleanup material subject to this rule, shall provide the following information on material data sheets made available to the purchaser at the time of sale:

402.1 The material type by name/code/manufacture.

402.2 For coating materials, the maximum VOC content of the material, as applied, after any mixing or thinning as recommended by the manufacturer: VOC content shall be displayed as grams per liter (pounds per gallon) of coating, excluding water and exempt compounds, pursuant to Section 403.

402.3 For coating removers (strippers), surface preparation and cleanup materials, the maximum VOC content of the material, as applied, after any mixing or thinning as recommended by the manufacturer: VOC content shall be displayed as grams per liter (pounds per gallon) of material, including water and exempt compounds, pursuant to Section 404.

402.4 For all materials, recommendations regarding thinning, reducing, or mixing with any VOC-containing material.

402.5 For all materials, VOC content may be calculated using product formulation data, or may be determined using the test method in Section 503.1.

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- 403 DETERMINATION OF VOC CONTENT OF COATINGS, LESS WATER AND EXEMPT COMPOUNDS:** The weight of VOC per combined volume of VOC and coating solids shall be calculated by the following equation:

$$G = \frac{W_v - W_w - W_{ec}}{V_m - V_w - V_{ec}}$$

- Where: G = Weight of VOC per liter of coating, less water and exempt compounds
 W_v = Weight of volatile compounds, in grams
 W_w = Weight of water, in grams
 W_{ec} = Weight of exempt compounds, in grams
 V_m = Volume of coating material, in liters
 V_w = Volume of water in liters
 V_{ec} = Volume of exempt compounds, in liters.

- 404 DETERMINATION OF VOC CONTENT PER LITER OF COATING REMOVERS (STRIPPERS), SURFACE PREPARATION MATERIALS, AND CLEANUP MATERIALS:** The weight (in grams) of VOC per liter of coating materials shall be calculated by the following equation:

$$G = \frac{W_v - W_w - W_{ec}}{V_m}$$

- Where: G = Weight of VOC per total volume of material, in grams per liter.
 W_v = Weight of all volatile compounds, in grams
 W_w = Weight of water, in grams
 W_{ec} = Weight of exempt compounds, in grams
 V_m = Volume of coating material, including any added VOC-containing solvents or reducers, but excluding any colorants added to tint the base, in liters.

- 405 OPERATION AND MAINTENANCE PLAN:** A person using an emission control system pursuant to Section 305, as a means of alternate compliance with this rule, must submit an Operation and Maintenance Plan for the emission control system to the Air Pollution Control Officer for approval. A person proposing to install a new emission control system as a means of alternate compliance with this rule shall submit in addition to an Operation and Maintenance Plan, an application for Authority to Construct, pursuant to Rule 501, General Permit Requirements. The plan shall specify operating and maintenance procedures which will demonstrate continuous operation of the emission control system during periods of emission-producing operations. The Plan shall also specify which records must be kept to document these operating and maintenance procedures. These records shall comply with the requirements of Section 501. The plan shall be implemented upon approval of the Air Pollution Control Officer.

500 MONITORING AND RECORDS

- 501 RECORDKEEPING:** In addition to any applicable record-keeping requirements of either Rule 502, New Source Review, Rule 507, Federal Operating Permit Program, Rule 511, Potential To Emit, or any other District Rule which might be applicable, any person applying coating products, surface preparation solvents, cleanup solvents, or strippers subject to any provision of this rule shall maintain the following records for non-exempt materials in order to evaluate compliance:

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501.1 Product Data: A list of currently used coating products, surface preparation solvents, cleanup solvents or strippers subject to this rule. This list shall include all of the following data for each material used:

501.1.1 The material's manufacturer, product name and product number or code.

501.1.2 Classification according to the terminology used in Sections 301, 302 and 303.

501.1.3 The material's VOC content as applied, determined according to Sections 403 and 404, when used in the mixing ratios recommended by the manufacturer.

501.1.4 The actual mixing ratio, if different from the manufacturer's recommendation, used in applying the material.

501.2 Product Usage and Frequency: Any person using materials regulated by this rule shall record and maintain records of the volume used per month of each individual material as listed pursuant to Section 501.1. The quantity of each non-compliant coating usage which qualifies for an exemption under Section 104.1 shall be recorded on a daily basis.

501.3 Emission Control Equipment Records:

501.3.1 A person using emission control equipment as a means of alternate compliance pursuant to Section 305, shall maintain records on a daily basis, showing the type and volume of coatings and solvents used.

501.3.2 A person using emission control equipment as a means of alternate compliance with this rule pursuant to Section 305, shall maintain daily records of key system operating parameters and maintenance procedures which will demonstrate continuous operation and compliance of the emission control system during periods of emission-producing activities. Key system operating parameters are those necessary to ensure compliance with the requirements of Section 305.

501.4 Retention of Records: All records required by this rule shall be retained for at least three years, except for sources subject to Rule 507, Federal Operating Permit Program, which shall be retained for at least five years. Such records shall be made available to the Air Pollution Control Officer, upon request.

502 VOC EMISSION THRESHOLD: If VOC emissions from all emission units at the facility for any calendar year exceed 10,000 pounds, additional recordkeeping documentation will be required per Rule 511, Potential To Emit.

503 TEST METHODS:

503.1 Determination of VOC Content: VOC content of coatings, solvents, strippers and surface preparation materials shall be determined in accordance with United States Environmental Protection Agency (USEPA) Method 24 or Method 24A.

503.2 Determination of Compounds Exempt From VOC Definition: Exempt compounds referenced in Section 207 and listed in Rule 102, Definitions, shall be determined in accordance with ASTM D 4457-85 "Standard Test Method for Determination of Dichloromethane and 1,1,1-Trichloroethane in Paints and Coatings by Direct Injection into a Gas Chromatograph" or California Air Resources Board Method 432 "Determination of Dichloromethane and 1,1,1-Trichloroethane in Paints and

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Coatings”. If any perfluorocarbons or volatile cyclic and linear methyl siloxanes are being claimed as exempt compounds, the person making the claim must state in advance which compounds are present and the USEPA-approved test method used to make the determination of these compounds.

- 503.3 Determination of Control Efficiency: Control efficiency of emissions control equipment referenced in Section 305, shall be determined in accordance with USEPA Method 25 or 25A: and USEPA Method 2 or 2C (whichever is applicable). USEPA Method 18 or CARB Method 422 “Determination of Volatile Organic Compounds in Emissions from Stationary Sources” may be used to determine emissions of exempt compounds.
- 503.4 Determination of Collection Efficiency: Collection efficiency of the control equipment referenced in Section 305 shall be determined in accordance with U.S. EPA’s “Guidelines for Determining Capture Efficiency, January 9, 1995”. Individual collection efficiency test runs subject to the U.S. EPA’s technical guidelines shall be determined by:
- 503.4.1 40 CFR 51, Appendix M, Methods 204-204F; or
- 503.4.2 The South Coast AQMD “Protocol for Determination of Volatile Organic Compound (VOC) Capture Efficiency”; or
- 503.4.3 Any other method approved by the USEPA, the California Air Resources Board, and the Air Pollution Control Officer.
- 503.5 Emissions From Spray Gun Cleaning Systems: Determination of emissions of VOC from spray gun cleaning systems shall be made using South Coast Air Quality Management District “General Method for Determining Solvent Losses From Spray Gun Cleaning Systems”, October 1989.
- 503.6 Transfer Efficiency: Determination of transfer efficiency shall be made using South Coast Air Quality Management District Test Method “Spray Equipment Transfer Efficiency Test Procedure for Equipment Users”, May 24, 1989.
- 503.7 Multiple Test Methods: When more than one test method or a set of test methods is specified for any testing, a violation of any requirement of this rule established by any one of the specified test methods or set of test methods shall constitute a violation of this rule.



Board Agenda

Consent/Action

Agenda Date: August 8, 2013

Prepared By: Todd K. Nishikawa, Deputy Air Pollution Control Officer

Topic: Approval for a Software Development and Technical Support Services Consultant Contract with Patrick Way, DBA Patrick Way Consulting

Action Requested: Adopt Resolution #13-10 (Attachment #1) thereby authorizing the Air Pollution Control Officer (APCO) to negotiate, sign, and amend as necessary, a multi-year consulting contract with Patrick Way, DBA Patrick Way Consulting, for agricultural burning database software development and related technical support services. For the initial contract year, FY 2013-14, contract expenditures are not to exceed Three Thousand Dollars (\$3,000).

Discussion: The District has developed and continues to develop and maintain integrated databases for the tracking of facility permits, the issuance of facility permits, the generation and tracking of invoices, the tracking of inspections, the generation of inspection checklists and reports, the logging/tracking of complaints and investigations, the logging/tracking of Notices of Violations, and logging/tracking of Notices to Comply, among other data sets.

In August 2010, the Placer County Air pollution Control (District) entered in to a memorandum of understanding with the Butte County Air Quality Management District to jointly fund the development by Patrick Way Consulting of a geo-spatially enabled relational database management system, EnviroAir 2.0, for tracking and managing both agricultural and non-agricultural burn programs as well as the Agricultural Certificate of Emission Reduction Credit program. The District contributed \$5,000 towards the EnviroAir 2.0 development effort. The development work, overseen by Butte County AQMD, was completed in 2011.

District staff had acknowledged that the EnviroAir software, as a joint development project with Butte County AQMD, would likely require upgrades to meet the specific requirements of the District that were not a part of the shared project. At this time, District's staff would like to upgrade the EnviroAir to make it more useful and to meet needs specific to the District. Among these needs are field changes to enable improved tracking of fields with Emission Reduction Credit certificates where burning is prohibited.

Prior to being engaged to develop the new software, Patrick Way had developed agricultural burning and pesticide permit tracking software and he entered into a contract by the Butte County Air Quality Management District in 2003 to develop and support a database program for managing their Agricultural Burn Program. In addition, the District had a software development and Tahoe area field support services contract with Patrick Way in FY 2002-03 through FY 2003-04.

Because of his unique knowledge and experience with EnviroAir software and in agricultural crop and pesticide tracking software development, Patrick Way is uniquely qualified to provide the manner of technical support services desired by the District to upgrade the

District's agricultural burning software and such related technical services as are necessary to maintain the program.

The proposed multi-year contract for services (CN000770) is provided in Attachment #2.

Fiscal Impact: The proposed FY 2013-14 Final Budget includes \$3,000 for professional services for augmenting the EnviroAir software program and for related technical support services. The contract may be augmented in the future for continuation of software maintenance and technical services through a budget revision or through the approval of funding in an annual District budget.

Recommendation: Staff recommends that the District Board adopt Resolution #13-10 thereby authorizing the Air Pollution Control Officer to negotiate, sign, and amend as necessary, a multi-year consulting contract with Patrick Way, DBA Patrick Way Consulting, for agricultural burning database software development and related technical support services. For the initial contract year, FY 2013-14, contract expenditures are not to exceed \$3,000.

- Attachments:**
- #1. Resolution #13-10: Authorizing the Air Pollution Control Officer to Negotiate, Sign, and Amend, as Needed, a Multi-Year Consulting Contract for Professional Services with Patrick Way, DBA Patrick Way Consulting, for Agricultural Burning Database Software Development and Technical Support Services
 - #2: Patrick Way Consulting, - Consulting Services Contract (Number CN000770)

ATTACHMENT #1

SUBJECT:

Resolution #13-10



Board Resolution:
Resolution #13-10

Before the Placer County
Air Pollution Control District Board of Directors

In the Matter Of: Authorizing the Air Pollution Control Officer to Negotiate, Sign, and Amend, as Needed, a Multi-Year Consulting Contract for Professional Services with Patrick Way, DBA Patrick Way Consulting, for Agricultural Burning Database Software Development and Technical Support Services

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **August 8, 2013**, by the following vote:

Ayes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
Noes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
Abstain: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____

Signed and approved by me after its passage:

_____ Chairperson

_____ Attest: Clerk of said Board

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District is authorized to adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted by Health and Safety Code Sections 40001, 40702, 40716, 41010, and 41013 (Health and Safety Code Section 40727(b)(2)); and

WHEREAS, pursuant to Health and Safety Code Section 40701 the Placer County Air Pollution Control District has the authority to enter into agreements as necessary and proper to fulfill its regulatory obligations; and

WHEREAS, the District desires to improve the effectiveness of its database programs through software enhancements, including Graphical Information System (GIS) data in data records though cost-effective contracted services, and

WHEREAS, the District has an existing database for agricultural burning, EnviroAir 2.0, for which the District seeks consultant services for augmentation of the software and on-going maintenance; and

WHEREAS, Patrick Way is uniquely experienced and qualified to provide the manner of technical support services desired by the District to develop agricultural burning software as he has been involved in the agricultural crop and pesticide tracking software development for over a decade and the developed database software for the express purpose of managing agricultural open burning and tracking certifications of emission reduction credit from reductions in agricultural open burning, after referred to as EnviroAir 2.0, under a joint project of the District and the Butte County AQMD, which the District wishes to augment and maintain through a professional services contract; and

WHEREAS, funding for the professional technical support services contract is contained in the Final FY 2013-14 District budget to be presented to the District Board for adoption on August 8, 2013.

IT IS HEREBY RESOLVED that the Placer County Air Pollution Control District Board does hereby authorize the Air Pollution Control Officer to negotiate, sign, and amend as needed, a multi-year consulting contract for professional services with Patrick Way, DBA Patrick Way Consulting, for agricultural burning database software development and related technical support services.

IT IS THEREFORE ORDERED that the allocation of funding for the agricultural burning database software development and technical support services contract not to exceed Three Thousand Dollars (\$3,000) for FY 2013-14.

BE IT FURTHER RESOLVED that should additional tasks associated with this professional services contract be identified as being beneficial to District operations, and commensurate with District resources, additional funding may be authorized by the District Board for this contract in the future through a budget revision or through the adoption of an annual District budget, and the contract amended as necessary by the Air Pollution Control Officer.

ATTACHMENT #2

SUBJECT:

Patrick Way Consulting - Consulting Services Contract
(Number CN000770)



CONSULTING SERVICES AGREEMENT

Administering Agency: Placer County Air Pollution Control District

Contract No. CN000770

Contract Description: **Consultant services to provide software augmentations for the geo-spatially enabled relational database management system, EnviroAir**

THIS AGREEMENT is made at Auburn, California, by and between the Placer County Air Pollution Control District, ("District"), and Patrick Way, DBA Patrick Way Consulting ("Consultant"), who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Consultant shall provide the services described in **Exhibit A**. Consultant shall provide said services at the time, place, and in the manner specified in **Exhibit A**.
2. **Payment.** District shall pay Consultant for services rendered pursuant to this Agreement at the time and in the amount set forth in **Exhibit B**. The payment specified in **Exhibit B** shall be the only payment made to Consultant for services rendered pursuant to this Agreement. Consultant shall submit all billings for said services to District in the manner specified therein, or, if no manner is specified, then according to the usual and customary procedures which Consultant uses for billing clients similar to District.
3. **Facilities, Equipment and Other Materials, and Obligations of District.** Unless otherwise specified, Consultant shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.
4. **Exhibits.** All exhibits referred to herein will be attached hereto and by this reference incorporated herein.
5. **Time for Performance.** Time is of the essence. Failure of Consultant to perform any services within the time limits set forth in Exhibit A shall constitute material breach of this contract.
6. **Independent Consultant.** At all times during the term of this Agreement, Consultant shall be an independent Consultant and shall not be an employee of the District. District shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Agreement. District shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement.

7. **Licenses, Permits, Etc.** Consultant represents and warrants to District that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Consultant to practice its profession. Consultant represents and warrants to District that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Consultant to practice its profession at the time the services are performed.
8. **Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of Consultant's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.
9. **Hold Harmless and Indemnification Agreement.** At all times during the performance of this agreement, Consultant agrees to protect, defend, and indemnify District in accordance with the provisions contained in Exhibit C - Hold Harmless Agreement and Insurance Requirements.
10. **Consultant Not Agent.** Except as District may specify in writing Consultant shall have no authority, express or implied, to act on behalf of District in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied pursuant to this Agreement to bind District to any obligation whatsoever.
11. **Assignment Prohibited.** Consultant may assign its rights and obligations under this Agreement only upon the prior written approval of District, said approval to be in the sole discretion of District.
12. **Personnel.**
 - A. Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that District, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Consultant to perform services pursuant to this Agreement, including those members of the Project Team as explained below, Consultant shall remove any such person immediately upon receiving notice from District of the desire of District for removal of such person or persons.
 - B. Notwithstanding the foregoing, if specific persons are designated as the "Project Team" in Exhibit A, Consultant agrees to perform the work under this agreement with those individuals identified. Reassignment or substitution of individuals or subcontractors named in the Project Team by Consultant without the prior written consent of District shall be grounds for cancellation of the agreement by District, and payment shall be made pursuant to Section 15 (Termination) of this Agreement only for that work performed by Project Team members.
13. **Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in

which Consultant practices its profession. All products of whatsoever nature which Consultant delivers to District pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Consultant's profession.

14. **Termination.**

A. District shall have the right to terminate this Agreement at any time by giving notice in writing of such termination to Consultant. In the event District shall give notice of termination, Consultant shall immediately cease rendering service upon receipt of such written notice, pursuant to this Agreement. In the event District shall terminate this Agreement:

- 1) Consultant shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, Photostatting, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.
- 2) District shall have full ownership and control of all such writings delivered by Consultant pursuant to this Agreement.
- 3) District shall pay Consultant the reasonable value of services rendered by Consultant to the date of termination pursuant to this Agreement not to exceed the amount documented by Consultant and approved by District as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the agreement specified in Exhibit B, and further provided, however, District shall not in any manner be liable for lost profits which might have been made by Consultant had Consultant completed the services required by this Agreement. In this regard, Consultant shall furnish to District such financial information as in the judgment of the District is necessary to determine the reasonable value of the services rendered by Consultant. The foregoing is cumulative and does not affect any right or remedy, which District may have in law or equity.

B. Consultant may terminate its services under this Agreement upon thirty- (30) working days' advance written notice to the District.

15. **Non-Discrimination.** Consultant shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation in contravention of the California Fair Employment and Housing Act, Government Code section 12900 et seq.

16. **Records.** Consultant shall maintain, at all times, complete detailed records with regard to work performed under this agreement in a form acceptable to District, and District shall have the right to inspect such records at any reasonable time. Notwithstanding any other

terms of this agreement, no payments shall be made to Consultant until District is satisfied that work of such value has been rendered pursuant to this agreement. However, District shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.

18. **Ownership of Information.** All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of District, and Consultant agrees to deliver reproducible copies of such documents to District on completion of the services hereunder. The District agrees to indemnify and hold Consultant harmless from any claim arising out of reuse of the information for other than this project.
17. **Waiver.** One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.
18. **Conflict of Interest.** Consultant certifies that no official or employee of the District, nor any business entity in which an official of the District has an interest, has been employed or retained to solicit or aid in the procuring of this agreement. In addition, Consultant agrees that no such person will be employed in the performance of this agreement without immediately notifying the District.
19. **Entirety of Agreement.** This Agreement contains the entire agreement of District and Consultant with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.
20. **Alteration.** No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 15, Termination.
21. **Governing Law.** This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this agreement shall be brought under the jurisdiction of the Superior Court of the District of Placer, State of California, and Consultant hereby expressly waives those provisions in California Code of Civil Procedure §394 that may have allowed it to transfer venue to another jurisdiction.
22. **Notification.** Any notice or demand desired or required to be given hereunder including requests for payment, shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

District:
Tom Christofk
110 Maple Street
Auburn, CA 95603

Consultant:
Patrick Way Consulting
1691 Oak Vista Ave
Chico, CA 95926

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

This agreement is effective on the date signed by both parties.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT:

By: _____ Date: _____
Tom Christofk
Placer County Air Pollution Control District Officer

CONSULTANT:

By: _____ Date: _____
Patrick Way
President, Patrick Way Consulting

Exhibits

- A. Scope of Work
- B. Payment for Services Rendered
- C. Hold Harmless Agreement and Insurance Requirements
- D. Butte County AQMD Contract T-2010-1, Attachment 1, Excerpt of Work Plan

EXHIBIT A

SCOPE OF SERVICES

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT AND PATRICK WAY CONSULTING

Support services for tasks identified below will be reviewed with District representatives prior to commencement of work such that the parameters and anticipated outcomes of each task will be delineated. The identified tasks may be viewed as representative of the type of services to be provided. It is anticipated that the Consultant will be supporting the District as a Subject Matter Expert in the area of computer software development. Work may begin when this agreement has been signed by both parties and continue until terminated.

The EnviroAir software program was developed by Consultant under contract for Butte County Air Quality Management District under Butte County AQMD Contract T-2010-1, to meet the requirements shown in Exhibit D, an excerpt of that contract's Attachment 1 work plan.

As directed by District Staff, Consultant will provide technical support services to the District in the following areas:

Project Objectives:

1. Provide technical assistance and software support services required for configuring and installing the EnviroAir program as described in Exhibit D on a District computer server.
 - a. Configure and provide installation assistance for a Postgres/PostGIS EnviroAir database instance for the District.
 - b. Configure and provide installation assistance for a GeoServer Web Map server for the District which will include all necessary base layers and images required by the EnviroAir program.
 - c. Configure and provide installation assistance for the Apache Tomcat program on a District computer server.
 - d. Provide such other technical support required to install and enable the EnviroAir to operate on District computer platforms.
2. Provide Computer Programming services required for upgrading the EnviroAir to make it more useful and to meet needs specific to the District. Among these needs are field changes to enable improved tracking of grower rice fields with Emission Reduction Credit certificates, where burning is prohibited.

EXHIBIT B

PAYMENT FOR SERVICES RENDERED

Maximum Limit & Fee Schedule

Consultant's compensation shall be paid at the schedule shown below. Reimbursement of travel, lodging and miscellaneous expenses is not authorized. All expenses of Consultant, including any expert or professional assistance retained by Consultant to complete the work performed under this contract shall be borne by the Consultant.

Hourly charge rate: \$75.00 per hour

Total of all payments made under this agreement in FY 2013-2014 shall not exceed the amount of **Three Thousand Dollars (\$3,000.00)**.

Invoices

Invoices shall be submitted to District in a form and with sufficient detail as required by District, including this contract agreement number (CN000770). Work performed by Consultant will be subject to final acceptance by the District project manager(s).

Payment Schedule

Payments shall be made to Consultant within thirty (30) days after the billing is received and approved by District unless otherwise specified.

EXHIBIT C

HOLD HARMLESS AGREEMENT AND INSURANCE REQUIREMENTS

The Consultant hereby agrees to protect, defend, indemnify, and hold District free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by District arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the contract or agreement. Consultant agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Consultant. Consultant also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against Consultant or District or to enlarge in any way the Consultant's liability but is intended solely to provide for indemnification of District from liability for damages or injuries to third persons or property arising from Consultant's performance pursuant to this contract or agreement.

As used above, the term District means District or its officers, agents, employees, and volunteers.

Automobile Liability Insurance

- a. Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.
- b. Covered vehicles should include owned, non-owned, and hired automobiles/trucks.

EXHIBIT D

BUTTE COUNTY AQMD CONTRACT T-2010-1, ATTACHMENT 1 EXCERPT OF WORK PLAN

Task 1: Conduct the necessary needs assessments, project startup and coordination between Patrick Way Consulting, Butte County AQMD and Placer County APCD.

Objective 1.1: Conduct EnviroAir-2.0 needs assessment. Determine the software application functionality requirements, program needs and user group characteristics.

Objective 1.2: Define the database schema and requirements for the EnviroAir-2.0 database.

Objective 1.3: Define the physical architecture. Options include a centralized, web-based application, a locally hosted web-based application, and a desktop based client server application.

Task 2: Provide Butte County AQMD and Placer County APCD with a database system

Objective 2.1 (Locally Hosted Web Architecture): Collaborate with Information Technology staff to configure an Apache/Postgres/GeoServer database server. A variety of platforms and administrative methods are possible.

- Resides in local network
- Requires the Apache web server and Apache Tomcat application server.
- Requires the PostgreSQL database with PostGIS spatial extensions enabled
- Requires the GeoServer geo-spatial data server
- Can co-exist with an existing server or on a dedicated server.

Objective 2.2: Design, develop, test, and deploy EnviroAir-2.0. This application will present a “user friendly” interface that will provide, at a minimum, the following features:

- Track all agricultural burning, nonagricultural burning (all burn permits)
- Track Rice Field Allocations for compliance with the phase-down requirements.
- GIS functionality to display digitized fields for to aid in the allocation process
- Track fields for which a Certificate of Emission Reduction Credit has been issued
- On-ramps and off-ramps to export data in Excel or Access format (billing information for rice fields allocated, and Rx burning, as required by QuickBooks)
- Importing existing rice field and burn permit data
- The ability to split fields and swap positions on the Ready List (split a field into more than one field with acres split among new fields)
- The ability to track reduced acreage fields from bailing rice straw
- Electronic Reporting of Harvested Fields
- A map control for maintaining and analyzing spatial data sets
- The ability to design and build custom database queries on the fly

Objective 2.3: Develop design and configure standard reports.

- Using existing records to generate Conditional Rice straw Burning Permits and permit application materials (including annual grower registration)
- Ready List by list position, grower, and zone (with or without location and phone number information) that is printable with the ability to insert comments.
- Rice field allocation worksheet (documentation of phone numbers and growers called)
- Billing Module by crop, date range, grower
- Daily, monthly and annual burned acreage reports by crop type.

- General querying and reporting:
 - Permits (by grower, address, crop, date, acreage)
 - Acres (by crop, date, grower)
 - Burned (by grower, date range, crop, location)
 - Location (burning, permitting, history)
 - Exemption Burning (by date, grower, acres)



Board Agenda

Consent/Action

Agenda Date: August 8, 2013

Prepared By: Todd K. Nishikawa, Deputy Air Pollution Control Officer

Topic: Approval for an Information Technology Technical Services Consultant Contract with Clark L. Moots, DBA MootsPoint

Action Requested: Adopt Resolution #13-11 (Attachment #1) thereby authorizing the Air Pollution Control Officer (APCO) to negotiate, sign, and amend as necessary, a multi-year consulting contract with Clark L. Moots, President of MootsPoint, for IT Strategic Master Plan implementation services and other information technology technical support services. For the initial contract year, FY 2013-14, contract expenditures shall not to exceed Seventy-one Thousand Eight Hundred Ninety-eight Dollars (\$71,898).

Discussion: In conjunction with the FY 2012-13 District Budget your Board approved a plan to develop an Information Technology Strategic Master Plan (Plan) with the goal of evaluating current District use of technology and databases, District business practices, and program needs, so as to look forward with regard to implementing technology improvements.

A consulting contract with Clark L. Moots, DBA MootsPoint, was approved at the same meeting where the FY 2012-13 Preliminary Budget was heard on June 14, 2012, for the creation of the Information Technology Strategic Master Plan and to begin preliminary implementation work.

The Plan was completed and your Board was provided with a briefing on the Plan and District management's recommendation on an implementation roadmap on April 11, 2013. The proposed IT improvements require a multi-year effort because of budget and resource limitations and a preliminary implementation schedule and requirement for funding were presented. Funding for contracted services for the multi-year implantation will be authorized though the annual District budgetary approval process. The project and services funding requirements for FY 2013-14 are provided in Attachment #2.

Bob Mori, of Mori Enterprises, is the District's long time database development consultant, annually providing database system maintenance and new programming. It is proposed in the FY 2013-14 District Budget that Mori Enterprises be funded at the same level as in recent years, approximately \$5,000 for database system maintenance, and \$35,000 for development of programming that will be overseen by Clark Moots under the proposed contract as a part of the IT Strategic master Plan Implementation effort.

Because of his outstanding and proven qualifications, as detailed in Attachment #3, the APCO has determined that the selection of Clark L. Moots to provide the new external IT technical support services without competitive bidding is warranted. Mr. Moots has outstanding technical qualifications and has an unmatched and intimate understanding of County IT systems, as well as County IT policies and procedures, within which the District's IT infrastructure must operate. Having such a skilled and knowledgeable person guide the

District's development of an improved IT infrastructure is expected to generate benefits for the implementation of the IT improvements that another consultant could not provide. The proposed multi-year contract for services (CN000771) is provided in Attachment #4.

Fiscal Impact: The proposed FY 2013-14 Final Budget includes Seventy-one Thousand Eight Hundred Ninety-eight Dollars (\$71,898) to implement the IT Strategic Master Plan for this fiscal year. In addition to this \$71,898 to fund the MootsPoint agreement, \$4,000 is budgeted separately for hardware and for software licensing. The District is to receive approximately Seventy-two Thousand Two Hundred Seventy-six Dollars (\$72,276) in US. EPA Section 105 Grant funds for the federal fiscal year beginning October 1, 2013. This grant from the U.S. EPA is provided to help fund the air quality programs of the District. District management has programmed these funds to substantially offset the expected costs of new professional services.

In addition, the District's Final Budget provides \$40,000 for other IT programming. Approximately \$35,000 of this amount will provide further database development services overseen by Clark Moots to implement the IT Strategic Master Plan and approximately \$5,000 will be available for database maintenance. These services will be obtained from Mori Enterprises under an existing consultant services agreement.

The total proposed funding for IT Strategic Master Plan implementation in FY 2013-14 totals \$110,898. The approximate allocation of these funds to Plan projects and services is provided in Attachment #2.

The MootsPoint contract may be augmented in the future through a budget revision or through the approval of funding in an annual District budget.

Recommendation: Staff recommends that the District Board adopt Resolution #13-11 thereby authorizing the Air Pollution Control Officer to negotiate, sign, and amend as necessary, a multi-year consulting contract with Clark L. Moots, President of MootsPoint, for IT Strategic Master Plan implementation services and other information technology technical support services. For the initial contract year, FY 2013-14, contract expenditures are not to exceed \$71,898.

- Attachments:**
- #1. Resolution #13-11: Authorizing the Air Pollution Control Officer to Negotiate, Sign, and Amend, as Needed, a Multi-Year Consulting Contract for Professional Services with Clark L. Moots, President of MootsPoint, for IT Strategic Master Plan Implementation Services and Other IT Technical Support Services for District Office and Field Operations
 - #2. Information Technology Strategic Master Plan, External Implementation Costs for FY 2013-14
 - #3: Qualifications Summary for Clark L. Moots
 - #4: MootsPoint Information Technology Technical Services Contract (Number CN000771)

ATTACHMENT #1

SUBJECT:

Resolution #13-11



Board Resolution:
Resolution #13-11

Before the Placer County Air Pollution Control District Board of Directors

In the Matter Of: Adopt a resolution authorizing the Air Pollution Control Officer to Negotiate, Sign, and Amend, as Needed, a Multi-Year Consulting Contract for Professional Services with Clark L. Moots, President of MootsPoint, for IT Technical Support Services for Information Technology Strategic Master Plan Implementation Services and Other IT Technical Support Services for District Office and Field Operations

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **August 8, 2013**, by the following vote:

- Ayes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Noes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Abstain: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Ucovich _____
Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____

Signed and approved by me after its passage:

_____ Chairperson

_____ Attest: Clerk of said Board

WHEREAS, the Board of Directors of the Placer County Air Pollution Control District is authorized to adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted by Health and Safety Code Sections 40001, 40702, 40716, 41010, and 41013 (Health and Safety Code Section 40727(b)(2)); and

WHEREAS, pursuant to Health and Safety Code Section 40701 the Placer County Air Pollution Control District has the authority to enter into agreements as necessary and proper to fulfill its regulatory obligations; and

WHEREAS, the Placer County Air Pollution Control District (District) has an existing database for receivables, and permitting and compliance data; and

WHEREAS, the District wishes to enhance the benefits provided to the District by the database, through database improvements, as well as to provide portals for public and permitted source client access to appropriate information; and

WHEREAS, the District wishes to enable field staff to better conduct inspections and investigations by having available means to download information tools to aid in their work; and

WHEREAS, the District desires to approach these database and information access improvements through a process of assessing the existing information technology (IT) capabilities of the District, identifying improvements and how to accomplish them through the development of an information technology master plan and proceeding to following a multi-year implementation schedule, if necessary; and

WHEREAS, Clark L. Moots, dba MootsPoint, is uniquely experienced and qualified to provide the manner of technical support services desired by the District to assess the District's IT capabilities and areas of possible improvement, including means to provide database and document access to clients and field staff; to develop the strategic information technology master plan; to implement major master plan elements; and for continuing IT technical support; and

WHEREAS, the IT Strategic Master Plan was completed and the District Board was presented with the Plan and management's recommendation on an implementation roadmap on April 11, 2013; and

WHEREAS, funding for the IT technical support services contract is contained in the Final FY 2013-14 District budget to be presented to the District Board for adoption on August 8, 2013.

IT IS HEREBY RESOLVED that the Placer County Air Pollution Control District Board authorizes the Air Pollution Control Officer to negotiate, sign, and amend as needed, a multi-year contract with Clark L. Moots, President of MootsPoint, for professional technical support services on an as-needed basis for information technology services to implement the District IT Strategic Master Plan and other IT technical support services for District office and field operations.

IT IS THEREFORE ORDERED that the allocation of funding for the IT technical support services contract not exceed Seventy-one Thousand Eight Hundred Ninety-eight Dollars (\$71,898) for FY 2013-14.

BE IT FURTHER RESOLVED that should additional tasks associated with this IT professional services contract be identified as being beneficial to District operations, and commensurate with District resources, additional funding may be authorized by the District Board for this contract in the future through a budget revision or through the adoption of an annual District budget, and the contract amended as necessary by the Air Pollution Control Officer.

ATTACHMENT #2

SUBJECT:

Information Technology Strategic Master Plan
External Implementation Costs for FY 2013-14

ATTACHMENT 2

Information Technology Strategic Master Plan External Implementation Costs for FY 2013-14

For FY 2013-14 the District's management has identified the approximate external development and support costs in keeping with the IT Strategic master Plan implementation roadmap. The estimated project or service costs may vary from those shown; the total costs are limited by the District's budget:

By Project:*

Project Implementation

Electronic Document Handling System (EDHS)	\$5,000
Database System Enhancements (MootsPoint)	\$30,611
Wireless Device Integration (excluding hardware)	\$3,981
Mobile Inspections Applications Development	\$14,002
Cloud Computing (Microsoft Office 365)	\$18,304
Total	\$71,898

New Hardware and Software Licensing

FileMaker Pro Software	\$1,500
Wireless Device Hardware	\$2,500
Sub-Total	\$4,000
Project Total	\$75,898

By Type of Service:

New Professional Services (MootsPoint)

Project Management	\$25,300
Application/Database Developer(s)	\$31,448
IT Support Staff	\$4,108
Microsoft Office 365 Migration Services	\$11,042
Sub-Total	\$71,898

New Hardware and Software Licensing (District)

FileMaker Pro Software	\$1,500
Wireless Device Hardware	\$2,500
Sub-Total	\$4,000
New Services Total	\$75,898

Database Development Services by Mori Enterprises**	\$35,000
Strategic Master Plan Implementation Total:	\$110,898

* IT Strategic Master Plan and the scope of the multi-year contract includes projects for which the need external services that are not planned for FY 2013-14, but which may be moved forward as dictated by resource availability and District needs as determined by District management. These projects include:

- District Website Enhancements
- Client Portal Access Application Development

** Mori Enterprises is the District's long time database development consultant, annually providing database system maintenance and new programming services under an on-going contract. Mori Enterprises development work will be integrated as a part of the IT Strategic Master Plan implantation overseen by Clark Moots.

ATTACHMENT #3

SUBJECT:

Qualifications Summary for Clark L. Moots

Clark L. Moots

QUALIFICATIONS

Over 28 years of experience in all aspects of business management, customer service, project management, and applications management with acquired expertise in the following:

- Direct customers in understanding and defining their needs
- Develop feasible approaches to solutions
- Plan effective methods of implementation
- Promote and maintain customer satisfaction
- Effective communicator

ACHIEVEMENTS

Management:

- Successfully managed the Placer County Administrative Services Department with over 100 employees and an annual budget of \$25 Million.

Planning and Coordination:

- Successfully managed the planning and implementation of over 100 projects for Placer County including the Regional Public Safety System, Payroll/Personnel System, and Permits Tracking System.

Developed:

- An Information Technology Strategic Plan and a service organization that provided cost-effective customer support and maintenance for information technology needs throughout Placer County departments.

Communication:

- Challenged and motivated customers to understand and define their needs, resulting in more efficient and effective methods of operation.

WORK EXPERIENCE

President	MootsPoint	2012 -
Director of Administrative Services	Placer County Administrative Services	2006 – 2011
Deputy Director of Information Technology	Placer County Administrative Services	2000 – 2006
Automated Technologies Manager	Placer County Sheriff's Department	1996 – 2000
President	Moots Enterprises	1993 – 1996
Project Manager	SCC Inc.	1992 – 1993
Programmer/Analyst II	Placer County MIS	1986 – 1992

ATTACHMENT #4

SUBJECT:

MootsPoint Information Technology Technical Services Contract
(Number CN000771)



CONTRACTED SERVICES AGREEMENT

Administering Agency: Placer County Air Pollution Control District

Contract No. CN000771

Contract Description: **IT Strategic Plan Implementation Services and IT Technical Support Services**

THIS AGREEMENT is made at Auburn, California, by and between the Placer County Air Pollution Control District, ("District"), and MootsPoint ("Contractor"), who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide the services described in **Exhibit A**. Contractor shall provide said services at the time, place, and in the manner specified in **Exhibit A**.
2. **Payment.** District shall pay Contractor for services rendered pursuant to this Agreement at the time and in the amount set forth in **Exhibit B**. The payment specified in **Exhibit B** shall be the only payment made to Contractor for services rendered pursuant to this Agreement. Contractor shall submit all billings for said services to District in the manner specified therein, or, if no manner is specified, then according to the usual and customary procedures which Contractor uses for billing clients similar to District. **The amount of the contract shall not exceed the amount shown as the expenditure limit for this Agreement in Exhibit B, unless amended.**
3. **Facilities, Equipment and Other Materials, and Obligations of District.** Unless otherwise specified, Contractor shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.
4. **Exhibits.** All exhibits referred to herein will be attached hereto and by this reference incorporated herein.
5. **Time for Performance.** Time is of the essence. Failure of Contractor to perform any services within the time limits set forth in **Exhibit A** shall constitute material breach of this contract.
6. **Independent Contractor.** At all times during the term of this Agreement, Contractor shall be an independent Contractor and shall not be an employee of the District. District shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement. District shall not have the right to control

the means by which Contractor accomplishes services rendered pursuant to this Agreement.

7. **Licenses, Permits, Etc.** Contractor represents and warrants to District that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Contractor to practice its profession. Contractor represents and warrants to District that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Contractor to practice its profession at the time the services are performed.
8. **Time.** Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of Contractor's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.
9. **Hold Harmless And Indemnification Agreement.** At all times during the performance of this agreement, Contractor agrees to protect, defend, and indemnify District in accordance with the provisions contained in **Exhibit C**.
10. **Insurance.** Contractor shall file with District concurrently herewith a Certificate of Insurance, in companies acceptable to District, for the coverage shown in **Exhibit C**. All costs of complying with these insurance requirements shall be included in Contractor's fee(s). These costs shall not be considered a "reimbursable" expense under any circumstances.
11. **Contractor Not Agent.** Except as District may specify in writing Contractor shall have no authority, express or implied, to act on behalf of District in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied pursuant to this Agreement to Bind District to any obligation whatsoever.
12. **Assignment Prohibited.** Contractor may assign its rights and obligations under this Agreement only upon the prior written approval of District, said approval to be in the sole discretion of District.
13. **Personnel.**
 - A. Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that District, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Contractor to perform services pursuant to this Agreement, including those members of the Project Team as explained below, Contractor shall remove any such person immediately upon receiving notice from District of the desire of District for removal of such person or persons.
 - B. Notwithstanding the foregoing, if specific persons are designated as the "Project Team" in **Exhibit A**, Contractor agrees to perform the work under this agreement

with those individuals identified. Reassignment or substitution of individuals or subcontractors named in the Project Team by Contractor without the prior written consent of District shall be grounds for cancellation of the agreement by District, and payment shall be made pursuant to Section 15 (Termination) of this Agreement only for that work performed by Project Team members.

14. **Standard of Performance.** Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. All products of whatsoever nature which Contractor delivers to District pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Contractor's profession.

15. **Termination.**

A. District shall have the right to terminate this Agreement at any time by giving notice in writing of such termination to Contractor. In the event District shall give notice of termination, Contractor shall immediately cease rendering service upon receipt of such written notice, pursuant to this Agreement. In the event District shall terminate this Agreement:

1) Contractor shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, Photostating, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.

2) District shall have full ownership and control of all such writings delivered by Contractor pursuant to this Agreement.

3) District shall pay Contractor the reasonable value of services rendered by Contractor to the date of termination pursuant to this Agreement not to exceed the amount documented by Contractor and approved by District as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the agreement specified in **Exhibit B**, and further provided, however, District shall not in any manner be liable for lost profits which might have been made by Contractor had Contractor completed the services required by this Agreement. In this regard, Contractor shall furnish to District such financial information as in the judgment of the District is necessary to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy, which District may have in law or equity.

B. Contractor may terminate its services under this Agreement upon thirty- (30) working days' advance written notice to the District.

16. **Non-Discrimination.** Contractor shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation in contravention of the California Fair Employment and Housing Act, Government Code section 12900 et seq.
17. **Records.** Contractor shall maintain, at all times, complete detailed records with regard to work performed under this agreement in a form acceptable to District, and District shall have the right to inspect such records at any reasonable time. Notwithstanding any other terms of this agreement, no payments shall be made to Contractor until District is satisfied that work of such value has been rendered pursuant to this agreement. However, District shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.
18. **Ownership of Information.** All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of District, and Contractor agrees to deliver reproducible copies of such documents to District on completion of the services hereunder. The District agrees to indemnify and hold Contractor harmless from any claim arising out of reuse of the information for other than this project.
18. **Waiver.** One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.
19. **Conflict of Interest.** Contractor certifies that no official or employee of the District, nor any business entity in which an official of the District has an interest, has been employed or retained to solicit or aid in the procuring of this agreement. In addition, Contractor agrees that no such person will be employed in the performance of this Agreement without immediately notifying the District.
20. **Entirety of Agreement.** This Agreement contains the entire agreement of District and Contractor with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.
21. **Alteration.** No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 15, Termination.
22. **Governing Law.** This Agreement is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. Any legal proceedings on this agreement shall be brought under the jurisdiction of the Superior Court of the District of Placer, State of California, and Contractor hereby expressly waives those provisions in California Code of Civil Procedure §394 that may have allowed it to transfer venue to another jurisdiction.

23. **Notification.** Any notice or demand desired or required to be given hereunder including requests for payment, shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

District:

Tom Christofk
110 Maple Street
Auburn, CA 95603

Contractor:

MootsPoint
Clark L. Moots, President
17595 North Cherry Creek Road
Grass Valley, CA 95949

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

This agreement is effective on the date signed by both parties.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

By: _____ Date: _____
Tom Christofk
Placer County Air Pollution Control District Officer

CONTRACTOR

By: _____ Date: _____
Clark L. Moots
President, MootsPoint

Exhibits

- A. Scope of Work
- B. Payment for Services Rendered
- C. Hold Harmless Agreement and Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT AND MOOTSPPOINT

Support services for tasks identified below will be reviewed with District representatives prior to commencement of work such that the parameters and anticipated outcomes of each task will be delineated. The identified tasks may be viewed as representative of the type of services to be provided. It is anticipated that the Consultant will be supporting the District as a Subject Matter Expert in the area of IT Strategic Assessment and IT Project Implementation. Work may begin when this agreement has been signed by both parties and continue until terminated.

As directed by District Staff, Consultant will provide technical support services to the District in the following areas:

Project Objectives:

Task 1 - Develop with District Assistance Full Project Scopes of Work for Each Identified Project (including any new implementation alternatives and refined project timelines, staffing, and costs)

Task 2 - Technical Support for Approved Project Implementation(s)

Task 3 - Information Technology Support

Consultant's Roles and Responsibilities:

Task 1: Roles and responsibilities of the Consultant for Task 1, Develop with District Assistance Full Project Scopes of Work for Each Identified Project, will include:

- A. Meet with District Staff to Review Intended Scopes of Work for the following projects¹:
 - 1) Electronic Document Handling System (EDHS)
 - 2) Database System Enhancements
 - 3) Wireless Device Integration
 - 4) Mobile Inspections Application Development
 - 5) Cloud Computing (Microsoft Office 365)

- B. Creation of Full Project Scopes of Work for Each Identified Project (including any new implementation alternatives and refined project timelines, staffing, and costs).

¹ The projects are further described in the District's Information Technology Strategic Plan.
MootsPoint Agreement CN000771

- C. Obtain District Agreement on Full Project Scopes of Work for Each Identified Project (including any new implementation alternatives and refined project timelines, staffing, and costs).

Task 2: Roles and responsibilities of the Consultant for Task 2, Technical Support for Approved Project Implementation(s), will include:

- A. Provide technical support for approved project implementation(s), where agreed to by District and Consultant.
- B. Technical support provided by Consultant may include technical advice and assistance, project management, software and hardware integration, and software program development and/or Internet webpage development, as required.
- C. Serve as District Liaison to Database Consultant by providing oversight and guidance on District approved Database development efforts.

Task 3: Roles and responsibilities of the Consultant for Task 3, Information Technology Support, will include:

- A. Provide on-going information technology technical advice and assistance services, where agreed to in writing by District and Consultant, with the Consultant serving as the Subject Matter Expert in the area of IT Strategic Assessment and IT Project Implementation.

EXHIBIT B

PAYMENT FOR SERVICES RENDERED

Maximum Limit & Fee Schedule

Contractor's compensation shall be paid at the schedule shown below. Reimbursement of travel, lodging and miscellaneous expenses is not authorized. All expenses of Contractor, including any expert or professional assistance retained by Contractor to complete the work performed under this contract shall be borne by the Contractor.

Total of all payments made under this agreement shall not exceed the amount shown in the Agreement Expenditure limitation of this Exhibit.

Invoices

Invoices shall be submitted to District in a form and with sufficient detail as required by District, including this contract agreement number (CN000771). Work performed by Contractor will be subject to final acceptance by the District project manager(s).

Payment Schedule

Payments shall be made to Contractor within thirty (30) days after the billing is received and approved by District unless otherwise specified.

Task 1 - Develop with District Assistance Full Project Scopes of Work for Each Identified Project (including any new implementation alternatives and refined project timelines, staffing, and costs).

IT strategic assessment, project coordination, project scope of work development, coordination with database consultant on behalf of the District, and coordination with County IT on behalf of the District will be billed at the rate of \$50.00 per hour.

Task 2 - Technical Support for Approved Project Implementation(s)

As project scopes of work are finalized, all deliverables and payments will be documented and agreed to by Consultant and District in writing.

Task 3 – Information Technology Support

Deliverables and payment as agreed to by Consultant and District in writing.

Agreement Expenditure Limitation

The amount of the Agreement shall not exceed **Seventy One Thousand Eight Hundred Ninety Eight Dollars (\$71,898.00)**, unless amended.

Fiscal Year 2013-2014 Project Expenditure Guidelines

For FY 2013-14 the following is the breakdown of expenditures under this Agreement by project and by the services to be rendered. These are planning guidelines only and actual expenditures may shift among projects and services within the expenditure limitation, as authorized by the District.

By Project Implementation

Electronic Document Handling System (EDHS)	\$5,000
Database System Enhancements	\$30,611
Wireless Device Integration (excluding hardware)	\$3,981
Mobile Inspections Applications Development	\$14,002
Cloud Computing (Microsoft Office 365)	\$18,304
Total	\$71,898

By Professional Services

Project Management	\$25,300
Application/Database Developer(s)	\$31,448
IT Support Staff	\$4,108
Microsoft Office 365 Migration Services	\$11,042
Total	\$71,898

EXHIBIT C

HOLD HARMLESS AGREEMENT AND INSURANCE REQUIREMENTS

The Contractor hereby agrees to protect, defend, indemnify, and hold District free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by District arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the contract or agreement. Contractor agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Contractor. Contractor also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against Contractor or District or to enlarge in any way the Contractor's liability but is intended solely to provide for indemnification of District from liability for damages or injuries to third persons or property arising from Contractor's performance pursuant to this contract or agreement.

As used above, the term District means District or its officers, agents, employees, and volunteers.

1. Insurance Requirements

Contractor shall file with the District, concurrently herewith, Certificates of Insurance, in companies acceptable to District, with a Best's rating of no less than A: VII.

Each policy shall be endorsed with the following specific language: **Cancellation Notice: "This policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to the District Air Pollution Control District."**

Workers Compensation and Employers Liability Insurance

If Contractor represents that they have no employees, and does not hire Sub-Contractors with employees, then they are not required to have Workers Compensation coverage.

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to Contractor's employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Contractor shall require all Sub-Contractors to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed with District upon demand.

General Liability Insurance

- a) Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of Contractor, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:
 1. Contractual liability insuring the obligations assumed by Contractor in this Agreement.
- b) One of the following forms is required:
 1. Comprehensive General Liability;
 2. Commercial General Liability (Occurrence); or
 3. Commercial General Liability (Claims Made).
- c) If Contractor carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury damage, and Personal Injury Liability of:
 - One million dollars (\$1,000,000) each occurrence
 - One million dollars (\$1,000,000) aggregate
- d) If Contractor carries a Commercial General Liability (Occurrence) policy:
 1. The limits of liability shall not be less than:
 - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) for Products-Completed Operation
 - One million dollars (\$1,000,000) General Aggregate
 2. If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits million dollars (\$2,000,000).
- e) Special Claims Made Policy Form Provisions:

Contractor shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of District, which consent, if given, shall be subject to the following conditions:

- (1) The limits of liability shall not be less than:
 - (a) One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
 - (b) One million dollars (\$1,000,000) aggregate for Products Completed Operations
 - (c) One million dollars (\$1,000,000) General Aggregate
 - (d) The insurance coverage provided by Contractor shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

- a) "The District, its officers, agents, employees, and volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."
- b) "The insurance provided by the Contractor, including any excess liability or umbrella form coverage, is primary coverage to the District with respect to any insurance or self-insurance programs maintained by the District and no insurance held or owned by the District shall be called upon to contribute to a loss."
- c) "This policy shall not be canceled or materially changed without first giving thirty (30) days' prior written notice to the District."

2. Automobile Liability Insurance

- a. Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.
- b. Covered vehicles should include owned, non-owned, and hired automobiles/trucks.



Board Agenda

Action

Agenda Date: August 8, 2013

Prepared By: Diana Ruslin, Chairperson of the Compensation Subcommittee

Topic: Compensation and Benefit – Director of Air Pollution Control

Action Requested: Consider recommendations of District Board APCO Salary Subcommittee regarding the salary and compensation of the District APCO, and potentially approve the following items:

- A 6% increase in the APCO wage classification as described in County of Placer “Schedule of classification and salary grades”.
- A 2% general wage increase (COLA) for the APCO position at the end of the 2013 calendar year.
- An employment Contract with the current APCO, Tom Christofk, for a two year term beginning September 21, 2013.

Background: The subcommittee formed at the April 11, 2013, regular Placer County Air Pollution Control District Board of Director’s meeting to review APCO compensation requests that the Board consider their recommendations regarding compensation for the Director of Air Pollution Control, Thomas J. Christofk.

Discussion: A subcommittee of three members of the PCAPCD Board of Directors comprised of Diana Ruslin, Miguel Ucovich and Robert Weygandt, met on July 31, 2013. The focus of this meeting was to review and assess the District’s total compensation package in comparison to other similar size districts in California. The review included base salary, cash add-ons, and employer-paid benefits. Comparisons with Placer County Department Heads and other District APCO positions were made. The Committee felt that a 6% increase, as well as a guaranteed 2% COLA in 2013 was warranted.

The basis for this determination included several key factors. First, the salary study provided by the County reflected salaries of APCOs in seven similar districts, and then a smaller subset of three districts, based on those district’s staff sizes and budgets. The Committee felt that the larger pool of districts provided a better comparison, and noted that the Placer County APCO position falls almost 7% below the mean. This discrepancy in total compensation informed the Committee’s decision to suggest an increase of 6% for the APCO classification.

The Committee would also like to point out that that simply comparing staff size and budget may not reflect the real value of an APCO. The Committee values how “lean” an APCO can keep the District, and recognizes that it is due to prudent management choices by the current APCO that current budget and staff levels are kept modest, but customer service and performance outcomes remain excellent. The current APCO has used a small staff and budget in achieving desired Board outcomes. The Board desires an APCO who regulates and enforces District law in an efficient and fair way that balances public health with a need for a robust business community. The County’s salary survey did not account for efficiencies and percentage of successful outcomes produced by the APCO, and therefore the Committee considered value beyond that described in the survey.

Second, the internal comparison of internal Placer County non-sworn appointed department heads, which was based on salary, staff size and budget, ranked the APCO generally 10th of 14 department heads. The survey states that “This ranking is reflective of the Director of Air Pollution Control’s regulatory responsibilities and the impact of decisions on the organization and the community.” The ‘ranking’ referred to however, is a salary spread sheet that does not state why salaries are in the amount that they are, and provides no substantive explanation as to how the amount of the APCO salary takes those responsibilities into consideration. The APCO makes daily decisions that affect

how individuals, businesses, agricultural operations, and other governmental agencies manage their property, develop their property, and generally comply with several complex state and federal air related laws. The Committee feels that the APCO's significant regulatory authority commands a higher salary, which is not reflected in budget and staff size.

Also, the District Board has chosen to work in a pro-active manner relating to supporting reduction in wild fire through the promotion of forest biomass, as well as active participation with the state and federal air agencies and trade associations to promote reasonably tailored regulations that protect our air basins while at the same time support our local business community. As such, the Committee felt that the Board's desire for the APCO position to continue with this more vigorous interagency engagement justified an increase in salary above what other small or medium air districts might set their salary amount for an APCO.

The Committee recommends a continuation of the current practice of approving of a COLA of 2% of 2013. It is likely that the County BOS will in coming months approve such an increase for all County managers, but in the event they do not, this Committee recommends that the Board direct the County to approve such a COLA for the APCO.

In conclusion, the Committee feels there is ample support to justify a 6% increase in the salary classification for the position of APCO, and also recommends a 2% COLA at the end of 2013. The Committee would also support an extension of the current APCO employment contract to run from September 21, 2013 through September 20, 2015. These September dates are based on the County of Placer's salary classification approval process. The two year term is based on the discussions with the APCO and this Committee, reflecting that this period of time is a minimum amount of time that the APCO intends to continue with the District.

Fiscal Impact: Funds for the additional compensation are included in the FY 2013-14 budget. Salary structure changes (rounded to the nearest dollar) would be an increase from minimum salary for the range (Step 1) from \$109,616.00 to \$116,193.00, with the 2% COLA in December raising that amount to \$118,516.00. The maximum step five salary currently is \$133,224.00, which would increase to \$141,217.00 with raise, and increasing to \$144,041.00 after the 2% COLA in December of 2103. These amounts do not reflect Longevity pay, which applies separate and apart from the changes the Committee is recommending today. These amounts would be become effective September 21, 2013, based on County's approval and processing of such changes.

Recommendation: Approve actions listed above, and request that staff work with County of Placer to effectuate such actions.

Attachment: 1. Two year contract with Thomas J. Christofk, Director of the Placer County Air Pollution Control District.

ATTACHMENT #1

SUBJECT:

Contract with Thomas J. Christofk,
Director of the Placer County Air Pollution Control District

EMPLOYMENT AGREEMENT

THIS AGREEMENT is between PLACER COUNTY and the PLACER COUNTY AIR POLLUTION CONTROL DISTRICT, ("DISTRICT"), also known collectively as ("EMPLOYERS"), and THOMAS CHRISTOFK ("EMPLOYEE").

A. EMPLOYERS desire to employ EMPLOYEE as its Placer County Air Pollution Control Officer/ Director of Air Pollution Control District (APCO).

B. EMPLOYEE desires to serve as the APCO for EMPLOYERS with a re-appointment date of September 21, 2013. Whenever the term "EMPLOYERS" is used in this AGREEMENT it shall be interpreted with reference to the respective authority, rights, and obligations of PLACER COUNTY and the PLACER COUNTY AIR POLLUTION CONTROL DISTRICT (the "DISTRICT,") as set forth under state law, the Placer County Charter and Code, and the currently applicable MOU between PLACER COUNTY and the DISTRICT.

AGREEMENT

1. DUTIES.

(a) EMPLOYERS hereby agrees to employ EMPLOYEE as APCO of the Placer County Air Pollution Control District to perform the following functions and duties: those generally set forth in Division 26 of the California Health and Safety Code, particularly Chapter 7 of part 3 of that Division, those generally set forth in the Placer County Code Chapter 3 as an Appointing Authority and member of the Unclassified Service, and the implementation of the currently applicable MOU between PLACER COUNTY and the DISTRICT, and those other legally permissible and proper duties and functions as EMPLOYERS may from time to time assign.

(b) EMPLOYEE shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by EMPLOYERS.

(c) EMPLOYEE shall not engage in any activity, which is or may become a conflict of interest, prohibited contract, or which may create an Incompatibility of office as defined under California law. Prior to performing any services under this Agreement and annually thereafter, the EMPLOYEE must complete disclosure forms required by law.

2. TERM.

(a) The term of this AGREEMENT shall be two years from the date of execution by the parties, unless terminated by either party in accordance with the provisions set forth in Paragraph 3, or unless terminated by the event of death or permanent disability of EMPLOYEE.

(b) EMPLOYEE agrees to remain in the exclusive employ of PLACER COUNTY during the term of this AGREEMENT.

3. RESIGNATION AND TERMINATION.

(a) EMPLOYEE may resign at any time and agrees to give EMPLOYERS thirty (30) days' advance written notice of the effective date of EMPLOYEE's resignation.

(b) DISTRICT, without consent of PLACER COUNTY, may terminate EMPLOYEE upon 30 days written notice. PLACER COUNTY may only terminate EMPLOYEE with written consent of the DISTRICT.

(c) The parties recognize and affirm that: 1) EMPLOYEE is an "at will" employee whose employment may be terminated by EMPLOYERS without cause; and 2) there is no express or implied promise made to EMPLOYEE for any form of continued employment.

(d) The decision to terminate may be made in closed session in accordance with the Ralph M. Brown Act.

(e) The EMPLOYEE may choose to resign office instead of being terminated, if an action by the EMPLOYERS to terminate has been made in closed session. In such an event, paragraph 4 remains applicable.

4. SEVERANCE PAY.

If EMPLOYEE is terminated by the DISTRICT or EMPLOYERS while still willing and able to perform the duties as described above, DISTRICT agrees to pay EMPLOYEE a cash payment equal to six (6) months base salary, defined as the rate outlined in the then current range and step of EMPLOYEE. Such payment will release EMPLOYERS from any further obligations under this Agreement and any other provisions of law. Any unpaid, previously accrued leave, including but not limited to vacation, management leave, sick leave, floating holidays, or any other accruable leave that may in effect at the time of severance, will be dispersed in the same manner as then provided to management employees, and as they may be amended from time to time. In exchange for severance pay, EMPLOYEE agrees that at the time of payment of the severance EMPLOYEE will execute a release of all claims related to EMPLOYEE's employment with EMPLOYERS.

Provided, however, if EMPLOYEE is terminated for good cause consisting of acts of moral turpitude EMPLOYERS shall have no obligation to continue the employment of EMPLOYEE or to pay the severance set forth in this paragraph.

5. SALARY.

(a) DISTRICT agrees to pay EMPLOYEE consistent with the PLACER COUNTY salary schedule ____, at Grade ____, starting at Step 5. The applicable law, including PLACER COUNTY ordinances and resolutions relevant to managers and department heads, will control on all elements of payment and accrual of compensation, including application of Longevity pay.

6. SUPPLEMENTAL BENEFITS.

EMPLOYERS shall also provide the EMPLOYEE the same benefits and leaves as provided to management employees, commensurate with EMPLOYEE's appointment as a department head, and as they may be amended from time to time. All actions taken by PLACER COUNTY relating to benefits for management employees shall be considered actions granting the same benefits to or imposing the same restrictions on EMPLOYEE.

7. PERFORMANCE EVALUATION.

The DISTRICT shall evaluate EMPLOYEE performance at least annually.

8. OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

The EMPLOYERS shall fix any other terms and conditions of employment as it may determine from time to time relating to the performance of EMPLOYEE, provided that such terms and conditions are not inconsistent with provisions of this AGREEMENT or other law. All determinations as to the reportability of any compensation shall be made as mandated by the California Public Employee's Retirement law in effect at the time the compensation is earned, and the EMPLOYERS makes no representations or guarantees as to that system's treatment of compensation with respect to total final compensation or service credit.

9. NOTICES.

Any notices required by this AGREEMENT shall be in writing and either given in person or by First Class Mail with the postage prepaid and addressed as follows:

TO EMPLOYER:
PCAPCD
C/o Chairperson
110 Maple St.
Auburn CA 95603

TO EMPLOYEE:
Tom Christofk, APCO
110 Maple St.
Auburn CA 95603

TO PLACER COUNTY
David Boesch, CEO
175 Fulweiler Avenue
Auburn, CA 95603

10 ASSIGNMENT.

This AGREEMENT is not assignable by either EMPLOYEE or EMPLOYERS. Any assignment by either party shall be void.

11 COOPERATION.

Parties agree that at the time of severance they will cooperate fully in executing any and all further documents and taking any additional action necessary to carry out the intent of this Agreement.

12. SEVERABILITY.

In the event that any provision of this Agreement is finally held or determined to be illegal or void by a court having jurisdiction over the parties, the remainder of the AGREEMENT shall remain in full force and effect unless the parts found to be void are either wholly inseparable from or cause a failure of consideration regarding the remaining portion of the AGREEMENT.

13. COUNTERPARTS.

This AGREEMENT may be executed simultaneously in counterparts and each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Thomas J. Christofk, Employee

Jennifer Montgomery, Chairperson
Placer County Air Pollution Control District

David Boesch,
Placer County Executive Officer

APPROVED AS TO FORM:

District Counsel

APPROVED AS TO FORM:

County Counsel