



AGENDA:
PCAPCD Board of Directors Meeting
Thursday, April 10, 2014 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

Page 3 **Approval of Minutes:** February 13, 2014, 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.

Page 9 **1. Authorization to Execute MOU with Tahoe Regional Planning Agency (TRPA) for Wood Stove Replacement Program.** Adopt Resolution #14-07, thereby authorizing the Air Pollution Control Officer to negotiate, sign, and amend as necessary, a multi-year Services Agreement with TRPA, to receive and administer TRPA wood stove replacement program funds. Approve Budget Revision #14-02 for \$23,750.00 to be received from TRPA.

Action: Item 2

Page 44 **2. Clean Air Grant Awards.** Adopt Resolution #14-10, thereby authorizing the expenditure of DMV Motor Vehicle Registration Funds and Air Quality Mitigation Funds for Clean Air Grant (CAG) projects, as shown in Resolution Exhibit I, and authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts.

Public Hearing/Action: Item 3

Page 67 **3. Approval of the 2014 Reasonable Available Control Technology State Implementation Plan (RACT SIP) Analysis and Negative Declaration.** Adopt Resolution #14-08, thereby approving the 2014 RACT SIP Analysis Staff Report, dated April 2014; and Adopt Resolution #14-09, thereby approving a Negative Declaration for the polyester resin source category.

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Information: Item 4

Page 111 4. **Biennial Audit Report for Period Ended June 30, 2013.** Report provided for the statutorily required audit of District records and accounts for the two fiscal years that ended June 30, 2012 and June 30, 2013. There were no deficiency findings. No action is necessary.

Closed Session: Item 5

Page 145 5. **Annual Air Pollution Control Officer Evaluation.** Pursuant to the cited authority (all references are to the Government Code), the Placer County Air Pollution Control District Board of Directors will hold a closed session to discuss the following item: Air Pollution Control Officer's Annual Evaluation—54957(b)(1). A report on any action taken will be presented prior to adjournment.

Page 158 **Air Pollution Control Officer Report**

- a. Art Walk Update
- b. District/County MOU Update
- c. Fiscal Update – financial report will be provided at meeting
([Financial Documents now attached herein](#))

Adjournment

Next Regularly Scheduled Board Meeting: June 12, 2014, 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, February 13, 2014 Meeting of the Board of Directors

The Board of Directors of the Placer County Air Pollution Control District met in a regularly scheduled session at 2:30 PM, Thursday, February 13, 2014, 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; A.J. Nunez, Administrative Services Officer; Christa Darlington, District Counsel; Bruce Springsteen, Senior Engineer; Yu-Shuo Chang, PhD, Senior Planner; Heather Kuklo, Air Pollution Control Specialist; Russell Moore, I.T. Technician; and Shannon Harroun, Clerk of the Board.

The meeting was called to order by Chairperson Mike Holmes. Roll call was taken by the Clerk of the Board, with the following members in attendance: Donna Barkle (arrived after roll call), Stan Nader, Robert Weygandt, Mike Holmes, Robert Black, Diana Ruslin, and Carol Garcia. Jennifer Montgomery and Jim Holmes were absent. A quorum was established.

Approval of Minutes: October 10, 2013, Regularly Scheduled Meeting.

Motion to approve: Garcia/Unanimous

Public Comment: No public comment.

Consent Items 1-4:

Item 1: Reappointment of Hearing Board Members.

Appointed current Hearing Board members, Mr. Timothy Woodall, as the representative of the legal profession, and Ms. Diane Przepiorski, as the Public at Large representative, to the Placer County APCD Hearing Board. The term of office for Mr. Woodall and Ms. Przepiorski will end February 28, 2017.

Item 2: Authorization to execute MOU with Butte County Air Quality Management District for administration of Truck Improvement/Modernization Benefitting Emission Reductions (TIMBER) funds.

Adopted Resolution #14-06, thereby authorizing the APCO to negotiate, sign, and amend as necessary, a multi-year Memorandum of Understanding (MOU) with Butte County Air Quality Management District (BCAQMD) to administer state TIMBER funds on the District's behalf.

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Item 3: Authorization to use Air Quality Mitigation Funds for 2014 Clean Air Grant Program.

Adopted Budget Revision #14-01, thereby authorizing the APCO to use the available funds in the Mitigation Fund for the 2014 Clean Air Grant program (CAG).

Item 4: Approval of the 2014 Reasonable Available Control Technology State Implementation Plan (RACT SIP) Analysis and Negative Declaration.

Adopted Resolution #14-01, thereby approving the 2014 RACT SIP Analysis Staff Report, dated February 2014; and adopted Resolution #14-02, thereby approving a Negative Declaration for sixteen (16) source categories.

Motion to approve consent items 1-4: Nader/Unanimous

Action Item:

Item 7: Authorize District-County Memorandum of Understanding (MOU).

Item 7 was addressed after consent items 1-4 in order to allow District Counsel, Ms. Christa Darlington, to leave early for a previously scheduled appointment.

Ms. Christa Darlington discussed a background of the past relationship between the District and Placer County, noting that the District was previously a division within a department of Placer County. The District later became an independent entity, and in 2006, a Memorandum of Understanding (MOU) was put into place to establish a more formalized relationship between the District and Placer County.

Ms. Darlington stated that the primary reason a MOU is needed is that District staff are ex-officio employees of Placer County (Ms. Darlington later clarified that the APCO is an exception to this, as he works directly for the Board of Directors and is not a County ex-officio employee). This gives some of the District's/Board's authority over District Staff to the County of Placer and its Board of Supervisors, because all decisions made by the County regarding conditions of employment apply to District staff. The 2006 MOU and this update describe the relationship between the parties for personnel concerns.

Ms. Darlington indicated that updates to the 2006 MOU clarify the changes in District policies that differ from County policies for various reasons, including that the District is much smaller and doesn't have the same resources and business needs as the County.

Mr. Todd Nishikawa identified some factors which necessitated an MOU update: When the District purchased the office building in 2011, the District's business practices changed, and thus the services obtained from the County have changed; the District has also switched from having County owned vehicles to District owned vehicles; the District is no longer County insured—

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insurance coverage is now through SDRMA; and the District enters into service agreements with the County for some services, but for others, the District's needs are better met by other entities.

In addition, Mr. Nishikawa stated that many County policies have changed since the first MOU in 2006. The new MOU addresses three policy situations: 1) County policies/versions of policies the District will adhere to; 2) County policies the District will adhere to, with the exception of differences specifically spelled out; and 3) County policies the District does not adhere to, but will instead follow its own policy. Furthermore, the prior MOU said that the District would follow all County policies unless the District identified substitutes for County policy. With the new MOU, the District will only follow the County policies specifically stated in the MOU. If any new County policy comes out, the MOU can be updated to reflect the change. Mr. Nishikawa stated that the County Auditor-Controller reviews the District's policies to assure needed internal controls are retained.

Ms. A.J. Nunez addressed the fiscal relationship between the District and the County, and the need for the MOU, to clarify how the District engages in and pays for services from the County, and how the County determines the District charges. It was important to create a framework that would be flexible enough to last through the ten year period of the MOU. The District obtains four major services from the County: Staffing, IT Services, Auditor Services, and District Counsel. The three charging methodologies called out in the MOU are 1) direct charges based on rates set by the auditor's office for internal service fund divisions; 2) Service Level Agreements where the District enters into agreements for a specific amount regardless of the number of hours or for a specific rate; and 3) A-87 charging methodologies based on actual services provided to the District.

After answering brief questions from the Board, Mr. Nishikawa stated that District Staff's request of the Board is to adopt Resolution #14-04, thereby authorizing the Chair to sign the Memorandum of Understanding (MOU) on behalf of the District. After signature, the MOU will be forwarded to the Placer County Board of Supervisors for approval.

Chairperson Mike Holmes opened the item up for public comment. Seeing none, he brought the item back to the Board for a motion.

Motion to approve: Garcia/Unanimously approved via roll call vote

Public Hearing/Action Items:

Item 5: Approval of PM_{2.5} Implementation/Maintenance Plan and Re-Designation Request for the Sacramento PM_{2.5} Nonattainment Area.

Dr. Yu-Shuo Chang presented the item on behalf of the District. The PM_{2.5} Maintenance Plan is the federal plan prepared to demonstrate the attainment status of the federal PM_{2.5} 24 hour average standard for the Sacramento region. The EPA revised the standard in 2006. After EPA revised the standard, the Sacramento region, including a portion of Placer County, was classified

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as nonattainment in 2009. After regional collaboration, the EPA recognized that attainment of the standard was reached in 2011 and continued in 2012.

Although EPA already published an attainment determination, this plan is still required to formally demonstrate that the Sacramento region has reached attainment, by demonstrating the following components: attainment is due to permanent enforceable reduction and is not due to favorable weather conditions; the region will continue to attain the federal standard for at least 10 years; and a contingency plan is in place to require local air districts to continue tracking air quality and take corrective action if a violation occurs.

Dr. Chang explained that the re-designation request will lift some federal permit requirements. He also stated that public outreach and public hearing requirements have been met. Dr. Chang illustrated the size of PM_{2.5} particles by showing a visual comparison to a human hair (PM_{2.5} measures about 1/20th the diameter of a human hair), and noted that the small size causes adverse health effects.

Dr. Chang stated that last December, due to extreme weather conditions that overwhelmed strong air pollution control measures, increased PM_{2.5} measurements were observed from various monitoring stations in the region. Due to these high PM_{2.5} measurements, an exceedance occurred in the region for 2013. A potential option to reach regional attainment with this 2013 exceedance is to extend the period for which a demonstration is required, to include 2014 values in the three year average.

Director Mike Holmes asked if the 28 days of no burn were only in the Sacramento area. Dr. Chang answered that the 28 no burn days were for the entire Sacramento Valley region (including Placer County and all the mountain counties). Director Mike Holmes also asked when updated data will be available regarding corrections that have taken place due to the recent rainy weather. Dr. Chang clarified that the rain will reduce the concentration measurement data for 2014, but not for 2013.

Director Stan Nader asked how many days Placer County did not meet attainment. Dr. Chang responded that Placer County was in attainment every day. It is the monitoring stations in Sacramento that caused the nonattainment designation.

Chairperson Mike Holmes opened the item to public comment. Seeing none, he brought the item back to the Board for a motion to adopt Resolution #14-05, thereby approving the Plan and Errata Sheet.

Motion to approve: Ruslin/Unanimously approved via roll call vote

Item 6: Adoption of Amended Rule 247, Natural Gas-Fired Water Heaters, Small Boilers, and Process Heaters.

Mr. Todd Nishikawa presented this item on behalf of the District. After Rule 247, which was adopted on October 10, 2013, was submitted to California ARB, the District received comments

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from an industry association that was concerned about the requirement in the rule for certain data to be included on the nameplate. Staff determined that the newly adopted rule differs from South Coast and other major districts where similar requirements are established. The adopted rule would make industry conform to Placer's unique requirements or be in violation. District Staff agreed it would be best to withdraw the rule, which this Board approved in October 2013, from EPA submission. The current amended rule being presented to the Board at this hearing is consistent with the amendment requested by the water heater industry association to change the wording of the rule's nameplate and packaging requirements to conform with South Coast and other districts. Once this amendment is approved, the rule will be forwarded to California ARB and EPA.

Chairperson Mike Holmes asked if there have there been any manufacturers in Placer County objecting to the adopted rule. Mr. Nishikawa responded that there hadn't been because the rule was only in affect for a short time before the District received information from the manufacturers' industry association.

Mr. Nishikawa asked that the Board adopt Resolution #14-03, thereby approving amended Rule 247, Natural Gas-Fired Water Heaters, Small Boilers, and Process Heaters.

Chairperson Mike Holmes called for public comment. Seeing none, he brought the item back to board for a motion.

Motion to approve: Garcia/Unanimously approved via roll call vote

Information Item:

Item 8: 2014 Regulatory Measures List.

Mr. Nishikawa informed the Board that, as required by statute, the District has published a list of regulatory measures that may be considered for adoption in calendar year 2014. The list was available to the public on January 1, 2014. The availability of the list was published as a notice in a newspaper of general circulation on December 29, 2013. No questions were presented by the Board.

Air Pollution Control Officer Report:

2014 CAG outreach and schedule:

Mr. Christofk stated that the annual Clean Air Grant program for 2014 is open, pointing out that the Board took action this afternoon to approve a budget revision to increase the amount of funds available to \$1.1 million. The deadline for applications is February 28th at 5:00 p.m. The District has held two CAG program workshops, advertised in various newspapers, and sent out postcards to businesses within the county. Mr. Christofk encouraged Board members to speak with city or town staff, and if anyone needs guidance, the District is available to assist. Applications will be

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reviewed internally, and at the April 10th Board meeting, staff will provide the Board with a recommended list for approval.

Director Weygandt asked if there is data on how much PM_{2.5} reductions have been accomplished as a result of the CAG program. District staff responded that the reduction has been about 50 tons of PM_{2.5}. Mr. Christofk also clarified that it is very expensive to reduce PM_{2.5} levels.

Spirit of Blodgett video:

Mr. Christofk introduced the video, which is a representation of a research project with UC Berkeley, which manages the Blodgett Forest research station. This video provides a sense of what the District is doing that might affect forest, forest fires, and energy policy in the state, as well as the nation. The video is still in editing process, but when finalized, will be distributed to various agencies at federal and state levels, including copies for Board members to share during the Cap-to-Cap conference, as requested.

Mr. Christofk later added that Bruce Springsteen prepared a technical paper regarding this Blodgett research project that was just accepted for publication by the California Agricultural Journal.

Cap-to-Cap update/expense reimbursement direction:

Mr. Christofk stated that the Cap-to-Cap conference, which is from May 3-7, has \$7,000 authorized in the budget for expenses to support directors that choose to attend. Chairperson Mike Holmes requested \$2,500 to cover registration and some expenses. Directors Garcia and Nader both stated that they are attending, but that their cities would be covering their expenses. Director Nader requested a briefing from the District to assist him in addressing topics related to the District's needs.

Fiscal update:

A balance sheet and fund summary handout were provided to the Board members and made available to the public. Ms. A.J. Nunez reported the District's fiscal status for Month 7 as 33.47% under expenditure budget and 29.34% above revenue budget, which is comparable to last year's status. Ms. Nunez added that the District recently had its biennial audit, and the audit report results should be available to present at the next board meeting.

Adjournment:

Chairperson Holmes adjourned the meeting at 3:53 p.m.



Shannon Harroun, Clerk of the Board



Board Agenda

Consent

Agenda Date: April 10, 2014

Prepared By: Heather Kuklo, Air Quality Specialist

Topic: Service Agreement for the District to Administer Wood Stove Incentive Funds on Behalf of TRPA

Action Requested:

1. Adopt Resolution #14-07 (Attachment #1), thereby authorizing the Air Pollution Control Officer to negotiate, sign, and amend as necessary, a multi-year Services Agreement with the Tahoe Regional Planning Agency (TRPA) in order to receive and administer TRPA wood stove change-out program funds for the duration of the program, or until all funds are expended.
2. Approve Budget Revision #14-02 (Attachment #3), for twenty-three thousand seven-hundred and fifty dollars (\$23,750) to be received from TRPA.

Discussion: In an e-mail from TRPA Staff on December 13, 2013, TRPA made a request to the District, along with other air agencies having jurisdiction over portions of the Lake Tahoe Air Basin (Basin), to implement a wood stove change-out program on TRPA's behalf. TRPA will provide funds to incentivize woodstove change-outs to property owners by paying a portion of the replacement costs. TRPA's goal is to mitigate particulate matter (PM) and nitrogen oxide (NOx) emissions from other sources within the Basin. Since TRPA has never implemented their own wood stove change-out program, they feel that supplementing already existing wood stove change-out programs administered by other agencies is the most efficient choice.

The District has extensive experience in administering a wood stove change-out program. The District's Burn Bright Burn Right Wood Stove Replacement program (Program), which ran from 2008 – 2011, was very successful in incentivizing the change out of 414 non-certified appliances. With a few modifications to eligibility requirements, such as requiring applicants to be year round residents and property owners within the Basin, the District will be able to launch the Program again for the Lake Tahoe area with minimal effort.

If the District chooses not to implement the Program on behalf of TRPA, TRPA will allocate the District's portion of funds to the other participating agencies within the Basin. Similarly, if the District participates in the program and other Basin entities do not participate, then the District will receive a greater share of funding for application in Placer County's portion of the Basin.

Below is a table which outlines the initial funding allocations for the different agencies within the Basin. In total, TRPA has budgeted \$95,000 for the program's initial funding. Out of the \$95,000, \$23,750 is allocated to the District, and up to fifteen percent of the funds can be used towards administrative costs.

County	Percent of Residences in Region	Initial Funding Offer
Douglas (State of Nevada)	8.4%	\$ 7,980
El Dorado	56.6%	\$ 53,770
Placer	25%	\$ 23,750
Washoe (State of Nevada)	10%	\$ 9,500
Total	100%	\$ 95,000

TRPA's goal is to reduce PM and NOx emissions by replacing 126 non-Certified EPA Phase II wood burning appliances with cleaner burning appliances, within the entire Basin. When the 126 appliances are apportioned to each agency, the District's goal is to replace 31 stoves. If TRPA does not meet their goal of 126 replaced stoves within the Basin with the initial round of funding, they will consider allocating additional funds to the participating agencies, listed in the above table, to meet this goal over the next ten years.

Prior to purchasing a new appliance, applicants will be required to apply for a voucher. Voucher, or rebate amounts, used towards the replacement of a non-Certified EPA Phase II wood burning appliance are expected to be \$650 and can be used towards the purchase of an EPA Phase II Certified wood appliance, gas stove, or pellet stove. Once awarded the voucher, the applicant can then purchase and install the new appliance and have the replaced appliance destroyed. Upon completion of these tasks, the applicant notifies the District and, when approved, a check for the amount of the voucher will be issued to them. Only applicants who are year round residents and property owners residing within the Basin will be eligible to apply for funding. Program funds will be available on a first come first served basis, and the Program will end when the funds are exhausted.

TRPA Staff have developed a Services Agreement, Attachment 2, and the terms of the agreement have been reviewed by District Staff and approved by the District's Counsel. The agreement has been found to be acceptable for signing by the APCO. Once the agreement is fully executed, TRPA will transfer the funds in one lump sum to the District for use in the Program.

Fiscal Impact: The District will receive \$23,750 from TRPA to implement a wood stove change-out program in the Lake Tahoe Air Basin. Of the \$23,750, up to fifteen percent may be used for program administration costs. The amount of \$23,750 will be included in a revision to the District's FY 2013-2014 final budget at the April 10, 2014 Board meeting.

Recommendation: Staff recommends adoption of Resolution #14-07 (Attachment #1), thereby authorizing the Air Pollution Control Officer to negotiate, sign, and amend as necessary a multi-year Services Agreement with the Tahoe Regional Planning Agency (TRPA); and approval of Budget Revision #14-02 (Attachment #3), for twenty-three thousand seven-hundred and fifty dollars (\$23,750), in order to receive and administer TRPA wood stove change-out program funds for the duration of the program, or until all funds are expended.

Attachments:

- #1. Resolution #14-07 authorizing a Woodstove Change-out Incentive MOU with TRPA
- #2. Tahoe Regional Planning Agency Services Agreement
- #3. Budget Revision #14-02

ATTACHMENT #1

SUBJECT:

Resolution #14-07



Board Resolution:
Resolution # 14-07

Before the Placer County Air Pollution Control District Board of Directors

In the Matter Of: Adopt a resolution, thereby authorizing the Air Pollution Control Officer to negotiate, sign, and amend as necessary, a multi-year Services Agreement with the Tahoe Regional Planning Agency (TRPA), in order to receive and administer TRPA wood stove change-out program funds for the duration of the program, or until all funds are expended.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **April 10, 2014** by the following vote:

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

Signed and approved by me after its passage:

_____ Chairperson

_____ Attest: Clerk of said Board

WHEREAS, TRPA has requested that the District receive and administer TRPA wood stove incentive funds in order to provide financial incentives to property owners who qualify for such incentives within the Placer County portion of Lake Tahoe Air Basin; and

WHEREAS, TRPA will initially provide \$23,750 in FY 2013-2014 to the District for incentives, up to fifteen percent of which to be used in administrative costs; and

WHEREAS, at its sole discretion, TRPA may provide additional funds to the District over a ten year period for administration in a wood stove change-out program; and

WHEREAS, the receipt of funds for FY 2013-2014 will be presented to the Board through the budget revision process, and any funding to be received in subsequent years will be presented to the Board as a part of the annual District Budget; and

WHEREAS, the District will implement the TRPA funds in accordance with its already existing wood stove change-out program (Burn Bright Burn Right Wood Stove Replacement Program), and per the requirements of the signed services agreement between the District and TRPA; and

WHEREAS, the District will work to achieve a goal for the initial thirty-one (31) stove replacements within the Placer County portion of the Lake Tahoe Air Basin by providing financial incentives which will go towards the purchase of a new qualifying appliance.

NOW THEREFORE BE IT RESOLVED, that this resolution authorizes the APCO to negotiate, sign, and amend as necessary, a services agreement with TRPA which authorizes the District to receive and administer TRPA funds in the Placer County portion of the Lake Tahoe Basin for a woodstove change-out incentive program on TRPA's behalf.

ATTACHMENT #2

SUBJECT:

Tahoe Regional Planning Agency Services Agreement

AGREEMENT

BETWEEN TAHOE REGIONAL PLANNING AGENCY AND THE PLACER COUNTY POLLUTION CONTROL DISTRICT

TO SUPPORT THE BURN BRIGHT BURN RIGHT WOOD STOVE REPLACEMENT PROGRAM ADMINISTERED BY THE PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

This agreement supporting the Burn Bright Burn Right Wood Stove Replacement Program, hereinafter referred to as "Agreement" is made and entered into by and between, the Tahoe Regional Planning Agency, hereinafter referred to as the "TRPA", and the Placer County Air Pollution Control District, hereinafter referred to as "PCAPCD". TRPA and PCAPCD are sometimes hereafter each singularly referred to as "Party" and collectively referred to as the "Parties."

RECITALS

WHEREAS, the PCAPCD administers the Burn Bright Burn Right Woodstove Replacement Program described in Exhibits A and C ("the Program"); and

WHEREAS, the PCAPCD currently has no obligated funding sources; and

WHEREAS, the Program assists in reducing Reactive Organic Gasses (ROG), Nitrous Oxides, and Particulate Matter (PM) and in achieving and maintaining state and regional air quality standards and regional Air Quality Thresholds; and

WHEREAS, the TRPA is a bi-state governmental agency leading the effort to preserve, restore, and enhance the unique natural and human environment including air quality for the Lake Tahoe Region; and

WHEREAS, the TRPA is working to implement air quality improvement mitigation pursuant to the Regional Plan; and

WHEREAS, the TRPA would like to support the implementation of the Program; and

NOW THEREFORE, in consideration of the promises and covenants set forth herein, the Parties agree as follows:

1. Agreement Period

- a. The term of this Agreement shall be for three (3) years commencing on the Effective Date of this Agreement. Said Effective date shall be the date upon which the last Party signs the Agreement.
- b. TRPA or PCAPCD shall have the right to terminate this Agreement upon sixty (60) days prior written notice to the other party.

2. Services

- a. TRPA agrees, during the term of this Agreement to provide certain funding to the PCAPCD for the Program as outlined in this Agreement.
- b. PCAPCD agrees, during the term of this Agreement to administer the Program in a professional and timely manner. PCAPCD shall submit to TRPA financial and progress reports no less frequently than once every six months during the term of this agreement. The first bi-annual report shall be submitted to TRPA by June 30th and the second bi-annual report, shall be submitted to TRPA by December 31st. Financial reports shall include an accounting of all funds expended under this agreement, including administrative costs and program implementation costs. Progress reports shall include an accounting of all heating appliances removed within the Tahoe Region of Placer County under this program including the location, type of heating appliance removed, type of heating appliance replacement, and rebate amount.

Any text work product, including Report Materials, shall be submitted to TRPA together with a copy in a digital format that is compatible with either: 1) Microsoft Word for Windows, or 2) Excel for Windows. Any graphic work product submitted to TRPA in digital format must be submitted in one of the following formats: 1) Adobe Illustrator; 2) EPS (encapsulated postscript); 3) Adobe Photoshop files; 4) Tiff files; 5) Pict files; or, 6) ARC/Info graphic files. Any graphic work product prepared for TRPA shall, whenever feasible, also be submitted with a copy in digital format compatible with one of the six formats outlined above.

3. Payment

- a. As described in Exhibit A, Exhibit B, and Exhibit C, PCAPCD shall use the funding available under this agreement to provide a \$650 rebate for the removal and/or replacement of qualifying woodstoves and heating appliances in the Lake Tahoe Region. In support of the Program, TRPA shall pay to PCAPCD an amount not to exceed \$23,750 (the "Supporting Funds").
- b. TRPA shall make a lump sum payment to PCAPCD at the beginning of the term of this agreement.

- c. The maximum amount to be encumbered under this Agreement for the 2014 fiscal year ending June 30, 2014 shall not exceed \$23,750 dollars.
- d. It is mutually agreed that if the TRPA Budget of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the TRPA shall have no liability to pay any funds whatsoever to PCAPCD or to furnish any other considerations under this Agreement and PCAPCD shall not be obligated to perform any provisions of this Agreement.
- e. If funding for any fiscal year is reduced or deleted by the TRPA Budget for purposes of this program, the TRPA shall have the option to either cancel this Agreement with no liability occurring to the TRPA, or offer an Agreement amendment to PCAPCD to reflect the reduced amount.

4. Notices

- a. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, sent certified or registered and addressed to the Parties as follows:

TRPA:
Tahoe Regional Planning Agency
Attn: Executive Director or
Jennifer Cannon, Associate Planner (Project Manager)
128 Market Street
Stateline, NV 89449

PCAPCD:
Placer County Air Pollution Control District
Attn: Air Pollution Control Officer or
Heather Kuklo, Air Quality Specialist (Project Manager)
110 Maple Street
Auburn, CA 95603

- b. 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.

5. Obligations of TRPA

- a. TRPA agrees to provide the Supporting Funds to PCAPCD in an amount set forth in paragraph 3.

- b. TRPA shall not reimburse PCAPCD for any expenses incurred by PCAPCD beyond the amount of the Supporting Funds, unless TRPA, in its sole discretion, agrees to do so.
- c. Except for the obligations set forth above, TRPA shall have no other obligations or responsibilities to PCAPCD under this Agreement.

6. Obligations of PCAPCD

- a. PCAPCD will administer the Program and the Supporting Funds, and provide reports to TRPA as set forth in paragraph 2 and during the term of Agreement.

7. Hold Harmless/Indemnity

Neither TRPA nor any officer, employee or volunteer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by PCAPCD under or in connection with any work, authority or jurisdiction delegated to PCAPCD under this Agreement. It is understood and agreed that PCAPCD shall fully defend, indemnify and save harmless TRPA, its officers, employees and volunteers from all claims, suits, or actions of every nature, kind and description brought for or on account of occurring by reason of anything done or omitted to be done by PCAPCD, its agents, employees, or subcontractors, under or in connection with any work, activity or jurisdiction delegated to PCAPCD under this Agreement. PCAPCD will defend any action or actions filed in connection with any of said claims, damages, penalties, obligations, or liabilities and will pay all costs and expenses, including attorney's fees incurred in connection therewith.

8. Insurance Requirements

It is recognized that PCAPCD is a self-insured public agency, and as such provides coverage for General Liability, Errors & Omissions and Worker's Compensation. PCAPCD shall maintain said insurance in full force and effect during the term of this Agreement.

9. Facilities, Equipment and Other Materials

Except as set forth herein PCAPCD shall, at its sole cost and expense, furnish all facilities, instruments, and other materials which may be required to furnish services pursuant to this Agreement.

10. Non-Discrimination

PCAPCD shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, disability, medical condition, marital status, sex, sexual preference, or in contravention of any other

protected classification or practice identified in the California Fair Employment and Housing Act; Government Code section 12900 et seq.

11. Warranties

PCAPCD warrants that its services shall be performed with the usual thoroughness and competence and in accordance with the standard for professional services at the time those services are rendered.

12. Licenses, Permits, Etc.

PCAPCD represents and warrants to TRPA that PCAPCD shall, at its sole cost and expense, obtain and keep in effect at all times during the term of this Agreement, any licenses, permits, qualifications and approvals of any nature which are legally required for PCAPCD to perform its obligations under this Agreement.

13. Modification of Agreement

This Agreement cannot be changed or supplemented orally, and may be modified or superseded only by written instrument executed by all Parties.

14. 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.

15. Entirety of Agreement

This Agreement constitutes the entire agreement and understanding between the Parties. There are no oral understandings, terms, or conditions, and no party has relied upon any representation, express or implied, not contained in this Agreement. Any prior understandings, terms, or conditions are deemed merged into this Agreement. This Agreement is intended as the complete and exclusive statement of the parties' Agreement pursuant to Code of Civil Procedure section 1856.

16. Venue and Jurisdiction

This Agreement, and the right and obligations of the parties, shall be governed by and construed in accordance with the laws of the State of California. If any action is instituted to enforce or interpret this Agreement, venue shall only be in the appropriate state or federal court having venue over matters arising in Placer County, California, provided that nothing in this Agreement shall constitute a waiver of immunity to suit by the PCAPCD.

17. Prohibition Against Assignment

PCAPCD shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly by operation of law, without the prior written consent of TRPA. Any attempt to do so without the prior written consent of the TRPA shall be null and void, and any assignee, subleasee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation, or transfer.

18. Conflicts of Interest

- a. PCAPCD or its employees may be subject to the provisions of Article III (a)(5) of the Tahoe Regional Planning Compact (P.L. 96-551, 94 Stat. 3233, Cal. Gov't Code Section 66801, N.R.S. 277.200), which requires disclosure of any defined economic interest and prohibits such persons from attempting to influence Agency decisions affecting certain economic interests.
- b. PCAPCD or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act"), that (1) requires such persons to disclose financial interests that may foreseeably be materially affected by the work performed under this Agreement, and (2) prohibits such persons from making or participating in making decisions that will foreseeably financially affect such interests.
- c. If subject to the Compact or the Act, PCAPCD shall conform to all requirements of the Compact or the Act, as required. Failure to do so constitutes a material breach and is grounds for termination by this Agreement by TRPA.

19. Severability/Illegality

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect. The illegality of any provision of this Agreement shall not affect the remainder of this Agreement.

20. Attorneys' Fees and Costs

If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

21. Exhibits

The exhibits referred to herein and attached hereto is fully incorporated by this reference.

22. Counterparts

This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

23. Captions

The captions of the various articles and paragraphs of this Agreement are for the convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement or of any part or parts of this Agreement.

24. Construction

In all cases, the language in all parts of this Agreement shall be construed simply, according to its fair meaning and not strictly for or against any party, it being agreed that the parties or their agents have all participated in the preparation of this Agreement.

25. Cooperation/Further Acts.

The parties shall fully cooperate with one another in attaining the purposes of this Agreement and, in connection therewith, shall take any such additional further acts and steps and sign any such additional documents as may be necessary, appropriate, and convenient as related thereto.

26. Survival

The obligations of PCAPCD under this Agreement including, without limitation, the obligations set forth in Section II, Paragraph 8 (Indemnification), as they relate to the Services, shall survive the termination or expiration of this Agreement.

27. Incorporation of Recitals and Exhibits

The "Recitals" constitute a material part hereof, and are hereby incorporated by reference herein as though fully set forth. The "Exhibits" constitute a material part hereof, and are hereby incorporated by reference herein as though fully set forth.

28. References

All references to PCAPCD shall include all personnel, employees, agents, and subcontractors of PCAPCD.

29. No Funds to Unqualified Aliens

Under law, no funds received under this Agreement shall be paid to any alien who is "not a qualified alien" within the meaning of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("Act"). PCAPCD shall be responsible to ensure that no funds PCAPCD receives from TRPA are paid to any employee or subcontractor in violation of this Act.

30. Certification Regarding Lobbying

PCAPCD certifies that no funds received under this Agreement have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any State or Federal agency, a Member of the State Legislature or United States Congress, an officer or employee of a Member of the Legislature or Congress, or an employee of a Member of the Legislature or Congress.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year the last Party signs herein.

TAHOE REGIONAL PLANNING AGENCY

BY: _____
 JOANNE S. MARCHETTA
 EXECUTIVE DIRECTOR

Date: _____

Placer County Air Pollution Control District

BY: _____
 THOMAS J. CHRISTOFK
 AIR POLLUTION CONTROL OFFICER

Date: _____

EXHIBIT A

SERVICES AND PRODUCTS

The Placer County Air Pollution Control District (PCAPCD) shall administer a woodstove rebate program as described in the program description materials, below. Funding available under this agreement will be used to provide a maximum rebate amount of \$650 rebate toward the purchase of qualifying woodstoves or heating appliances in the Lake Tahoe Region. The contract with the Placer County Air Pollution Control District will be active for the Burn Bright Burn Right Wood Stove Replacement Program over the period of May 1, 2014 to May 1, 2017 (for three years) and will expire on May 1, 2017 or once the TRPA funds are depleted. The total funding amount (\$23,750) will be provided to PCAPCD in advance, at the beginning of the term of this agreement. PCAPCD will provide bi-annual reports at least once every 6 months. The first bi-annual report shall be submitted to TRPA by June 30th and the second bi-annual report shall be submitted to TRPA by December 31st each of the years that the contract is active. At a minimum, PCAPCD shall include the following information in the bi-annual reports:

Financial Report: An accounting of all funding expended under this agreement, including funds spent on administrative costs and on rebates. Program Administrative and advertising costs shall not exceed 15% of the total funding amount.

Progress Report: A summary of all activity occurring under this agreement. The report shall include a listing of all woodstove replacements or removals that have occurred in the Lake Tahoe Region under this agreement, as well as the location, type of heating appliance removed, type of heating appliance replaced, and total rebate amount provided for each replacement.

**EXHIBIT B
COMPENSATION**

A total amount of \$23,750 is available under this agreement as shown in the budget below:

TASK	AMOUNT
Program administration/ advertising, not to exceed 15%	\$3,562.50
Woodstove or heating appliance rebates (A minimum of approx. 31 at \$650 ea.)	\$20,187.50
Total	\$23,750

EXHIBIT C



Wood Stove Change out Step by Step Instructions for Property Owners and Stove Retailers

1. Read the Burn Bright Burn Right program guidelines.
2. Only non-EPA Phase II certified wood burning appliances (wood stoves, inserts, and fireplaces) can be replaced through this program with a certified EPA Phase II wood stove/insert, gas stove, or pellet stove.
3. Only property owners of primary residences located within the Lake Tahoe Air Basin are eligible to submit an application for a voucher.

Program Registration:

1. Fill out the "Wood Stove Replacement Registration Form" for property owners. [Click here](#) to download the registration form.
2. Confirm that you own a non-EPA Phase II certified wood burning appliance (wood stove, wood burning insert, or fire place)
 - a. For a list of EPA certified appliances, [Click here](#).
3. Be sure to read thoroughly the conditions of the *Registration Form* and to follow the Form's instructions, on pages 1 and 2.
4. Mail your *Registration Packet* to the Placer County Air Pollution Control District (District).
 - a. Incomplete application forms may be disqualified.
 - b. Any fraudulent information will automatically disqualify an applicant for funding.
5. District staff will review incoming *Registration Packets* in the order they are received.

Issuance of Voucher to Applicant:

1. Vouchers are issued on a first come first serve basis. Vouchers will be issued until the funds are depleted. Check the District's website, at www.placer.ca.gov, to see if funds are still available prior to submitting an application.
2. Once the voucher is issued, an applicant has 90 days to purchase and install the new appliance and to meet all program requirements.
 - a. At the time of purchase, the applicant must sign the *Project Completion Notification Form* which is included with the voucher.
 - b. At the time of purchase, the applicant (property owner) will have their stove retailer fill out the *Retailer Certification Form* which was provided with the voucher. [Click here](#) to download the *Retailer Certification Form*.
 - The retailer is to fill out this form at the point of sale and then return it to the applicant.
 - c. Return all required information to the District for reimbursement.

Request for Payment:

1. Within 90 days of the date the voucher was issued, the applicant is to return the Voucher, *Project Completion Notification Form*, *Retailer Certification Form*, and all required materials to the District for final review and for reimbursement.

2. If deemed necessary by District staff, an on site inspection to verify stove destruction and new appliance purchase will be conducted by District staff, prior to reimbursement.
3. Within 30 days of receiving an applicant's *Project Completion Notification Form*, District staff will issue a check to the applicant.
 - a. If the invoice of the new appliance is less than the voucher amount issued, then the District will issue a reimbursement not to exceed the invoice amount of the appliance.
4. The incentive amount awarded to an applicant will be considered taxable income and a 1099 Form will be issued at the end of the year.



*Placer County Air Pollution Control District
Woodstove Replacement Incentive Program
Handbook*

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Placer County Air Pollution Control District Mission Statement

On April 13, 2000 the Board of Directors of the Placer County Air Pollution Control (District) adopted the following Mission Statement:

The mission of the Placer County Air Pollution Control District is to manage the county's air quality in a manner to protect and promote public health by controlling and seeking reductions of air pollutants while recognizing and considering the economic and environmental impacts.

Among the Goals/Objectives of the District are:

1. Regulate air pollutant emissions from stationary sources.
2. Mitigate effects of growth through quality planning measures.
3. Pool resources with other agencies, districts, and jurisdictions.
4. Market and promote the positive impacts the District is making on the air quality in the county.
5. Improve District business processes and internal operations so as to provide cost effective and quality service to the citizens and industry of Placer County.

Role of Rule 225, Wood Burning Appliances, in District's Mission

As the temperatures begin to drop in the fall, the daylight hours grow shorter and the celebration of Thanksgiving and the holiday season unfolds, the first fire of the year crackles in the hearths and woodstoves of Placer County homes and businesses. As wonderful as it may be to enjoy a winter fire, risks to air quality and public health increase due to the burning of wood in winter months.

More so in winter months, Placer County's air contains particulate matter (PM), a mixture of small liquid droplets and solid particles that are suspended in the air, in levels deemed unhealthy by the Environmental Protection Agency (EPA) and the California Air Resources Board (ARB). According to the EPA, health studies have linked exposure to PM, especially fine particles, to several significant health problems, including:

- Increased respiratory symptoms, such as irritation of the airways, coughing, or difficulty breathing;
- Decreased lung function;
- Aggravated asthma;
- Development of chronic bronchitis;
- Irregular heartbeat;
- Nonfatal heart attacks; and
- Premature death in people with heart or lung disease.

In November 2004, the California Air Resources Board (ARB) adopted a list of control measures under Senate Bill 656 that could be used to reduce PM emissions in California air districts. Due to SB 656 and the need to reduce PM, the District amended existing Rule 225 to be County wide and to include the following conditions:

1. Prohibit the installation of new, permanently installed, indoor or outdoor, uncontrolled fireplaces in **new construction**, beginning on January 1, 2009,
2. Prohibit the installation of any new, permanently installed, indoor or outdoor, uncontrolled wood burning appliance in **existing developments**, beginning January 1, 2012
3. Require that all installations of any wood burning appliances be U.S. EPA Phase II certified, or equivalent
4. Require proper operation of all wood burning appliances
5. Require distribution of educational information about wood burning at point of sale of new wood burning appliances, beginning January 1, 2009
6. Prohibit burning of garbage and other items not intended for use as a fuel
7. Requires that all visible smoke from wood burning appliances not exceed a 20% opacity, except for startup
8. Require that all non-certified free standing wood stoves be rendered inoperable upon point-of-sale of real property, beginning January 1, 2012.

For a complete copy of Rule 225, go to www.placer.ca.gov/Departments/Air/Rules.aspx.

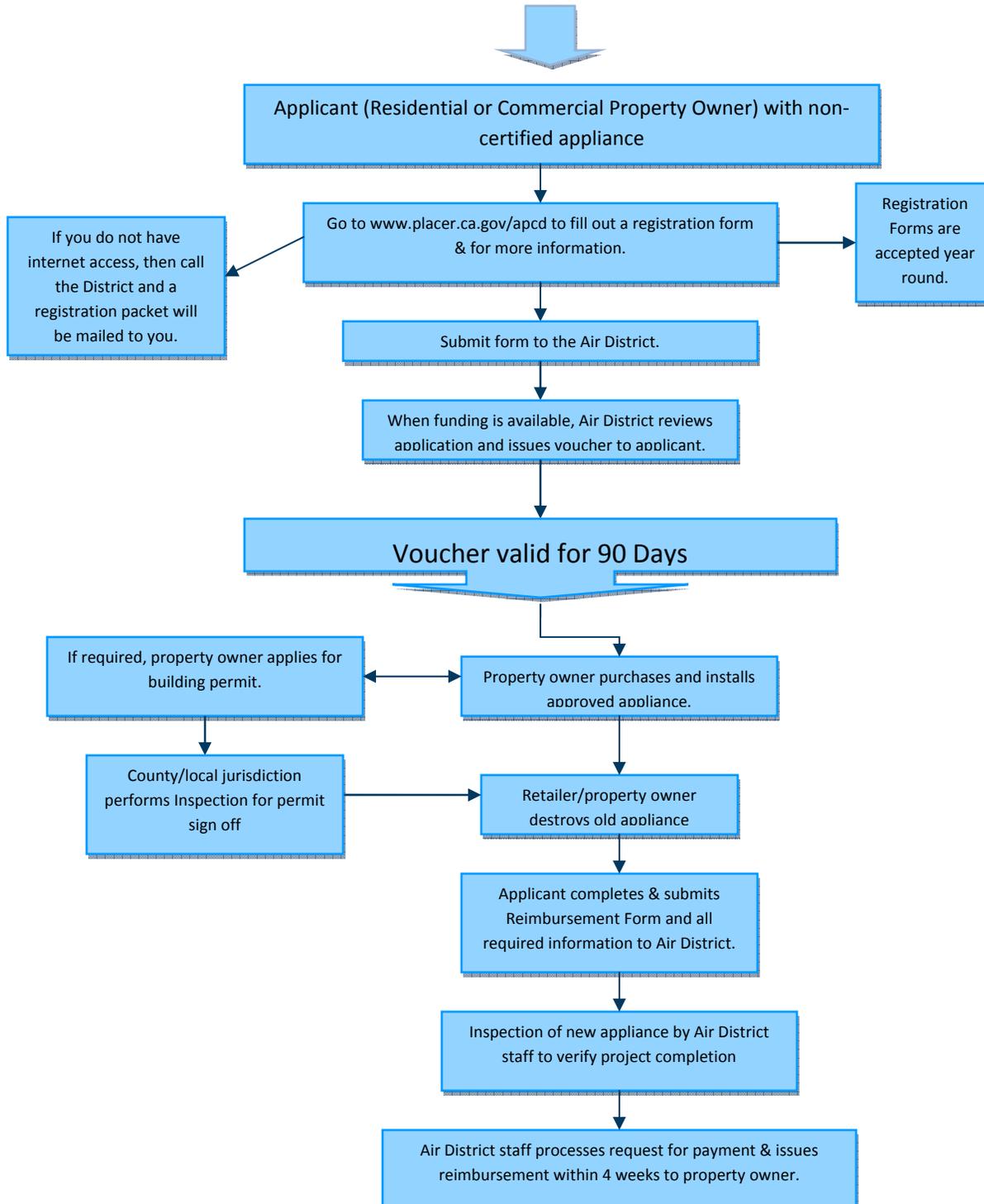
Program Definitions:

1. **Appliance:** In this instance, any wood stove (free standing or zero clearance), fireplace insert (gas or wood), pellet stove, fire place or any other heating device associated with this program.
2. **Applicant:** The Applicant must be the legal owner of the property which contains the noncertified appliance being replaced by this program and have the legal authority to participate in this program.
3. **EPA Phase II:** Any wood burning appliance that meets current EPA emission standards for particulate matter. An EPA Phase II certified wood burning appliance must not exceed an emission rating of 7.5 grams per hour.
4. **Non-certified (uncontrolled):** Any appliance that does not meet the definition of an EPA Phase II certified appliance.
5. **Masonry Fireplace:** A brick or stone fire place that is not prefabricated or manufactured, typically with a sheet metal firebox.
6. **Render inoperable:** an appliance with at least a two inch hole in the fire box or to where the appliance is rendered permanently and irreversibly inoperable.
7. **Retailer:** In this instance, any retailer or vendor selling EPA certified Phase II wood burning appliances, gas appliances, or pellet stoves.
8. **Voucher:** A Form issued by the District to the Applicant which authorizes the Applicant to purchase a new appliance under this program and receive incentive funding.



Wood Stove Replacement Program Overview

A program funded by the Placer County Air Pollution Control District



About the Program

Property Owner Eligibility

The goal of the Burn Bright Burn Right Wood Stove Replacement Program is to encourage owners of residential and commercial property Countywide to replace non-EPA certified wood burning appliances with newer and cleaner burning EPA Phase II certified wood burning appliances, gas appliances, or pellet stoves. Replacing non-certified wood burning appliances with an EPA Phase II certified stove/insert, pellet stove, or gas stove will help to reduce particulate matter within the air and help the District maintain compliance with state and federal standards for PM.

Rebate Amounts: As an incentive to replace existing non-certified wood stoves or open hearth fireplaces, the District is offering **up to**;

- \$650 for owners of primary residence properties located within the Placer County portion of the Lake Tahoe Air Basin

Each Applicant that applies for and receives incentive funding will be issued a 1099 Form at the end of the year. This means that the funds awarded to an Applicant is considered taxable income.

Eligibility: The rebates are available only to Placer County property owners with a currently installed non-certified wood burning appliance.

Issuing of Vouchers: Applications for registration can be submitted to the District as long as funds are available. Once the funds have been used up, the voucher period will close and any applicant who submits an eligible registration packet after the fact will be notified. Check the District's website prior to submitting an application to see if funds are currently available. **The District will only issue a voucher if there is available funding.**

General Guidelines

Program Requirements for Property Owners and Retailers:

1. The residence which contains a currently installed operational non-certified wood burning appliance must be located within the Placer County portion of the Lake Tahoe Air Basin.
2. The Applicant must be the legal owner of the property which contains the currently installed operational noncertified appliance being replaced by this program and have the legal authority to participate in this program.
3. The property which includes the non-certified wood burning appliance to be upgraded must be a currently occupied year round primary residence.
4. Applicant is responsible for meeting **all** program requirements and for complying with his/her state/county/civic government and/or home owner association (if any) requirements in his/her area regarding local conditions, restrictions, codes, ordinances, rules, and regulations prior to installation.
5. New certified EPA Phase II wood stoves/inserts, pellet stoves, or gas stoves/insert (excluding gas logs) are allowed to be purchased and installed under this program.
6. All Forms must be either hand delivered or mailed to the District. No faxes or emails.
7. Applicant must give authorization to Placer County Air Pollution Control District staff to conduct all necessary on site inspections of the old appliance being replaced and of

- the new installed appliance, in order to verify that the requirements of this program have been met.
8. To be considered for a rebate voucher the Applicant must submit an original completed Registration Packet. Incomplete applications may lead to program disqualification.
 9. Pending available funding and eligibility, a voucher will be issued for the purchase of a new EPA Phase II certified woodstove/insert, pellet stove, or a gas stove. A voucher will not be issued to an applicant that has already purchased a new appliance.
 10. A voucher will expire 90 days after date of voucher issuance and it will only remain valid if all requirements of this program are met.
 11. If an applicant receives a voucher at least twice and fails to follow through with the program, then the applicant is no longer qualified to participate in the program.
 12. The new appliance may be bought at any retailer; however, all participating retailers must sign and agree to the program guidelines and the Retailer's Agreement Form at time of purchase.
 13. Retailer agrees not to inflate appliance prices due to the vouchers issued under this program.
 14. The property owner or retailer must certify proper disposal of the old appliance before Applicant can receive rebate check. The old appliance being replaced under this program must be kept on site prior to disposal for at least 30 days to allow for inspection by District staff.
 15. Participating retailers are expected to help the Applicant properly understand the program requirements during all stages of this program.
 16. The old appliance being replaced under this program cannot be resold, given away, or salvaged. It must be rendered inoperable.
 17. Requests for Payment that are mailed must be post marked by the expiration date of the voucher.
 18. The District will process rebate payments within 30 days of receiving a complete final request for payment.
 19. The rebate is paid directly to the Applicant to go towards the cost of the new appliance. The rebate will be issued after all the requirements of this program have been met.
 20. Vouchers cannot be transferred.
 21. Applicant waives any claims against the Placer County Air Pollution Control District arising out of the installation and/or use of the heating appliance funded through this program.
 22. This program is "first come first serve" and incentive funds are not guaranteed.
 23. The District makes no representations regarding retailers, manufacturers, dealers, contractors, materials, and workmanship.
 24. Fraud or misrepresentation will result in automatic disqualification or return of voucher funds to the District if funding has already been issued.
 25. Voucher amount cannot exceed the amount of new appliance purchase.
 26. Voucher amount cannot be applied to installation costs, stove piping, or any other expense accrued due to the participation in this program.
 27. **This program is not retroactive. An Applicant must receive a voucher from the District prior to appliance purchase.**
 28. Only one appliance upgrade per property per year.
 29. The District is not responsible for items lost or destroyed in the mail.

Building Permit and Inspection Requirements

The Applicant may be required to obtain a building permit when replacing a wood burning appliance. If a permit is required, the Applicant should contact the Building Department in the

local jurisdiction where the installation of a new stove is taking place to ensure all Building code requirements as well as necessary inspections are complied with. The County or local jurisdiction may require additional permit and inspection fees related to the installation of the wood stove or other appliance funded through this program.

An inspection by District staff may also be necessary in order to verify the type of appliance an applicant has or to verify compliance with program requirements. Applicants and retailers will be required to allow District staff authorization for routine inspections.

Disposal of Old Appliance

All appliances replaced under this program must be rendered inoperable. This requirement excludes masonry fireplaces, which cannot be easily destroyed. Proper appliance destruction can consist of knocking at least a two inch hole through the firebox and/or taking it to a recycler/dump to be recycled. This can be done by either the Retailer or Applicant. In either case, the old appliance must be made available for inspection for up to 30 days, and be labeled with the voucher number. If a Retailer wishes not to keep the old appliance around, then the door, labeled with the voucher number will be sufficient. If an Applicant is disposing of the old appliance, then the entire appliance must be made available for 30 days for inspection.

Retailer Obligations:

Heating appliance retailers who sell EPA Phase II certified woodstoves/inserts, gas appliances, and pellet stoves are eligible to participate in the District's Burn Bright Burn Right program.

When an Applicant is issued a voucher, a Retailer Certification Form is provided with it. At the time of Appliance sale, the Applicant is to provide to the Retailer the Form. The Form is to be filled out at time of sale or any time thereafter. Additional Retailer Certification Forms can be downloaded off the District's website at www.placer.ca.gov/apcd. Without a signed Retailer Certification Form, an Applicant will not receive reimbursement. There are no pre-registration requirements for retailers in this program.

Failure to meet program criteria and guidelines will disqualify any or all of the retailer's customers from receiving a rebate.

Funding Sources:

Woodstove Replacement Incentive Program

The District will initially provide rebates to eligible property owners in amounts up to \$650 per appliance per property owner, limited to one appliance replacement per property per year. These rebate incentive amounts are subject to change based on demand for vouchers and available funding.

Financial Assistance Programs for those who qualify for Additional Financial Assistance:

Additional grant funding or low interest loans to cover costs of installation, inspections, and other costs of replacing non-certified woodstoves/inserts and fireplaces may become available through many different local agencies. The Placer County Redevelopment Agency may provide additional grant funds and/or connect applicants with other organizations who may offer additional financial assistance through programs such as Project Go and Seniors First.

Contact Information

Placer County Air Pollution Control District

3091 County Center Drive, Suite 240
Auburn, CA 95603
(530) 745-2316
<http://www.placer.ca.gov/apcd>

Placer County Auburn Office – Building Department

3091 County Center Drive, Suite 220
Auburn CA 95603
530-745-3010

Placer County Tahoe Office – Building Department

565 W. Lake Blvd.
Tahoe City, CA 96145
530-581-6200

Tahoe Regional Planning Agency

128 Market Street
Stateline, NV 89449
(775) 588-4547

United States Department of Agriculture (USDA) (504 Low Interest Loans)

251 Auburn Ravine Road, Suite 107
Auburn, CA 95603
530 885-6505 530 823-5504 FAX
530 792-5848 TDD
Wanda Thompson
wanda.thompson@ca.usda.gov



Wood Stove Replacement Registration Packet – **Lake Tahoe Residents only** (To be filled out by the property owner.)

-Page 1-

Before completing this form, you must read the Wood Stove Replacement Program Handbook located at:

<http://www.placer.ca.gov/Departments/Air/woodstoveprogram.aspx>

Registration Packet Instructions:

1. Only permanent year round property owners located within the Placer County Portion of the Lake Tahoe Basin are eligible to apply for a voucher.
2. First you must be able to identify whether your currently installed wood burning appliance is non EPA certified. To do this here are some tips to help you:



All open hearth fireplaces are typically non EPA certified.

Wood stoves/inserts with doors that are solid metal (no windows) tend to be non EPA certified.

Appliances installed or purchased prior to 1992 tend to be non EPA certified.



If your stove is EPA certified then it will have a data plate located on the back of it. It will look similar to the image on the left.

If you know the make and model of your stove, then look at the "List of EPA Certified Wood Stoves". If your stove is not on the list, then it is not EPA certified.

Contact your wood stove retailer to help confirm the type of appliance you have.

3. Fill out completely the Registration Form on pages 3 and 4 below. Please print legibly.
4. Attach a color photo(s) of the appliance you intend to upgrade. Include in your photo(s) any identifying marks (data plate, name, model, numbers, etc...) that might help in identifying the type of appliance it is. If you cannot provide a photo, then the District will assist you in this manner.
5. Mail or hand deliver your complete original application package to the Placer County Air Pollution Control District. Business hours are from 8:00 am to 5:00 pm, Monday through Friday. Forms that are faxed or emailed will not be accepted.



Wood Stove Replacement Registration Packet – Lake Tahoe Residents only (To be filled out by the property owner.)

-Page 2-

Address:

PCAPCD

Wood Stove Replacement Program
3091 County Center Drive, Suite 240
Auburn, CA 95603

6. All applications received will be kept on file and will be funded in the order received and while funding is available. Visit the Districts website to see if funding is currently available.
7. The District will contact all applicants, notifying them of their current status for a voucher, unless the voucher is going to be issued directly.
8. Once the voucher is approved and mailed to the applicant, applicants have 90 days to complete the process. The applicant must have the voucher in hand prior to the purchase of a new heating appliance.
9. This program will end when all available funds have been allocated in the form of vouchers.
10. Depending on funding availability, incentive levels may vary.
11. For questions and more information, go to www.placer.ca.gov/apcd or call (530) 745-2316.



Wood Stove Replacement Registration Packet – **Lake Tahoe Residents only** (To be filled out by the property owner.)

-Page 3-

Date:	<input type="text"/>		
Last Name:	<input type="text"/>	First Name:	<input type="text"/>

Stove Location:			
Street:	<input type="text"/>		
City:	<input type="text"/>	Zip:	<input type="text"/>

Mailing Address (if different from above):					
Street:	<input type="text"/>				
City:	<input type="text"/>	Zip:	<input type="text"/>	State:	<input type="text"/>

Daytime Phone:	<input type="text"/>	Is the property where the stove is located a primary year round residence?	<input type="checkbox"/> yes <input type="checkbox"/> no
Email address:	<input type="text"/>		

Old Wood Burning Appliance to be replaced (refer to the instructions on pg. 2 for tips on identifying):			
Manufacturer (if known):	<input type="text"/>		
Name (if known)	<input type="text"/>	Model (if known):	<input type="text"/>

Approximate age of appliance:	<input type="text"/>
-------------------------------	----------------------

I have included the Following in this Packet:	
<input type="checkbox"/> Photo of existing appliance (required by program guidelines)	
Is your current appliance operational?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have you already purchased the new heating appliance which you are requesting funding for under this program?	<input type="checkbox"/> Yes <input type="checkbox"/> No



Wood Stove Replacement Registration Packet – **Lake Tahoe Residents only** (To be filled out by the property owner.)

-Page 4-

In order to participate in this program, you must agree to the following. Please initial the boxes to verify that you have read each condition:

- I am the legal owner of the property which contains the noncertified appliance being replaced under this program and have the legal authority to participate in this program.
- The property, where the wood burning appliance that is to be replaced under this program is located, is a primary year-round residence located within the Lake Tahoe Air Basin.
- I understand that, pending available funding and eligibility, a voucher will be issued for the purchase of a new EPA Phase II certified woodstove/insert, pellet stove, or a gas stove (excluding gas log sets for fireplaces or inserts). I further understand that the voucher will expire 90 days after date of voucher issuance and it will only remain valid if all requirements of this program are met.
- I understand and agree that I cannot resell, give away, or salvage my old wood burning appliance. It must be rendered inoperable.
- I have read, understand, and agree to all of the provisions in the Burn Bright Burn Right Wood Stove Incentive Program and all of the details therein.
- I give authorization to Placer County Air Pollution Control District (District) staff to conduct all necessary on site inspections of the old appliance being replaced and of the new installed appliance, in order to verify that the requirements of this program have been met.
- I understand and agree that the choice of new qualifying heating appliances, the chosen retailer, contractors, manufacturers, dealers, purchase of material, work performed, and payment thereof is my sole responsibility. I waive any claims against the Placer County Air Pollution Control District arising out of program participation, the installation, and/or uses of the heating appliance referenced in this program and hold the District harmless from such claims. I understand that the District makes no representations regarding retailers, manufacturers, dealers, contractors, materials and workmanship.
- I am responsible for meeting all program requirements and guidelines as set forth in the Wood Stove Replacement Program Handbook and for complying with my state/county/civic government and/or home owner association (if any) requirements in my area regarding local conditions, restrictions, codes, ordinances, rules, and regulations prior to installation.
- I understand that the District is not responsible for items lost or destroyed in the mail.
- I understand that this program is “first come first serve” and that incentive funds are not guaranteed.
- I am currently not in any contractual agreement nor have I purchased an EPA certified appliance, pellet stove, or gas appliance which is to be considered for funding through this program, nor will I purchase or go into contractual agreement for the purchase of a new appliance prior to receiving a voucher. If this is done, then I understand that my application will be disqualified.
- The appliance that is to be replaced under this program is currently installed and is operational.



Wood Stove Replacement Registration Packet – Lake Tahoe Residents only (To be filled out by the property owner.)

-Page 5-

Please answer the following survey questions (for informational purposes only):

The wood burning appliance to be replaced is the primary source of heat yes no

Estimate the amount of wood used annually:

How did you hear about the wood stove program?

- Type of heating appliance to be replaced:
- Non-EPA certified free standing wood stove
 - Non-EPA certified insert
 - Non-EPA certified fireplace

- Type of heating device to be purchased:
- Certified EPA Phase II free standing wood stove
 - Certified EPA Phase II wood burning insert
 - Gas (natural gas or propane) stove/insert
 - Pellet Stove

I have read and understand the above terms and conditions. I certify that the information I have provide is true and correct and that the conditions for which I am requesting a voucher meet the requirements and guidelines listed in the program.

Print Name:

Signature: _____

Date:

ATTACHMENT #3

SUBJECT:

Budget Revision #14-02

PLACER COUNTY
BUDGET REVISION

PAS DOCUMENT NO.

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

Dept No.	Doc Type	Total \$ Amount	Total Lines
73	BR	\$ 47,500.00	2

ESTIMATED REVENUE ADJUSTMENT										APPROPRIATION ADJUSTMENT							
Dept No.	T Code	Rev	OCA	PCA	OBJ L-3	Proj. No.	G/L Sub GL	AMOUNT	Dept No.	T Code	Rev	OCA	PCA	Obj L-3	Proj. No.	G/L Sub GL	AMOUNT
73	006		000040	09200	7292	TRPA		\$23,750.00	73	014		000040	45100	2456	Grants		\$ 23,750.00
TOTAL									TOTAL								
23,750.00									23,750.00								

REASON FOR REVISION: To appropriate \$23,750.00 to be received from Tahoe Regional Planning Agency (TRPA) for District administration of the Burn Bright Burn Right Wood Stove Replacement Program for Fiscal Year 2013-14.

Distribution: _____
 All copies to _____
 Auditor _____
 District APCO _____
 APCD District Board Chairman _____
 Auditor-Controller _____
 Date: 4/10/2014
 Page: 1
 Budget Revision #14-02



Board Agenda

Action

Agenda Date: April 10, 2014

Prepared By: Heather Kuklo, Grant Program Manager

Topic: Approval of the 2014 Clean Air Grant Recommended Projects

Action Requested: Adopt Resolution #14-10 (Attachment #1), thereby authorizing the expenditure of DMV Motor Vehicle Registration Funds and Air Quality Mitigation Funds for Clean Air Grant (CAG) projects, as shown in Resolution Exhibit I, and authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts.

Discussion: A total of 21 projects were evaluated for CAG funding. Of these 21 projects, 17 are recommended for Board approval, for a total of \$1,074,500 in grant funds for the FY 2013-14 CAG program. An estimated total of 74.1 tons of NO_x, PM, and ROG will be reduced as a result of the recommended projects, should the grants be approved and projects completed.

The application solicitation period was open from January 1, 2014, through February 28, 2014. After the close of the solicitation period, District Staff conducted a systematic and comprehensive evaluation to identify the most competitive and cost effective projects for recommendation to your Board. A detailed description of the CAG process, the methods of evaluation, and project benefits can be found in the Staff Report (Attachment #2). A compact disk with copies of all applications received and all associated documentation can be found in Attachment #3.

Projects Recommended for Funding

There are 17 projects being recommended for funding. Grant funds from this year's CAG program will provide an overall average cost share of just 22% of total project costs. This is a prime example of the competitiveness of this year's program and the leveraging of grant funds that has been achieved. Exhibit A of the Staff Report is a summary of all applications received.

Emissions Summary of Recommended Projects

Based on the approval of the recommended projects submitted to your Board in this memorandum, there will be an estimated total of 25.4 tons of NO_x, PM, and ROG reduced annually over the life of the projects. When all of the annual emission reductions from the 2014 recommended projects are multiplied by their project lives (the number of years reductions can be claimed for each project), the total projected reduction in emissions that can be claimed is approximately 74.1 tons of NO_x, ROG, and PM.

Fiscal Impact: Your Board has approved \$1,103,384 for the FY 2013-14 CAG program, with \$13,000 budgeted from AB2766 funds, \$637,000 from AB 923 funds, and \$453,384 from Air Quality Mitigation Funds. AB2766 surcharge funds are restricted use funds that are used to reduce emissions from motor vehicles, through external grants and internal programs, to

implement provisions of the California Clean Air Act. AB 923 surcharge funds are restricted use funds that can only be used for projects that are eligible for Carl Moyer funding, Lower Emission School Bus Program (LESBP) projects, agriculture sources, and voluntary light duty vehicle retirement programs. Currently, the District is recommending funding for Carl Moyer type projects under AB 923. Application of the Mitigation Funds is consistent with the Board approved Policy Regarding Land Use Air Quality Mitigation Funds, April 12, 2001, as amended on December 11, 2008.

Total budgeted grant funds for the 2013-14 CAG program is \$1,103,384. Total funding for the recommended projects is \$1,074,500. This leaves a balance of \$28,884 in Eastern Mitigation Funds. Since all of the projects eligible for eastside funds are being recommended for funding, there are no remaining projects to apply Eastern Mitigation Funds towards. Therefore, District Staff recommends that the remaining balance of \$28,884 in Eastern Mitigation funds be applied and budgeted for next year's 2014-15 CAG program.

Recommendation: Staff recommends adoption of Resolution #14-10 (Attachment #1), thereby authorizing the expenditure of DMV Motor Vehicle Registration Funds and Air Quality Mitigation Funds for recommended projects, as shown in Exhibit I of the Resolution, and authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts.

Attachments:

- #1: Resolution #14-10, Approving Placer County Air Pollution Control District Clean Air Projects for 2014, and Exhibit I
- #2: 2014 CAG Staff Report and Exhibits A, B, and C
- #3: Compact Disc with copies of all applications received and all associated documentation.

Attachment #1

SUBJECT:

Resolution #14-10



Board Resolution:
Resolution # 14-10

Before the Placer County Air Pollution Control District Board of Directors

In the Matter Of: Adopt a resolution to authorize the expenditure of DMV Motor Vehicle Registration Funds and Air Quality Mitigation Funds, and authorize the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts for the approved projects in the Table “Placer County Air Pollution Control District Clean Air Grant Projects 2014” (Exhibit I, attached).

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **April 10, 2014**, by the following vote:

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

Signed and approved by me after its passage:

_____ Chairperson

_____ Attest: Clerk of said Board

WHEREAS, pursuant to Health and Safety Code Section 44220 et seq., the Placer County Air Pollution Control District (District) receives DMV Motor Vehicle Registration Fees (AB2766 and AB923); and

WHEREAS, the District is required to utilize the DMV Motor Vehicle Registration Fee funds for mobile source emission reduction and California Clean Air Act implementation; and

WHEREAS, the District has received Air Quality Mitigation Funds to offset the impact of new development in Placer County by reducing emissions, primarily ozone precursor emissions, from sources that are not required by law to reduce emissions; and

WHEREAS, the District continues to strive to reduce emissions from all sources in order to meet both State and Federal ambient air quality standards; and

WHEREAS, the District is required as part of the 2008 Sacramento Area Regional Ozone Attainment Plan to implement programs to reduce mobile source emissions; and

WHEREAS, the District is required as part of the 1991 California Clean Air Act Attainment Plan to implement programs to reduce mobile source emissions; and

WHEREAS, the District may obtain reductions in emissions, not otherwise mandated by existing rules or regulations, by providing incentive funds for projects that reduce air pollutant emissions;

NOW THEREFORE BE IT RESOLVED, that the Placer County Air Pollution Control District Board does hereby authorize the expenditure of DMV Motor Vehicle Registration Funds, and Air Quality Mitigation Funds for Clean Air Grants, and authorizes the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts for the approved projects listed in Exhibit I (attached).

Exhibit I: Placer County Air Pollution Control District Clean Air Grant Projects 2014

Exhibit I: Placer County Air Pollution Control District Clean Air Grant Projects 2014

Application #	Applicant	Project Title	Amount Requested	Recommended Funding	Project Ranking Score
14-01	Northstar Fire Department	Community Biomass Collection to Reduce Open Burning	\$26,000	\$26,000	90
14-04	Eastern Regional Landfill	Off-Road Equipment Modernization	\$130,000	\$80,000	80
14-07	Ridge Logging	Off-Road Forestry Equipment Modernization	\$290,000	\$130,000	89
14-08	City of Roseville	On-Road Vehicle Modernization	\$30,000	\$25,000	80
14-09	Volcano Creek Enterprises, Inc.	Off-Road Forestry Equipment Modernization	\$165,100	\$60,000	89
14-10	John Hofman	Agriculture Equipment Modernization	\$69,500	\$48,000	80
14-11	Placer County Transportation Planning Agency	Freeway Service Patrol Program	\$40,000	\$30,000	70
14-12	City of Auburn	Electric Vehicle Charging Station	\$13,570	\$10,000	75
14-13	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$380,802	\$249,000	92
14-14	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$169,792	\$80,000	89
14-15	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$164,553	\$70,000	85
14-16	Placer County Community Development Center	Biomass Removal Program	\$30,000	\$30,000	85
14-17	City of Roseville	Intermodal Center	\$245,000	\$117,000	80
14-18	Bettencourt Transport, Inc.	On-Road Vehicle Modernization	\$95,351	\$38,000	85
14-19	DPW/Placer County Library	On-Road Vehicle Modernization/Outreach	\$75,000	\$30,000	85
14-20	RJUHSD	School Bus Modernization - Propane	\$51,665	\$20,000	90
14-21	Placer County Office of Emergency Services	Chipper Purchase	\$54,940	\$31,500	92

Attachment #2

SUBJECT:

2014 CAG Staff Report

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

STAFF REPORT

**2014 Clean Air Grant Program
Project Recommendations**

April 10, 2014

Background:

The District has solicited grant applications for the 2014 Clean Air Grant (CAG) program funds, which was authorized by your Board in the District's FY 2013-14 Budget and will be funded from the following sources:

DMV Funds:

Assembly Bill 2766 (Sher) and Assembly Bill 923 (Firebaugh) authorized air pollution control districts and air quality management districts to impose a Department of Motor Vehicle (DMV) surcharge fee to provide funds for air districts to meet the responsibilities mandated under the California Clean Air Act. AB2766 surcharge funds are restricted use funds that are used to reduce emissions from motor vehicles through external grants and internal programs, to implement provisions of the California Clean Air Act, to support implementation of the transportation control measures of the District's Air Quality Attainment Plan, and to provide public information and education. The District Board set the AB2766 fee at \$4 per registered motor vehicle (per year) on June 14, 2001. AB 923 surcharge funds are restricted use funds that can only be used for the Lower Emission School Bus Program, projects eligible under the Carl Moyer Program, agriculture sources, and voluntary light duty vehicle retirement programs. The AB 923 fee of \$2 increased the total DMV fees from \$4 to \$6, and was adopted by the District Board on December 9, 2004.

The Board determines the amount of DMV funds that are to be budgeted annually for implementing the District's Clean Air Grant program. Your Board has allocated **\$650,000** from the DMV fund in the FY 2013-14 Final Budget to provide incentives for external projects to reduce criteria pollutant emissions, primarily from mobile sources, through the 2014 CAG program.

Air Quality Mitigation Funds:

The District is making available **\$453,384** which has been paid into the District's Air Quality Mitigation Fund by new land use development projects in Placer County. The Air Quality Mitigation Funds are used primarily to reduce ozone precursor and particulate matter emissions from sources that are not required by law to reduce their emissions. District Staff apply air quality mitigation funds in close proximity to the land development projects from which the fees were collected; therefore, fund usage is broken into East-side of the Donner Summit and West-side of the Donner Summit categories and applied to projects in those areas. Out of the \$453,384, there is \$159,331 specified for East-side projects and \$294,053 specified for West-side projects.

Total Funds Available for 2014 CAG:

The total CAG funds available in FY 2013-14 are **\$1,103,384**.

Discussion:

The 2014 CAG application solicitation period was open from January 1, 2014, through February 28, 2014. The updated CAG Information and Guidelines, along with the application package was

available on the District's web site during this time. Within this eight week period, the District (1) mailed out CAG information to approximately 200 private and public entities within the County; (2) emailed several hundred notifications, including the Placer County Contractor's Association as a recipient; (3) ran several ads in local papers; and (4) held two workshops in Auburn, one of which was video teleconferenced to Tahoe City in order to solicit projects and inform people in that area. The newspaper ads ran in six of the local papers managed by Gold Country Media, and in the Tahoe World. The two Auburn workshops were held on January 24th at the District office, with a morning and an evening session.

Included with the Board Memo is a Compact Disk (Attachment #3) which contains the following information for each application received during the solicitation period:

- A copy of each application received
- Supplemental information provided by applicant during project evaluation
- Cost-effectiveness calculations, when applicable
- Project Ranking Forms
- Pre-inspection information for those projects being recommended to your Board, when required
- Additional information generated/gathered by Staff during the evaluation period

Each project application has a tracking number assigned to it for the ease of identification.

Project Evaluation

There were a total of twenty-one applications received during the 2014 CAG application solicitation period. Eleven of the applications were submitted by public/government agencies, and seven were submitted by non-public agencies (private businesses and/or nonprofit organizations). Many applicants submitted more than one application. The total amount of funds requested from all applicants was \$2,393,124. The applications received were submitted within three of the six CAG application categories (Heavy Duty On & Off Road Equipment category, Alternative Fuels Infrastructure category, and the Other Emission Reducing/Conserving Project category).

Figure 1 displays the total number of applications received per category in the 2014 CAG program. The Heavy Duty On and Off Road category received the greatest number of applications (14). This is an ideal trend for this program because the guidelines state that the primary goal of DMV funding is to reduce NOx, PM, and ROG from motor vehicle sources.

Figure 1

Number of Applications Received per Category

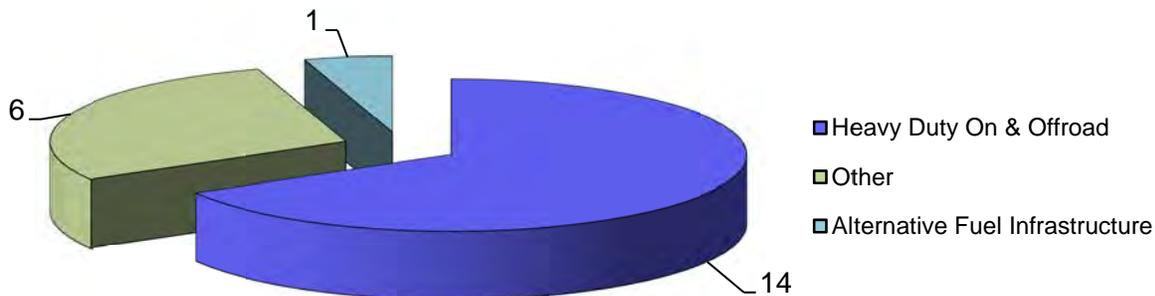
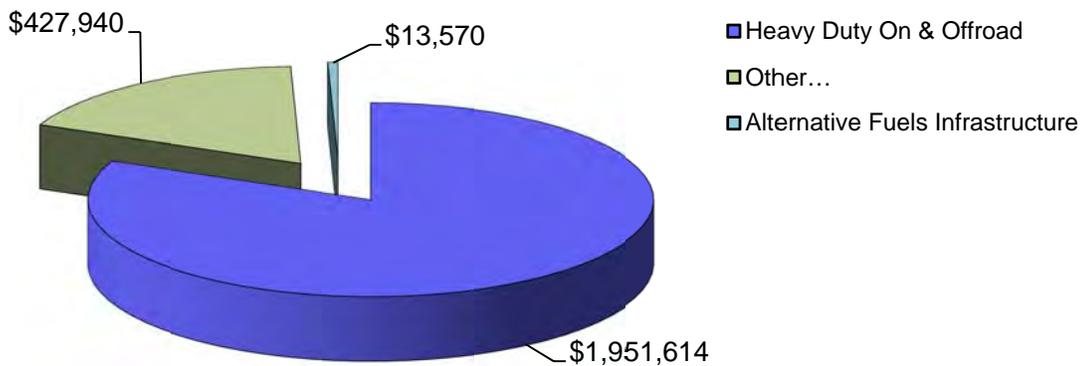


Figure 2 displays the total amount of money requested per category. The total amount of funds requested was \$2,393,124.

Figure 2

Amount of Funding Requested per Category



After the close of the solicitation period, District Staff conducted a systematic and comprehensive evaluation in order to identify the most competitive and cost effective projects for recommendation at the April Board meeting. The results of this evaluation were compiled into a single summary table of all projects received, found in Exhibit A, which includes the costs, cost-effectiveness (when applicable), emission reductions, and project ranking for each project. The major steps of the project evaluation process are described in the following discussion.

Step 1: Project eligibility

Each project application was reviewed to determine if it met the program's eligibility requirements which are specific to each funding source. The three major requirements of the CAG program are (1) that projects must either cost effectively reduce or address criteria air pollutants or issues; (2) that a project cannot be funded if it is already subject to an emissions requirement at the time of application or within the next three years; and 3) since this program is budgeted with local funds, a project must operate at least 75% of the time within Placer County. Only the activity performed within the County was considered in the evaluation process. A complete list of eligibility requirements are defined in the program's guidelines and were made available online. Exhibit A lists all project applications submitted.

*Step 2: All projects received were identified as either *quantifiable* or *qualifiable**

To effectively evaluate the different project types, two versions of a Project Ranking Form were used. The first version was used to evaluate projects that were *quantifiable* (projects that are primarily based on surplus emission reductions). Examples of these types of projects are mobile on and off-road vehicle replacements. The second version was used for projects that do not have associated emission reductions or projects where emission reductions could not be confidently quantified, and yet still meet the requirements of the funding guidelines. These types of projects are referred to as *qualifiable* projects and include public education and congestion mitigation projects. The total points that can be earned on the Project Ranking Form are 100. Bonus points (up to 5) may be credited to projects which provide additional air quality benefits not otherwise considered on the form. Over the years, competitive scores have consistently ranged from the 70s and higher.

For *quantifiable* projects, each project was first evaluated to determine its measurable emission reductions (for ROG, NO_x, and PM) and its Phase I cost-effectiveness. The Phase I cost-effectiveness is calculated based on the amount of requested grant funding compared to the amount of emissions that can be reduced over a period of time. This first round of evaluation helps to identify which *quantifiable* projects will have the potential to be competitive, and cost-effectiveness at an acceptable funding amount. For projects which are quantified, the Phase I cost effectivity is listed on the right side of the table in Exhibit A.

Qualitative projects are not primarily based on emission reductions (such as a public education project) and therefore are not evaluated using the cost effectivity formula. Other qualitative factors are taken into consideration such as the level of project funding, the overall community benefits, how well a project maintains the scope of program funding, and the qualifications of the applicant to implement such a program or task.

Once each project is evaluated, the results are entered into the Project Ranking Form and a project score is generated. This score helps to evaluate a project's overall competitiveness.

Step 3: District's internal Technical Review Panel

Once preliminary evaluations were conducted for each project, Staff scheduled a Technical Review Panel (Panel) comprised of Planning, Engineering, and Administrative staff in order to discuss each project. The Technical Review Panel was the critical step in determining what projects would be considered for funding. The Panel evaluated each project, taking into consideration eligibility requirements, emission reductions, project feasibility, consistency with program guidelines, and overall project competitiveness.

During the review, the Panel identified that some projects were not competitive at the requested amount of funding, but were competitive at a lesser amount. The goal in allocating recommended funding to projects was to maintain a balanced budget while funding as many competitive projects as possible, without losing opportunities for emission reductions. This is why some projects, even though they may have been competitive at the level of requested funding, were reduced to lesser amounts or were not recommended for funding at all.

Once the Panel assigned recommended funding amounts to each project, the cost effectiveness for *quantifiable* projects was re-calculated based on the recommended funding amounts from the Panel's review and was labeled Phase II cost effectivity. The Project Ranking Form was then adjusted to reflect the changes in improved cost effectivity, increased match funding from the applicant, and/or any other scoring adjustments. Normally, the lower the cost effectivity (cost/ton) of a project or the more co-funding an applicant contributes to a project, the higher the score a project receives. In some instances, the level of funding that is cost effective for a project is not enough for the applicant to pursue, and as a result, the applicant may opt out of the competitive evaluation process. If an applicant opts out of the evaluation process, or if a project is not recommended for funding even though it is competitive, the project will not receive a Phase II Project Ranking score (since this score is based on funding, cost effectivity, match, etc.)

Step 4: APCO final review

Once the Panel completed its evaluation of all the projects, a draft list of recommended projects was generated. The Panel provided their results to the APCO for final review and approval before submitting recommendations to your Board.

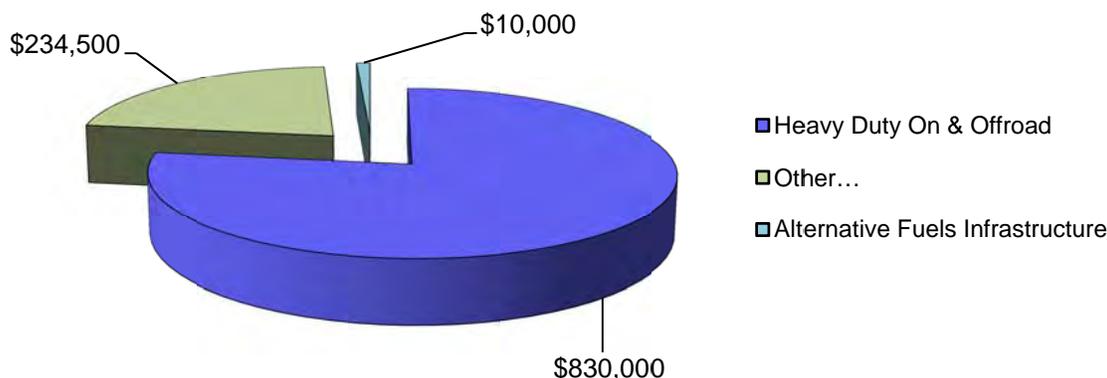
Projects Recommended for Funding

Out of the twenty-one applications received, there are seventeen that are being recommended for funding. Recommended projects include diesel to diesel and diesel to CNG/Propane vehicle replacements, biomass projects which reduce open burning, alternative transit infrastructures, and a congestion mitigation program.

Grant funds from this year's CAG program will provide an overall average cost share of 22% of estimated total project costs. That means that for every dollar the District spends, approximately five dollars will be spent (on average) by the applicant. More specifically, for the \$1,103,384 of budgeted CAG funds, an estimated \$5,066,443 will be spent as a match (direct costs or in-kind) by the applicants being recommended for funding. This is a prime example of the competitiveness of this year's program and the effort to maximize the dollars spent in this program. A list of all of the recommended projects is shown in Exhibit B. Fortunately, every project that is cost effective and competitive is being recommended for funding in this 2013-14 CAG year. Figure 3 displays the amount of funding recommended per category.

Figure 3

Recommended Funding per Category



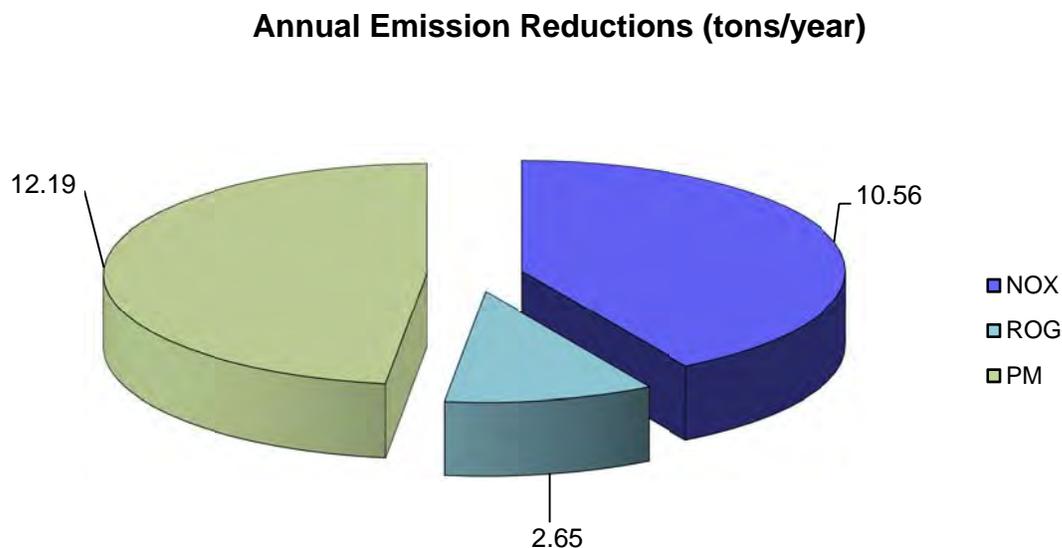
Projects Not Recommended for Funding

There are four projects that Staff is not recommending for funding. Two of the four projects are not being recommended because the projects are not effective and/or received a less than competitive Project Ranking score. The two additional projects which are not being recommended were withdrawn by the applicant. In regards to these two projects, the maximum incentive amount for one project was not enough to meet the applicant's needs to move forward with the project, and the other applicant withdrew their application due to logistical issues not related to the CAG program. A list of these projects, and details as to why they are not being recommended for funding, can be seen in Exhibit C.

Emissions Summary of Recommended Projects:

Based on the recommendations submitted to your Board in this report, there will be an estimated total of 25.4 tons of NO_x, PM, and ROG reduced annually from the recommended projects, over their project lives. Figure 4 displays the types and amounts of annual emission reductions from the 2014 CAG program.

Figure 4



The District uses the State's Carl Moyer Program Guidelines to help determine the project life for on and off-road type projects. The project life is the length of time (in years) that is used to project the overall surplus emission reductions of a project and its cost effectiveness. For projects which are awarded contracts, the contract term is also consistent with the length of the project life in order to ensure that the emission reductions measured will be obtained. Below is an example of this concept:

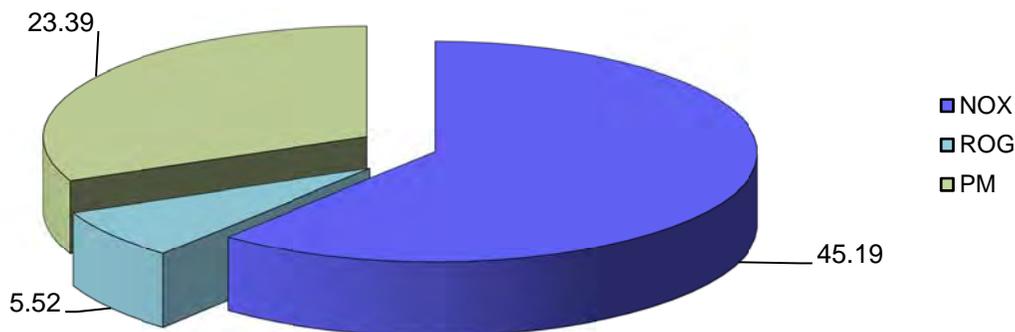
Agency B submits an application to replace a 1975 loader. The loader currently operates 1000 hours per year. Agency B wishes to upgrade their loader to a 2014 loader and will continue to operate it at a minimum of 1000 hours per year in the future. District Staff assign the project a project life of seven years. This means that the applicant will be required at a minimum to operate the new loader for 1000 hours a year for the next seven years, if awarded a grant. The annual emission reductions between operating the 1975 loader and the 2014 loader are 0.5 tons. Over the next seven years, the total project life emission reductions for this project are 0.5 tons x 7 years = 3.5 tons.

The project life for each project is listed in Exhibit A and varies based on project type, funding source guidelines, regulatory emission requirements, and other factors.

When all of the annual project emissions from the 2014 proposed projects are multiplied by their project lives, the total reduction in emissions is approximately 74.1 tons. This will be the total estimated emission reduction benefits claimed from the recommended projects of the 2014 CAG program as shown in Figure 5 below. However, future benefits beyond this time will continue to ensue as funded equipment and vehicles continue to operate.

Figure 5

Project Life Emission Reductions (tons)



The overall average cost-effectiveness of the recommended projects for 2014 is \$14,558 per ton of pollution, which is cost-effective when comparing with the current cost effectiveness requirement used by the State Carl Moyer Incentive Program (\$17,080 per ton of pollution). Assuming this year's recommended projects are approved for funding, a maximum of 1071 tons of NOx, ROG, and PM will have been reduced since 2001 through the District's CAG program.

Fiscal Impact

Total budgeted grant funds for the 2013-14 CAG program is \$1,103,384. Total funding for the recommended projects is \$1,074,500. This leaves a balance of \$28,884 in Eastern Mitigation Funds. Since all eligible and competitive projects are being recommended for suitable funding, and there are no remaining eligible projects on the east side in this year's CAG program, Staff recommends that the remaining balance of \$28,884 in Eastern Mitigation funds be applied and budgeted for next year's 2014-15 CAG program.

- Exhibits:**
- A: Summary Table of All Project Applications Received
 - B: Table of Project Applications Recommended for Funding 2014 CAG/PCAPCD
 - C: Table of Project Applications Not Recommended for Funding 2014 CAG/PCAPCD

Exhibit A

SUBJECT:

Summary Table of All Project Applications Received

Exhibit A: Summary Table of All Project Applications Received 2014 CAG/PCAPCD

Category	Application Number	Applicant	Project Title	Maximum Total Project Cost	Amount Requesting	Recommended Funding	Project Life						Nox Reduction per Year	PM Reduction per Year	ROG Reduction per Year	Nox + PM + ROG Reduction Per Year	Nox + PM + ROG Project Life Reduction	Phase I Cost Effectivity Based on Requested Amount (\$/Ton)	Phase II Cost Effectivity Based on Awarded Amount (\$/Ton)	Project Ranking based on final Project Evaluation (100 total pts.)				
								\$13,000	\$637,000	\$294,053	\$159,331	Measured in Tons												
								AB 2766	AB 923	West Mit.	East Mit.													
On/Off Road HD Vehicles	14-03	Foresthill Public Utility District	Off-Road Equipment Modernization	\$84,000	\$84,000	\$0	4						0.10	0.01	0.02	0.13	0.52	\$89,001	N/A*	20				
	14-04	Eastern Regional Landfill	Off-Road Equipment Modernization	\$239,429	\$130,000	\$80,000	5				\$80,000		0.40	0.02	0.06	0.48	2.40	\$40,744	\$20,586	80				
	14-05	Tahoe Truckee Sierra Disposal	On-Road truck Repower Conversion -CNG	\$101,851	\$75,851	\$0	7						0.15	0.00	0.00	0.15	1.05	Applicant Withdrew Application						
	14-06	Ridge Logging	Off-Road Forestry Equipment Modernization	\$200,000	\$170,000	\$0	7						0.10	0.02	0.01	0.13	0.91	\$111,562	N/A*	50				
	14-07	Ridge Logging	Off-Road Forestry Equipment Modernization	\$330,000	\$290,000	\$130,000	7		\$130,000				0.67	0.08	0.02	0.77	5.39	\$64,106	\$16,579	89				
	14-08	City of Roseville	On-Road Vehicle Modernization	\$270,000	\$30,000	\$25,000	7			\$25,000			0.18	0.00	0.00	0.18	1.26	\$26,120	\$21,766	80				
	14-09	Volcano Creek Enterprises, Inc.	Off-Road Forestry Equipment Modernization	\$465,100	\$165,100	\$60,000	7		\$60,000				0.49	0.03	0.00	0.52	3.64	\$44,420	\$16,143	89				
	14-10	John Hofman	Agriculture Equipment Modernization	\$79,500	\$69,500	\$48,000	7		\$48,000				0.19	0.03	0.01	0.23	1.61	\$24,217	\$16,752	80				
	14-13	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$382,802	\$380,802	\$249,000	5		\$249,000				3.82	0.38	0.15	4.35	21.75	\$11,314	\$7,354	92				
	14-14	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$169,792	\$169,792	\$80,000	5		\$80,000				0.49	0.07	0.02	0.58	2.90	\$34,562	\$16,284	89				
	14-15	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$164,553	\$164,553	\$70,000	5		\$70,000				0.37	0.06	0.02	0.45	2.25	\$39,837	\$16,947	85				
	14-18	Bettencourt Transport, Inc.	On-Road Vehicle Modernization	\$95,351	\$95,351	\$38,000	6			\$38,000			0.24	0.00	0.00	0.24	1.44	\$54,951	\$21,899	85				
	14-19	DPW/Placer County Library	On-Road Vehicle Modernization/Outreach	\$225,000	\$75,000	\$30,000	7			\$22,500	\$7,500		0.17	0.00	0.00	0.17	1.19	\$59,787	\$20,982	85				
14-20	RJUHSD	School Bus Modernization - Propane	\$129,163	\$51,665	\$20,000	7			\$20,000			0.15	0.00	0.00	0.15	1.05	\$50,774	\$20,164	90					
Alternative Fuels Infra.	14-12	City of Auburn	Electric Vehicle Charging Station	\$14,795	\$13,570	\$10,000	3	\$10,000										N/A**		75				
Other (VMT, traffic reducing, and biomass projects)	14-01	Northstar Fire Department	Community Biomass Collection to Reduce Open Burning	\$100,904	\$26,000	\$26,000	1				\$26,000		0.32	1.19	0.24	1.75	1.75	\$15,245	\$15,245	90				
	14-02	Auburn State Recreation Area	Track Chipper to Reduce Open Burning	\$92,000	\$32,000	\$0	3						0.9	3.30	0.68	4.88	14.64	Applicant Withdrew Application						
	14-11	Placer Country Transportation Planning Agency	Freeway Service Patrol Program	\$308,498	\$40,000	\$30,000	1			\$30,000								N/A**		70				
	14-16	Placer County Community Development Center	Biomass Removal Program	\$40,000	\$30,000	\$30,000	1			\$30,000			1.69	6.18	1.27	9.14	9.14	\$3,577	\$3,577	85				
	14-17	City of Roseville	Intermodal Center	\$3,100,000	\$245,000	\$117,000	3	\$3,000		\$114,000								N/A**		80				
	14-21	Placer County Office of Emergency Services	Chipper Purchase	\$54,940	\$54,940	\$31,500	3			\$14,553	\$16,947		1.13	4.13	0.85	6.11	18.33	\$1,910	\$1,792	92				
Total				\$6,647,678	\$2,393,124	\$1,074,500		\$13,000	\$637,000	\$294,053	\$130,447	Reduced Emission Totals from Recommended Projects					Avg. C.E.	Avg. Ranking						
								AB 2766	AB923	West Mit.	East Mit.	10.56	12.19	2.65	25.40	74.10	→ \$15,434 →		84					
Total CAG Budget: \$1,103,384				Remaining Balance:	\$28,884	Remaining Fund Balance:	\$0	\$0	\$0	\$28,884	Reduced Emission Totals from non-Recommended Projects					Avg. C.E.	Avg. Ranking							
											0.20	0.03	0.03	0.26	1.43	→ \$100,282 →		35						

* Projects which are not being recommended for funding will not have a Phase II cost effectivity component. The project's emission reductions were too low to generate a reasonable incentive amount which also meets the program's cost effectivity requirements.

** Projects which are qualifiable (vs. quantifiable) in nature and which do not have measurable emission reductions are not calculated for cost effectivity.

Exhibit B

SUBJECT:

Table of Project Applications Recommended for Funding 2014 CAG/PCAPCD

Exhibit B: Table of Project Applications Recommended for Funding 2014 CAG/PCAPCD

Application #	Applicant	Project Title	Amount Requested	Recommended Funding	Project Ranking Score
14-01	Northstar Fire Department	Community Biomass Collection to Reduce Open Burning	\$26,000	\$26,000	90
14-04	Eastern Regional Landfill	Off-Road Equipment Modernization	\$130,000	\$80,000	80
14-07	Ridge Logging	Off-Road Forestry Equipment Modernization	\$290,000	\$130,000	89
14-08	City of Roseville	On-Road Vehicle Modernization	\$30,000	\$25,000	80
14-09	Volcano Creek Enterprises, Inc.	Off-Road Forestry Equipment Modernization	\$165,100	\$60,000	89
14-10	John Hofman	Agriculture Equipment Modernization	\$69,500	\$48,000	80
14-11	Placer County Transportation Planning Agency	Freeway Service Patrol Program	\$40,000	\$30,000	70
14-12	City of Auburn	Electric Vehicle Charging Station	\$13,570	\$10,000	75
14-13	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$380,802	\$249,000	92
14-14	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$169,792	\$80,000	89
14-15	Sierra Pacific Industries	Off-Road Forestry Equipment Modernization	\$164,553	\$70,000	85
14-16	Placer County Community Development Center	Biomass Removal Program	\$30,000	\$30,000	85
14-17	City of Roseville	Intermodal Center	\$245,000	\$117,000	80
14-18	Bettencourt Transport, Inc.	On-Road Vehicle Modernization	\$95,351	\$38,000	85
14-19	DPW/Placer County Library	On-Road Vehicle Modernization/Outreach	\$75,000	\$30,000	85
14-20	RJUHSD	School Bus Modernization - Propane	\$51,665	\$20,000	90
14-21	Placer County Office of Emergency Services	Chipper Purchase	\$54,940	\$31,500	92

Exhibit C

SUBJECT:

Table of Project Applications Not Recommended for Funding 2014 CAG/PCAPCD

Exhibit C: Table of Project Applications not Recommended for Funding 2014 CAG/PCAPCD

Application Number	Applicant	Project Title	Reasons for not Recommending Funding (check all that apply)				Project Ranking Score	Additional Comments
			Not Cost Effective	Project does not strongly maintain the scope or intent program funding	Not enough Funding to implement Project	Does not meet program eligibility criteria or funding source requirements		
14-02	Auburn State Recreation Area	Track Chipper to Reduce Open Burning					See Note 1	
14-03	Foresthill Public Utility District	Off-Road Equipment Modernization	X				20	
14-05	Tahoe Truckee Sierra Disposal	On-Road truck Repower Conversion -CNG					See Note 2	
14-06	Ridge Logging	Off-Road Forestry Equipment Modernization	X				50	

Note 1: Though cost effective and eligible for funding, applicant withdrew application after District review due to other internal complications not related to the CAG program. Applicant will consider resubmitting their project next year.

Note 2: The maximum incentive, based on cost effectivity, for this project was not enough to meet the applicant's needs in order to go forward with the project. The applicant therefore chose not to accept the proposed incentive amount offered by Staff and will consider a new proposal for submittal next year.

Attachment #3

SUBJECT:

Compact Disc with Copies of all Applications Received and all Associated Documentation



Board Agenda

Public Hearing/Action

Agenda Date: April 10, 2014

Prepared By: Bruce Springsteen, Manager of Compliance and Enforcement

Topic: Approval of the 2014 Reasonably Available Control Technology State Implementation Plan Analysis Staff Report, dated April 2014

Action Requested:

District Staff request the following in a public hearing:

1. Adopt Resolution #14-08 (Attachment #1), thereby approving the 2014 Reasonably Available Control Technology State Implementation Plan Analysis Staff Report, dated April 2014.
2. Adopt Resolution #14-09 (Attachment #2), thereby approving a Negative Declaration for the polyester resin source category.

Discussion: The District is classified as “severe” non-attainment with the national eight-hour ozone ambient air quality standard, as well as non-attainment with the California ozone standard. As such, the District is required by the U.S. Environmental Protection Agency to periodically demonstrate that the District’s State Implementation Plan (SIP) rules fulfill Reasonably Available Control Technology (RACT) requirements for volatile organic compounds (VOCs) and nitrogen oxides (NOx). RACT is defined 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” (44 FR 53762; September 17, 1979).

The District periodically conducts a RACT SIP analysis that evaluates whether the District has adopted necessary rules that meet RACT and whether sources exist in Placer County that exceed the guidance thresholds. On February 13, 2014, the District Board approved a RACT SIP Analysis Report and adopted a rule negative declaration for sixteen (16) source categories. Subsequently, EPA provided the District with informal comments regarding both regulatory actions and also advised District Staff that a formal RACT SIP analysis is required three-years following the designation by EPA of the Sacramento Region being nonattainment of the 8-hour ozone standard. The deadline for the RACT SIP analysis is July 20, 2014. As a result of these factors, District Staff proposed updating the RACT SIP Analysis Report for the April 10, 2014 Board meeting, and adding a negative declaration of polyester resins, to address the deficiency issues raised by EPA.

The RACT SIP findings are contained in a Staff Report titled “2014 Reasonably Available Control Technology State Implementation Plan Analysis” (RACT SIP Analysis Report), dated April 2014 (included as Attachment #3). RACT requires that District NOx and VOCs rules cover both: (1) source categories for which there is RACT guidance and for which there are affected sources that operate in the District, and (2) major sources in the District. The analysis involved a thorough comparison of all RACT guidance documents with existing District rules and sources that operate in the District. In addition, EPA has commented that

the analysis should include other information besides CTGs as to what may be reasonably achievable—such as more stringent control measures adopted by other air districts—in making the RACT compliance determination for District rules.

The RACT SIP Analysis found the need for the following District action—a negative declaration is required to be made that there are no sources in the District that are affected by RACT guidance, for the polyester resin source category of EPA’s CTG documents “Control of Volatile Organic Compound Leaks from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment”(EPA-450/3-83-006 1984/03) and “Control of Volatile Organic Compound Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins”(EPA-450/3-83-008 1983/11). The “Negative Declaration” will make the finding that the requirements of Section 182(b)(2) of the CAAA are not presently applicable to the District for the polyester resin source category.

Public notification and outreach to impacted stakeholders for the proposed rule negative declaration Board action was prepared and released in a local newspaper of general circulation on March 9, 2014, and the notice and supporting documents were made available on the District website. Notice was also provided to the EPA, the California Air Resources Board, and to other air districts in the Sacramento region.

Fiscal Impact: The fiscal impact of the new rules and rule revisions that are recommended as part of the RACT SIP analysis will be evaluated in detail with each separate future rulemaking action. The fiscal impact will be provided to the Board for your considered evaluation and approval prior to any potential future board rulemaking adoptions that are recommended in the RACT SIP analysis.

Recommendation: Staff recommends adoption of Resolution #14-08 and Resolution #14-09 in public hearings, thereby approving the findings of the 2014 Reasonably Available Control Technology State Implementation (RACT SIP) Plan Analysis, District Staff Report, dated April 2014, and approving the negative declaration that there are “No Sources to Regulate for Volatile Organic Compounds (VOC)” in the District for the polyester resin source category.

Attachment(s):

- 1: Resolution #14-08, adopting the findings of the 2014 Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Analysis, District Staff Report, dated April 2014, and the requested submittal of this report as a revision to the SIP.
- 2: Resolution #14-09, A “Negative Declaration” of “No Sources to Regulate for Volatile Organic Compounds (VOC) for the polyester resin source category, for which there is Reasonably Available Control Technology (RACT) CTG document; and the submittal of this “Negative Declaration” as a requested revision to the State Implementation Plan (SIP).
- 3: 2014 Reasonably Available Control Technology State Implementation Plan Analysis Report, dated April 2014

ATTACHMENT #1

SUBJECT:

Resolution #14-08



Board Resolution:
Resolution # 14-08

Before the Placer County Air Pollution Control District Board of Directors

In the Matter Of: Adopt a resolution to approve the findings of the 2014 Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Analysis, dated April 2014, and the requested submittal of this report as a revision to the SIP.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **April 10, 2014**, by the following vote:

Ayes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Black _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____

Noes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Black _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____

Abstain: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Black _____
 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, 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 pursuant to the Federal Clean Air Act Amendments of 1990 (FCAA); and

WHEREAS, the FCAA requires for non-attainment areas the implementation of volatile organic compounds (VOCs) and nitrogen oxides (NOx) Reasonably Available Control Technology (RACT) rules covering: (1) all source categories with RACT guidance documents, for which there are sources in the District that fall under the RACT guidance, and (2) for Major Sources of VOCs and NOx; and

WHEREAS, the Board of Directors of the PCAPCD has determined that adopting the findings of 2014 RACT SIP analysis are necessary to comply with requirements of California Health and Safety Code Sections 40001 and 40910, and with Sections 110(a)(2), 110(f) and 182(b)(2) of the FCAA; and

WHEREAS, the 2014 RACT SIP Analysis' findings are categorically exempt from CEQA pursuant to Title 14, California Administrative Code, Section 15308, as an action by a regulatory agency for the protection of the environment; and

WHEREAS, these proceedings were held in a public hearing that was properly noticed pursuant to the procedures of 40 CFR 51.102(a) and (d); and any evidence received concerning the proposed adoption of this Resolution has been duly considered by this Board; and

WHEREAS, the District is adopting the recommendations of the 2014 RACT SIP Analysis. The relative cost effectiveness of the recommended rulemakings will be evaluated separately when the rulemakings are adopted by the Board, as well as other factors, as required by Section 40922 of the Health and Safety Code of the State of California. At that time, we will also make reasonable efforts to determine the direct costs expected to be incurred by regulated parties pursuant to Section 40703 of the Health and Safety Code of the State of California; and

NOW, THEREFORE, BE IT RESOLVED, that this Board approves and adopts the findings of the 2014 Reasonably Available Control Technology State Implementation Plan (RACT SIP) Analysis, dated April 2014, and directs the Placer County Air Pollution Control District to implement the RACT SIP Analysis Report's recommendations.

BE IT FURTHER RESOLVED, that the Air Pollution Control Officer is hereby authorized and directed to submit this 2014 RACT SIP Analysis as a requested revision to the State Implementation Plan, in the form required by the California Air Resources Board and the United States Environmental Protection Agency, on behalf of the Placer County Air Pollution Control District.

ATTACHMENT #2

SUBJECT:

Resolution #14-09



Board Resolution:
Resolution # 14-09

Before the Placer County Air Pollution Control District Board of Directors

In the Matter Of: Adopt a Resolution to approve the “Negative Declaration” of “No Sources to Regulate for Volatile Organic Compounds (VOC) for the polyester resin source category, for which there is Reasonably Available Control Technology (RACT) CTG; and the submittal of this “Negative Declaration” as a requested revision to the State Implementation Plan (SIP).

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **April 10, 2014**, by the following vote:

- Ayes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Black _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Noes: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Black _____
 Holmes, J. _____ Ruslin _____ Montgomery _____ Garcia _____
- Abstain: Holmes, M. _____ Barkle _____ Nader _____ Weygandt _____ Black _____
 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 (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, portions of the District have been designated as “severe” non-attainment areas for the federal 8-hour ozone standard pursuant to the Federal Clean Air Act Amendments of 1990 (CAAA); and

WHEREAS, the CAAA requires for non-attainment areas the implementation of volatile organic compounds (VOC) and nitrogen oxides (NO_x) Reasonably Available Control Technology (RACT) rules covering: (1) all source categories with RACT guidance documents, for which there are applicable sources in the District, and (2) for Major Sources of VOCs and NO_x; and

WHEREAS, the Board of Directors of the District has determined in the 2014 RACT SIP Analysis that there are either no sources that operate in the District, or no sources exceed Control Technique Guideline (CTG) RACT Guidance emissions thresholds, for the polyester resin source category of EPA’s CTG documents “Control of Volatile Organic Compound Leaks from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment”(EPA-450/3-83-006 1984/03) and “Control of Volatile Organic Compound Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins”(EPA-450/3-83-008 1983/11); and

WHEREAS, The Board of Directors of the District has determined that the adoption of a “Negative Declaration” for the polyester resin source category is necessary 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) rules; and

WHEREAS, the “Negative Declaration” findings are categorically exempt from CEQA pursuant to Title 14, California Administrative Code, Section 15308, as an action by a regulatory agency for the protection of the environment; and

WHEREAS, these proceedings were held in a public hearing that was properly noticed pursuant to the procedures of 40 CFR 51.102(a) and (d); and any evidence received concerning the proposed adoption of this Resolution has been duly considered by this Board.

NOW THEREFORE BE IT RESOLVED, that this Board approves and adopts this “Negative Declaration” certifying that in the District there are either no sources or no sources that exceed CTG RACT guidance emission thresholds for the polyester resin source category of EPA’s CTG documents “Control of Volatile Organic Compound Leaks from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment”(EPA-450/3-83-006 1984/03) and “Control of Volatile Organic Compound Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins”(EPA-450/3-83-008 1983/11), and therefore the “Negative Declaration” is made that the requirements of Section 182(b)(2) of the CAAA are not presently applicable to the District.

BE IT FURTHER RESOLVED, that the Air Pollution Control Officer is hereby authorized and directed to submit this “Negative Declaration” as a requested revision to the State Implementation Plan, in the form required by the California Air Resources Board and the United

States Environmental Protection Agency, on behalf of the Placer County Air Pollution Control District.

BE IT FURTHER RESOLVED, each part of this “Negative Declaration” is deemed severable, and in the event that any part of this “Negative Declaration” is held to be invalid, the remainder of this “Negative Declaration” continues in full force and effect.

Attachment #3

SUBJECT:

2014 Reasonably Available Control Technology
State Implementation Plan Analysis Report, dated April 2014

**PLACER COUNTY
AIR POLLUTION CONTROL DISTRICT**

STAFF REPORT

**2014 Reasonably Available Control Technology
State Implementation Plan Analysis**

April 2014

BACKGROUND

Purpose

The Placer County Air Pollution Control District (District) is required to update the Reasonably Available Control Technology State Implementation Plan (“RACT SIP”) analysis. This requirement results from the District’s classification as “severe” non-attainment with the national eight-hour ozone ambient air quality standard, and also non-attainment with the State of California ozone standard.

District Air Quality Attainment Status

The District’s jurisdiction is all of Placer County. Placer County is located in northern California, bordering Sacramento County to the west and the State of Nevada on the east. Elevations range from near sea level in the western portion of the County to 9,000 feet in the mountains of the Sierras. Placer County is the only county in the state that is divided into three different air basins: the Sacramento Valley Air Basin (SVAB); the Mountain Counties Air Basin (MCAB); and the Lake Tahoe Air Basin (LTAB). Each air basin has its own meteorological and geographic conditions. Generally, the mediterranean climate in SVAB has summers that are hot and dry with temperatures regularly above 90°F. These hot and dry summers are conducive to ozone formation. Prevailing winds from the west transport ozone from the San Francisco Bay Area and the Sacramento Valley into the foothill and mountain areas.

The portions of Placer County in the SVAB and MCAB are included in the Sacramento Federal Ozone Non-Attainment Area (SFONA). The SFONA has been classified as “severe” non-attainment for the National Ambient Air Quality Standard (NAAQS) for eight-hour ozone, as well as non-attainment with the State of California Ambient Air Quality Standard for ozone.

Federal RACT SIP Requirement

The U.S. Environmental Protection Agency’s (U.S. EPA) Phase 2 Ozone Rule (40 CFR 51.912 and 70 FR 71612) requires that areas that are classified as moderate non-attainment or higher must demonstrate in a State Implementation Plan (SIP) that their rules fulfill Reasonably Available Control Technology (RACT) requirements for volatile organic compounds (VOC) and nitrogen oxides (NOx) which are ozone precursors, in accordance with Federal Clean Air Act Amendments of 1990 (CAAA), Sections 182(b)(2) and 182(f).

RACT is defined as “the lowest emissions limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility” (44 FR 53762). The implementation of RACT requires:

- Rules covering source categories with RACT guidance documents -- including Control Techniques Guideline (CTG) -- issued by U.S. EPA, for which there are sources in the District that have emission levels that trigger the RACT guidance document threshold.
- Rules consider the controls that have been implemented at other regional and local air districts.
- Rules covering all major sources of NOx or VOC that are in the District.

CTG guidance must be adopted in District rules, and RACT SIP revisions, generally within one year of the CTG issuance date.

State of California Ozone Reduction Requirements

In addition to federal SIP requirements, the District has chosen to implement Every Feasible Measure (EFM) to meet the ozone reduction requirements under State of California Health and Safety Code Section 40914(a)(2). The State of California suggests that EFMs consider regulations that have been successfully implemented elsewhere; consider new technologies and innovative approaches; and social, environmental, energy, and economic (cost effectiveness) factors.

Additionally, the District requires the use of Best Available Retrofit Control Technology (BARCT) for VOC and NOx as required under State of California Health and Safety Code Section 40919.

District Planning History

The District has adopted numerous air quality attainment plans since 1991 to move toward attainment of the NAAQS for ozone. Over 100 new rules and amendments have been adopted to meet the commitments in these attainment plans. The District is going to work with other air districts in the SFONA to prepare an "Eight-Hour Ozone Attainment Plan" for achieving the federal 2008 8-hour ozone standard (0.075 ppm).

Title	Board Adoption
1991 Placer County Air Quality Attainment Plan	March 1992
1994 Ozone Attainment Demonstration Plan	December 1994
1997 Triennial Progress Report	July 1998
1999 Sacramento Area Regional Milestone Report	April 2000
2000 Triennial Progress Report	April 2001
2002 Sacramento Area Regional Milestone Report	May 2003
2003 Triennial Progress Report	October 2005
Sacramento Regional Non-Attainment Area Eight-Hour Ozone Rate-of-Progress Plan	February 2006
Sacramento Regional Non-Attainment Area Eight-Hour Ozone and Reasonable Further Progress Plan	February 2009
2009 Triennial Progress Report	August 2010
2012 Triennial Progress Report	October 2013
Sacramento Regional PM2.5 Implementation/Maintenance Plan and Re-Designation Request	February 2014

District RACT SIP History

The District last conducted a RACT SIP analysis in 2006. This analysis required new rulemaking for the Metal Parts and Products source category, which was accomplished by the District through new District Rule 245, SURFACE COATING OF METAL PARTS AND PRODUCTS, adopted on 12/11/08, amended on 08/20/09, and recently SIP approved by U.S. EPA. The analysis also found that nine (9) District rules required re-submittal for SIP approval due to amendments that predated the last SIP approval, and nine (9) District rules that needed first-time SIP approval. The rules are undergoing state and U.S. EPA review for inclusion in the approved SIP.

The 2006 RACT SIP Analysis was followed by a subsequent partial update in 2008, in response to seven (7) new CTGs.

In 2011 a comprehensive analysis of RACT and Every Feasible Measure was conducted as well as an assessment of existing District rules requiring administrative amendment. The 2011 RACT SIP Analysis identified seven (7) District rules that required amendment to meet RACT and that one new RACT rule was required.

The 2013 RACT SIP Analysis conducted and approved by the District's Board on February 13, 2014, found that previous RACT Rule deficiencies had been corrected. A negative declaration regarding the absence of sources in Placer County subject to sixteen (16) CTG source categories was adopted, with required public notice having been given.

This April 2014 update is to address additional deficiencies identified in U.S. EPA Region IX review, including: (1) publicly notice a negative declaration for Polyester Resin Manufacturing source category, (2) consideration of VOCs from composting operations at the Western Regional Sanitary Landfill, (3) provide additional analysis for the determination that existing District rules meet RACT, and (4) provide a public notice and conduct a public hearing for the 2014 RACT SIP Analysis.

ANALYSIS METHODOLOGY

RACT SIP

The RACT SIP analysis involves the following procedures, consistent with U.S. EPA Region IX guidance (as contained in a letter from Andrew Steckel dated March 9, 2006):

- **Source Category Identification:** Identify all source categories in the District that require RACT. This must include:
 - Source categories which have RACT guidance, and for which any sources (either minor or major) operate in the District.
 - Source categories for which major sources of NO_x or VOC operate in the District.
- **RACT Determination:** For each source category that requires RACT, identify if there is a District Rule. If there is no rule, then a new District rule that meets RACT must be developed and promulgated. If there is an existing District rule, then a determination must be made if the existing District rule reflects RACT. This is based on an analysis of the applicable District rule with guidance and regulations used to establish RACT:
 - Federal U.S. EPA: Control Technique Guidelines (CTG), Alternative Control Techniques (ACT), Maximum Achievable Control Technology (MACT) and National Emissions Standards Hazardous Air Pollutant (NESHAP) Standards, and New Source Performance Standards (NSPS).
 - State: California Air Resources Board (CARB) Suggested Control Measures, and State RACT guidance.
 - Local: Air districts in our region.

The RACT determination will identify for each source category:

- Existing District rules that meet RACT.
- Existing District rules that require amendments to meet RACT.
- New rules required to meet RACT.
- **Negative Declaration:** Negative declarations are required for all source categories for which there is federal RACT guidance but for which there are no operating facilities (major or minor) within the District, or for which there are facilities that have emissions below the RACT guidance threshold.

To determine that there are no operating facilities in the District that fall under a source category with RACT guidance, the following checks were conducted:

- District internal database of permitted sources.
- Internet website searches for key words.
- Business listings through city and county databases.
- Industrial trade groups.
- Yellow pages.

Every Feasible Measure

The EFM determination is based on a comparison of existing District rules with those in other districts in the Sacramento region.

RACT ANALYSIS

Identification of Source Categories

Source categories considered for the RACT SIP analysis include:

- All source categories that are affected by RACT guidance documents that have been published by the U.S. EPA. There are a total of fifty-one (51) source categories with RACT guidance documents -- including 31 CTGs, 18 ACTs, and 2 others (NSPS, MACT, and CARB Suggested Control Measures).
- All source categories that are affected by existing District rules that limit NOx or VOC. There are a total of twenty-four (24) District rules that limit NOx or VOC.
- All major sources of VOC or NOx that operate in the District. District Rule 502, NEW SOURCE REVIEW, defines major sources as those with permitted potential to emit greater than 25 tons per year of NOx or VOC. There are three major sources of NOx or VOC in the District – Rio Bravo Rocklin (biomass boiler), Sierra Pacific Industries (biomass boiler), and Roseville Electric Energy Park (natural gas turbine). These sources represent two source categories with existing District rules that control NOx and VOC: Rule 233, BIOMASS BOILERS, and Rule 250, STATIONARY GAS TURBINES.

Additionally, the Western Regional Sanitary Landfill is a major source of VOC emissions from their green waste composting operations. The composting facility has a capacity of 83,000 green tons of green wastes, and a typical throughput of 60,000 green tons per year. Compost is processed in open windrows. Compost bed moisture is controlled to 50% and temperature from 45-55°C, both of which are monitored daily. Compost windrows are mixed and aerated using a mechanical turner, at frequency as necessary to maintain temperature, moisture, and desired compost composition. The District has chosen to not directly control VOCs from the composting due to lack of consistency in the rules of other districts in the region, and lack of established cost effective control options.

There is one additional major source in the District, PABCO/Gladding McBean, which is major for CO emissions only. Thus, a RACT rule is not required for this source.

RACT Determination

Existing District Rules Determined to Meet RACT

Table 1 lists the twenty (20) source categories for which there is an existing District rule that has been determined to satisfy RACT requirements. The table contains the following information: source category title; applicable federal guidance title, report number, and date; existing District rule number, title, and date of last rule amendment, if any; status and size of operating sources in the District; SIP approval status of the most recent District rule amendment, including Federal Register citation and publication date; and narrative discussion forming the basis for the determination that the rule meets RACT.

The table is divided into two sections:

- District rules for which the latest rule amendment has been SIP approved by U.S. EPA. These rules have been determined to meet RACT requirements because they have been reviewed and approved by CARB and U.S. EPA, and there has not been more-recent RACT guidance issued for the source category since the rule was SIP approved by U.S. EPA. Also, the rules have been determined to be consistent with state rules and the rules of other districts in the region. There are eighteen (18) rules in this category.

- District rules for which the last amendment has not been SIP approved by U.S. EPA. These rules have been determined to meet RACT because they meet the most recent RACT guidance, and have been determined to be consistent with state rules and the rules of other districts in the region. These rules have been either adopted by the District and submitted to the CARB for adoption and forwarding to U.S. EPA, or they have been submitted to U.S. EPA and are awaiting approval. There are three (3) rules in this category.

Determination that the existing District rules meet the applicable RACT guidance documents is made through a detailed comparison of the District rule with the RACT guidance document compliance requirements, including control measures through recommended limits on the volatile organic content of coatings and other VOC containing products, control device efficiency limitations, NO_x limits from fuel combustion sources, recordkeeping and reporting, and test methods.

Determination that existing District rules are consistent with the rules of other districts in the region, is made through a survey and contact with districts in our region, including Sacramento, El Dorado, and Yolo-Solano.

Attachment 1 contains more details on the determination that supports that the existing District rule meets RACT.

Existing District Rules to be Amended

There are currently no existing rules that must be amended to meet RACT. Numerous District rules have recently been amended to meet RACT.

New District Rules

The District has adopted rules that meet RACT for each source category for which a Control Technique Guideline (CTG) document has been developed by U.S. EPA where there is source in that category in the District that exceeds the RACT guidance threshold, or for which there is a major NO_x or VOC source. No new rules are required to be adopted to meet RACT.

Negative Declarations

Table 2 lists the seventeen (17) source categories for which there is RACT guidance (CTG), but for which the District has determined there are no sources in the category, or if any sources were found, the source's potential VOC and NO_x emissions are less than the RACT guidance threshold.

A negative declaration, with associated public notification and District board approval, was adopted for sixteen (16) of these source categories (all except Polyester Resins Manufacturing) on February 13, 2014, asserting that there are no sources exceeding RACT guidance thresholds located in the District.

For the remaining source category, Polyester Resins Manufacturing, a negative declaration public notification was published on March 9, 2014, and District Board approval is scheduled for April 10, 2014 in a public hearing.

New sources are subject to the requirements of District Rule 502, NEW SOURCE REVIEW, which are significantly more stringent than RACT.

Table 2 also lists fourteen (14) source categories for which there is ACT guidance, but for which the District does not have any such sources.

Every Feasible Measure

Table 3 lists all source categories for which the state has identified the requirement of an evaluation for the need of Every Feasible Measure. Existing District rules satisfy EFM requirements, as documented in Table 3.

New Rules to be Adopted to Meet “Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan”

The District has no outstanding and unfulfilled commitments for new rules as part of our “Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan” (Regional Attainment Plan).

The Regional Attainment Plan will undergo revisions in 2015/2016, which may result in selection of new rulemakings for additional source categories.

ANALYSIS

The following Analysis and the subsequent Findings are intended to address the requirements set forth in the California Health and Safety Code relating to adoption of RACT SIP Analysis (and new or amended District rules), as well as other state statutes referenced herein.

1. Cost-Effectiveness of a Control Measure

California Health & Safety Code (H&S) Section 40703 requires the District to consider and make public the “cost-effectiveness” of District control measures. The cost effectiveness of the RACT SIP Analysis findings and recommendation -- the new rules and rule amendments needed to meet RACT -- will be assessed in detail when each of the separate rules are developed and adopted by the Board in the future to ensure that they are acceptable. There is no immediate cost impact of these RACT SIP Analysis recommendations.

2. Socioeconomic Impact

H&S Section 40728, in relevant part, requires the Board to consider the socioeconomic impact of any new or amended rule if air quality or emission limits are significantly affected. The expected socioeconomic impact of the RACT SIP Analysis (and new rules and rule amendments to meet RACT) will be assessed when the rules are adopted to ensure that they are acceptable.

3. Environmental Review and Compliance

California Public Resources Code Section 21159 requires that an environmental analysis of the reasonably foreseeable methods of compliance should be conducted. The RACT SIP analysis (and new rules and rule amendments required to meet RACT) will reduce emissions from sources and will not cause any significant adverse effects on the environment. There are no adverse environmental impacts that will be caused by compliance with the new rules and rule amendments. Nonetheless, an environmental review will be conducted at the time each rule or rule amendment is proposed for adoption.

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

FINDINGS

- A. **Necessity:** The adoption of the RACT SIP Analysis satisfies the District’s objective to reduce VOCs to achieve attainment with ambient air standards for ozone, and meets the District’s requirements to implement Every Feasible Measure as required under California Health and Safety Code Sections 40919.
- B. **Authority:** California Health and Safety Code, Sections 40000, 40001, 40701, 40702, 40716, 41010, and 41013, are provisions of law that provide the District with the authority to adopt this RACT SIP Analysis.
- C. **Clarity:** There is no indication at this time that the RACT SIP Analysis is written in such a manner that persons affected by the analysis cannot easily understand them.
- D. **Consistency:** The RACT SIP Analysis 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 RACT SIP Analysis 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 the District in interpreting this RACT SIP Analysis are incorporated into this analysis and this finding by reference.

SUMMARY

The RACT SIP Analysis has determined the need for the following District action:

- Negative declaration for Polyester Resins Manufacturing. A negative declaration for the Polyester Resins Manufacturing source category, asserting that there are no existing sources in the District or sources that emit above the RACT guidance (CTG) threshold limit for this source category. This is covered by the following CTGs:

Control of VOC Fugitive Emissions from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment (EPA-450/3-83-006, 03/84)

Control of VOC Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins (EPA-450/3-83-008, 11/83)

Table 1
Existing District Rules Determined to Meet RACT

Table 1. Existing District Rules That Have Been Determined to Meet RACT

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
District Rules that are Approved in the California SIP					
Adhesives	Control Technique Guidelines for Miscellaneous Industrial Adhesives (EPA 453/R-08-005, 09/08); NESHAP Subpart FFFF, Misc. Organic Chemical Production and Processes (MON) (11/10/03)	Rule 235, Adhesives (10/11/12)	Minor	78 FR 53711 08/30/13, effective 10/29/13 (10/11/12)	Rule 235 meets RACT.
Architectural Coatings	National VOC Emission Standards for Architectural Coatings (40 CFR 59 Subpart D, 63 FR 176: 48848, 09/98)	Rule 218, Architectural Coatings (10/14/10)	Minor	76 FR 75795 12/05/11, effective 02/03/12 (10/14/10)	Rule 218 (10/14/10) meets RACT. It meets Federal requirements for VOCs. It was updated to meet California's Suggested Control Measure (2007).
Automotive Refinishing	Reduction of Volatile Organic Compound Emissions from Automobile Refinishing (EPA-450/3-88-009, 10/88); National VOC Emission Standards for Automobile Refinish Coatings (40 CFR 59 Subpart B, 09/98)	Rule 234, Automotive Refinishing (10/14/10)	Minor	76 FR 75795 12/05/11, effective 02/03/12 (10/14/10)	Rule 234 (10/14/10) meets RACT. It meets Federal requirements for VOCs. It was updated to meet California's Suggested Control Measure (2005).
Boilers, Biomass	235	Rule 233, Biomass Boilers (06/14/12)	Major	78 FR 53249 08/29/13 (06/14/12)	Rule 233 meets RACT.
Boilers, Water Heaters ≥ 5 million Btu/hr	NOx Emissions from Process Heaters (EPA-453/R-93-034, 09/93); NOx Emissions from Utility Boilers (EPA-453/R-94-023, 03/94); NOx Emissions from Industrial / Commercial / Institutional Boilers (EPA-453/R-94-022, 03/94)	Rule 231, Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters (10/09/97)	Minor	76 FR 67366 11/01/11, effective 01/03/12 (10/09/97)	Rule 231 (10/09/97) meets RACT. It meets the ACT.

Table 1. Existing District Rules That Have Been Determined to Meet RACT

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Cutback Asphalt	Control of VOC from Use of Cutback Asphalt (EPA-450/2-77-037, 12/77)	Rule 217, Cutback and Emulsified Asphalt Paving Materials (10/19/93)	Minor	62 FR 23365 04/30/97 (10/19/93)	Rule 217 meets RACT.
Flat Wood Paneling Coatings	Control of Volatile Organic Emissions from Existing Stationary Sources for Factory Surface Coating of Flat Wood Paneling (EPA-450/2-78-032, 06/78); Control of Volatile Organic Emissions from Existing Stationary Sources Control Technique Guidelines for Flat Wood Paneling Coatings (EPA-453/R-06-004, 09/06)	Rule 238, Factory Coating of Flat Wood Paneling (10/14/10)	Minor	76 FR 71886 11/21/11, effective 01/20/12 (10/14/10)	Rule 238 (10/14/10) meets RACT. It was amended to meet the CTG.
Gas Turbines	NOx Emissions from Stationary Gas Turbines (EPA-453/R-93-007, 01/93)	Rule 250, Stationary Gas Turbines (10/17/94)	Minor and Major (non-CTG source)	60 FR 43713 08/23/95 (10/17/94)	Rule 250 meets RACT. It meets the ACT. It is consistent with the rules of other districts in the region.
Gasoline Bulk Plants and Terminals	Control of Volatile Organic Emissions from Bulk Gasoline Plants (EPA-450/2-77-035, 12/77); Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals (EPA-450/2-77-026, 12/77); NESHAP Subparts CCCC, Gasoline Dispensing Facilities (Area Sources) (1/10/08), R, Gasoline Distribution (Stage 1) (12/14/94), BBBBB, Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities (Area Sources) (01/10/08)	Rule 215, Transfer of Gasoline into Tank Trucks, Trailers, and Railroad Tank Cars at Loading Facilities (06/19/97)	Minor	76 FR 5277 01/31/11 (06/19/97)	Rule 215 (06/19/97) meets RACT. Rule 215 meets the CTG.

Table 1. Existing District Rules That Have Been Determined to Meet RACT

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Gasoline Service Stations (Storage Tanks)	Design Criteria for Stage I Vapor Control Systems -- Gasoline Service Stations (11/75); Control of Volatile Organic Compound (VOC) Equipment Leaks from Natural Gas/Gasoline Processing Plants (EPA-450/3-83-007, 12/83); Technical Guidance -- Stage II Vapor Recovery Systems for Control of Vehicle Refueling Emissions at Gasoline Dispensing Facilities (EPA-450/3-91-022a, 11/91); Control of VOC Leaks from Gasoline Tank Trucks and Vapor Collection Systems (EPA-450/2-78-051, 12/78)	Rule 213, Gasoline Transfer into Stationary Storage Containers (10/19/93)	Minor	62 FR 23365 04/30/97 (10/19/93)	Rules 213 (10/19/93) meets RACT. Rule 213 meets all current California requirements for this source category including recent rules for Phase I Enhanced Vapor Recovery system.
Graphic Arts	Control of Volatile Organic Emissions from Existing Stationary Sources -- Volume VIII: Graphic Arts-Rotogravure and Flexography (EPA-450/2-78-033, 12/78); Control Technology Guidelines for Offset Lithographic Printing and Letterpress Printing (EPA-453/R-06-002, 09/06)	Rule 239, Graphic Arts Operations (10/11/12)	Minor	79 FR 14178 03/13/14 (10/11/12)	Rule 239 (10/11/12) meets RACT. It was recently amended to meet the CTG. It has recently been proposed for approval into the SIP by EPA on 03/13/14.
Metal Coil, Container, and Closure	Control of Volatile Organic Emissions from Existing Stationary Sources -- Volume II: Surface Coatings of Cans, Coils, Paper, Fabric, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/77)	Rule 223, Metal Container Coating (10/06/94)	Minor	60 FR 2563 01/10/95 (10/06/94)	Rule 223 (10/06/94) meets RACT. It meets the CTG. It was SIP approved on 01/10/95. It is consistent with the rules of other districts in the region.

Table 1. Existing District Rules That Have Been Determined to Meet RACT

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Metal Parts Coatings	Control of Volatile Organic Emissions from Existing Stationary Sources (EPA-450/2-78-015, 06/78); Control Technique Guidelines for Miscellaneous Metal and Plastic Parts Coatings (EPA 453/R-08-003, 09/08); NESHAP Subpart PPPP, Plastic Parts (4/19/04)	Rule 245, Surface Coating of Metal Parts and Products (08/20/09)	Minor	76 FR 67366 11/01/11, effective 01/03/12 (08/20/09)	Rule 245 (08/20/09) meets RACT. It was recently amended to meet the CTG.
Polyester Resin Operations	CARB Determination of RACT and Best Available Retrofit Control Technology (BARCT) for Polyester Resin Operations document (01/08/91); Control of VOC Fugitive Emissions from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment (EPA-450/3-83-006, 03/84); Control of VOC Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins (EPA-450/3-83-008, 11/83); NESHAP Subpart FFFF, Misc. Organic Chemical Production and Processes (MON) (11/10/03)	Rule 243, Polyester Resin Operations (04/10/03)	Minor	76 FR 61057 10/03/11, effective 12/02/11 (04/10/03)	Rule 243 (04/10/03) meets RACT. It meets the CTG. It meets CARB's RACT/BARCT guidance (01/08/91).
Solvent Cleaning	Control of Volatile Organic Emissions from Solvent Metal Cleaning (EPA-450/2-77-022, 77/11); Control Techniques Guidelines for Industrial Cleaning Solvents (EPA-453/R-06-001, 09/06); Alternative Control Techniques Document -- Industrial Cleaning Solvents (EPA-453/R-94-015, 1994/02); Halogenated Solvent Cleaners (EPA-450/3-89-030, 89/08); NESHAP Subpart T, Degreasing Organic Cleaners (12/2/94)	Rule 216, Organic Solvent Cleaning and Degreasing (12/11/03)	Minor	75 FR 24406 05/05/10 (12/11/03)	Rule 216 (12/11/03) meets RACT. It was SIP approved after the 2006 CTG (EPA-453/R-06-001, 09/06). The EPA and CARB provided recommendations for change (EPA's TSD (01/21/10), and e-mail (04/07/10)), but no actions needed to meet RACT.

Table 1. Existing District Rules That Have Been Determined to Meet RACT

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Solvent Cleaning	Control of Volatile Organic Emissions from Solvent Metal Cleaning (EPA-450/2-77-022, 77/11); Control Techniques Guidelines for Industrial Cleaning Solvents (EPA-453/R-06-001, 09/06); Alternative Control Techniques Document – Industrial Cleaning Solvents (EPA-453/R-94-015, 1994/02); Halogenated Solvent Cleaners (EPA-450/3-89-030, 89/08); NESHAP Subpart T, Degreasing Organic Cleaners (12/2/94)	Rule 240, Surface Preparation and Cleanup (12/11/03)	Minor	79 FR 14178 03/13/14 (12/11/03)	Rule 240 (12/11/03) meets RACT. It meets the CTG. It has recently been proposed for approval into the SIP by EPA on 03/13/14.
Tanks	Control of Volatile Organic Emissions from Storage of Petroleum Liquids in Fixed Roof Tanks (EP-450/2-77-036, 12/77); Control of Volatile Organic Emissions from Petroleum Liquid Storage in External Floating Roof Tanks (EPA-450-2/78-047, 12/78); Alternative Control Techniques Document – Volatile Organic Liquid Storage in Floating and Fixed Roof Tanks (EPA-453/R-94-001, 01/94)	Rule 212, Storage of Organic Liquids (06/19/97)	Minor	74 FR 27714 06/11/09 (06/19/97)	Rule 212 (06/19/97) meets RACT. It meets all CTGs and ACTs. It was SIP approved on 06/11/09.
Wood Furniture Coatings	Control of Volatile Organic Compound Emissions from Wood Furniture Manufacturing Operations (EPA-453/R-96-007, 04/96) ; NESHAP Subpart JJ, Wood Furniture (12/7/95)	Rule 236, Wood Products Coating Operations (10/14/10)	Minor	76 FR 71886 11/21/11, effective 01/20/12 (10/14/10)	Rule 236 (10/14/10) meets RACT. It was amended to meet the CTG.

Table 1. Existing District Rules That Have Been Determined to Meet RACT

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
District Rules that are Under Current EPA Review for SIP Approval, or are to be Submitted by ARB					
Gasoline Service Stations (Transfer to Vehicle)	Design Criteria for Stage I Vapor Control Systems -- Gasoline Service Stations (11/75); Control of Volatile Organic Compound Equipment Leaks from Natural Gas/Gasoline Processing Plants (EPA-450/3-83-007, 12/83); Technical Guidance -- Stage II Vapor Recovery Systems for Control of Vehicle Refueling Emissions at Gasoline Dispensing Facilities (EPA-450/3-91-022a, 11/91); Control of VOC Leaks from Gasoline Tank Trucks and Vapor Collection Systems (EPA-450/2-78-051, 12/78)	Rule 214, Transfer of Gasoline into Vehicle Fuel Tanks (02/21/13)	Minor	62 FR 23365 4/30/97 (10/19/93). The 02/21/13 amendment has not been approved.	Rule 214 (04/09/09) met RACT. It met the CTG. Rule 214 meets all current California requirements for this source category including recent rules for Phase II Enhanced Vapor Recovery system. It was submitted to EPA (09/15/09) for SIP approval and the District received comments that were addressed in the 02/21/13 amendment. The 02/21/13 amended Rule has not yet been submitted by CARB to EPA.
Surface Coating of Plastic Parts and Products	Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings" [EPA 453/R-08-003], September 2008.	Rule 249, Surface Coating of Plastic Parts and Products (08/08/13)	Minor		District adopted new Rule 249 on 08/08/13 to address the CTG. Submitted to CARB, and awaiting CARB forwarding to EPA.

Table 2
Negative Declarations

Table 2. CTG/ACT Source Categories for Which a Negative Declaration Has Been Adopted or is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Source Categories with CTGs					
Aerospace Coatings	Control of Volatile Organic Compound (VOC) Emissions and MACT from Coating Operations at Aerospace Manufacturing and Rework Operations (EPA-453/R-97-004, 12/97); Aerospace MACT (59 FR-29216, 06/06/94); National Emission Standards for Hazardous Air Pollutants (NESHAP) Subpart GG, Aerospace Manufacturing and Rework Facilities (03/27/98)		No Major or Minor exceeding CTG thresholds or that require District Permit		Negative declaration adopted 02/13/14 since the CTG applicability threshold is 25 tons/year for sources in moderate, serious, or severe non-attainment areas, and the potential VOC emissions from existing sources in the District are less than 25 tons/year.
Automobile and Light-duty Truck Assembly Coatings	Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings (EPA 453/R-08-006, 09/08); Protocol for Determining the Daily Volatile Organic Compound Emission Rate of Automobile and Light-Duty Truck Primer-Surfacer and Topcoat Operations (EPA 453/R-08-002, 09/08). Also, Control of Volatile Organic Emissions from Existing Stationary Sources – Volume II: Surface Coatings of Cans, Coils, Paper, Fabric, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/77)		None		Negative declaration adopted 02/13/14. There are no sources for this category in the District.

Table 2. CTG/ACT Source Categories for Which a Negative Declaration Has Been Adopted or is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Dry Cleaning (Petroleum)	Control of VOC Emissions from Large Petroleum Dry Cleaners (EPA-450/3-82-009, 09/82). New Source Performance Standards for Petroleum Dry Cleaners (40 CFR 60 Subpart JJJ, 10/00)	Rule 227, Petroleum Dry Cleaning Operations (02/05/91); rescinded 04/12/12	No Major or Minor exceeding CTG thresholds or that require District Permit		Negative declaration to be adopted. There are no sources for this category in the District. The previously existing Rule was rescinded. Rule 227 was not SIP approved and the District has no large petroleum dry cleaners that would be covered by the CTG for Large Petroleum Dry Cleaners, therefore the District does not need a RACT rule for this category. The NSPS for Petroleum Dry Cleaners, 40 CFR 60 Subpart JJJ exempts dry cleaners which have a capacity of less than 84 pounds per load. This 84 pound size will be considered the definition of "large" relative to the CTG.
Fiberglass Boat Manufacturing	Control Technique Guidelines for Fiberglass Boat Manufacturing Materials (EPA 453/R-08-004, 09/08)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Flexible Package Printing	Control Technique Guidelines for Flexible Package Printing (EPA-453/R-06-003, 09/06)		None		
Large Appliances Surface Coatings	Control Technique Guidelines for Large Appliance Coatings (EPA 450/2-77-034, 12/77); Control Technique Guidelines for Large Appliance Coatings (EPA 453/R-07-004, 09/07); NESHAP Subpart NNNN, Large Appliances (7/23/02)		None		

Table 2. CTG/ACT Source Categories for Which a Negative Declaration Has Been Adopted or is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Magnet Wire	Control of Volatile Organic Emissions from Existing Stationary Sources, Volume IV: Surface Coating of Insulation of Magnet Wire (EPA-450/2-77-033, 12/77); Control of Volatile		None		Negative declaration to be adopted. There are no sources for this category in the District.
Metal Furniture Coatings	Control of Volatile Organic Emissions from Existing Stationary Sources (EPA-450/2-77-032, 12/77); Control Techniques Guidelines for Metal Furniture Coatings (EPA-453/R-07-005, 09/07); NESHAP Subpart RRRR, Metal Furniture (5/23/03)		None		Negative declaration adopted 02/13/14. There are no sources for this category in the District.
Natural Gas / Gasoline Processing	Control of VOC Equipment Leaks from Natural Gas / Gasoline Processing Plants (EPA-450/2-83-007, 12/83)		None		Negative declaration adopted 02/13/14. There are no sources for this category in the District.
Paper and Fabric	Control of Volatile Organic Emissions from Existing Stationary Sources -- Volume II: Surface Coatings of Cans, Coils, Paper, Fabric, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/77)		None		Negative declaration adopted 02/13/14. There are no sources for this category in the District.
Paper, Film, and Foil Coatings	Control Techniques Guidelines for Paper, Film, and Foil Coatings (EPA-453/R-07-003, 09/07)	230, Plastic Products and Materials -- Paper Treating Operations (06/28/94); rescinded 4/12/12	None	59 FR 64336 (12/14/1994), for Rule 06/28/94.	Rule 230 was rescinded 4/12/12. The only source, Formica, is shutdown (06/29/07).
Pharmaceutical Products	Control of Volatile Organic Emissions from Manufacture of Synthesized Pharmaceutical Products (EPA-450/2-78-029, 12/78)		None		Negative declaration adopted 02/13/14. There are no sources for this category in the District.

Table 2. CTG/ACT Source Categories for Which a Negative Declaration Has Been Adopted or is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Polyester Resins Manufacturing	Control of VOC Fugitive Emissions from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment (EPA-450/3-83-006, 03/84); Control of VOC Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins (EPA-450/3-83-008, 11/83); NESHAP Subpart FFFF, Misc. Organic Chemical Production and Processes (MON) (11/10/03)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Refineries	Control of Refinery Vacuum Producing Systems, Wastewater Separators, and Process Unit Turnarounds (EPA-450/2-77-025, 10/77); Control of VOC Leaks from Petroleum Refinery Equipment (EPA-450/2-78-036, 06/78)		None		Negative adopted 02/13/14. There are no sources for this category in the District.
Rubber Tire	Control of Volatile Organic Emissions from Manufacture of Pneumatic Rubber Tires (EPA-450/2-78-030, 12/78)		None		Negative declaration adopted 02/13/14. There are no sources for this category in the District.
Ships/Marine Coating	Control Technique Guidelines for Shipbuilding and Ship Repair Operations (Surface Coating) (61 FR 44050, 08/27/96) ; Alternative Control Technology Document -- Surface Coating Operations at Shipbuilding and Ship Repair Facilities (EPA-453/R-94-032, 04/94); NESHAP Subpart II, Shipbuilding and Ship Repair (surface coating) (12/16/96)		None		Negative declaration adopted 02/13/14. There are no sources for this category in the District.

Table 2. CTG/ACT Source Categories for Which a Negative Declaration Has Been Adopted or is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Synthetic Organic Chemicals	Control of VOC Emissions from Air Oxidation Processes in Synthetic Organic Chemical Manufacturing Industry (EPA-450/3-84-015, 12/84); Control of VOC Emissions from Reactor Processes and Distillation Operations in SOCMII (EPA-450/4-91-031, 08/93)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Source Categories with ACT and Other RACT Guidance (not CTGs)					
Bakery Ovens	Alternative Control Technology Document – Bakery Ovens (EPA-453/R-92-017, 12/92)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Cement Kilns	NOx Emissions from Cement Manufacturing (EPA-453/R-94-004, 03/94)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Chemical Plants	Control Techniques for Fugitive VOC Emissions from Chemical Process Facilities (EPA-625/R-93-005, 03/94)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Ethylene Oxide	Alternative Control Technology Document – Ethylene Oxide Sterilization / Fumigation Operations (EPA-450/3-89-007, 03/89)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Glass Furnaces	NOx Emissions from Glass Manufacturing (EPA-453-R-94-037, 01/93)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Ink and Paint Manufacture	Control of VOC Emissions from Ink and Paint Manufacturing Processes (EPA-450/3-92-013, 04/92)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Iron and Steel	NOx Emissions from Iron and Steel Mills (EPA-453/R-94-065, 09/94)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Leather and Tanning	Air Emissions and Control Technology for Leather Tanning and Finishing Operations (EPA-453/R-93-025, 06/93)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.

Table 2. CTG/ACT Source Categories for Which a Negative Declaration Has Been Adopted or is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Nitric and Adipic Acid	NOx Emissions from Nitric and Adipic Acid Manufacturing (EPA-453/3-91-026, 12/91)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Organic Waste Process Vents	Alternative Control Technology Document - Organic Waste Process Vents (EPA-450/3-91-007, 1990/12)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Pesticides	Control of VOC Emissions from the Application of Agricultural Pesticides (EPA-453/R-92-011, 03/93)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Plywood Veneer Dryers	Control Techniques for Organic Emissions from Plywood Veneer Dryers (EPA-450/3-83-012)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Polymeric Foam Product Manufacturing	Control of VOC Emissions from Polystyrene Foam Manufacturing (EPA-450/3-90-020, 09/90)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Wastewater	Control of VOC Emissions from Industrial Wastewater (EPA-453/D-93-056, 09/92)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.

Table 3
Every Feasible Measure

Table 3. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Adhesives	SMAQMD Rule 460 (11/30/00); SJUAPCD Rule 4653 (09/16/10); BAAQMD Reg. 8, Rule 51 (12/02/09); SCAQMD Rule 1168 (01/07/05); SDCAPCD Rule 67.21 (05/14/08); YSAQMD Rule R2-33 (05/14/08); CARB- Reasonably Available Control Technology (RACT) (1998)	Rule 235, Adhesives (10/11/12)	Minor	Approved 78 FR 53711 8/30/13, effective 10/29/13	Rule 235 emission reduction measures will be equal to equivalent measures in the rules of other districts in the region.
Aerospace Coatings	SCAQMD Rule 1124 (12/13/96); SDCAPCD Rule 67.9.0 (04/30/97)		No Major or Minor		There are no sources subject to this source category in the District.
Architectural Coatings	CARB Suggested Control Measure (SCM) (2007); SCAQMD Rule 1113 (07/13/07)	Rule 218, Architectural Coatings (10/14/10)	Minor	76 FR 75795 12/5/11, effective 2/3/12 (10/11/12)	Rule 218 considers the State emission reduction measures equal to the 2007 CARB SCM.
Automotive Refinishing	CARB Suggested Control Measure (SCM) (10/05); SCAQMD Rule 1151 (12/02/05)	Rule 234, Automotive Refinishing (10/14/10)	Minor		Rule 234 considers the State emission reduction measures equal to the 2005 CARB SCM.
Bakery Ovens	SMAQMD Rule 458 (09/05/96); SJUAPCD Rule 4693 (05/16/02); BAAQMD Reg. 8, Rule 42 (06/01/94); SCAQMD Rule 1153 (01/13/95); SDCAPCD Rule 67.24 (05/15/96)		None		There are no sources subject to this source category in the District.
Fugitive Emissions from Chemical Plants	BAAQMD Reg. 8, Rules 22 (06/01/94), 28 (06/15/94), 18 (01/07/98)		None		There are no sources subject to this source category in the District.
Fugitive Emissions from Oil and Gas Production	RACT Determination of Fugitive Emissions of Fugitive Emissions of VOCs from Oil and Gas Production and Processing; Facilities, Refineries, Chemical Plants, and Pipeline Transfer Stations (12/08/93)		None		There are no sources subject to this source category in the District.
Fugitive Emissions from Petroleum Refineries	BAAQMD Reg. 8, Rules 28 (06/15/94), 18 (01/07/98)		None		There are no sources subject to this source category in the District.

Table 3. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Gasoline Terminals and Bulk Plants	SMAQMD Rules 446 (11/16/93), 447 (04/02/98); SJUAPCD Rules 4621 (12/20/07), 4623 (05/19/05); BAAQMD Reg. 8, Rules 33 (4/15/09), 39 (04/15/09), 5 (10/12/06); SCAQMD Rules 462 (05/14/99), 463 (05/06/08); SDCAPCD Rules 61.1 (07/26/00), 61.2 (07/26/00), 61.3 (10/16/03), 61.3.1 (03/01/06), 61.8 (01/13/87).1, 61.4.1 (03/26/08); YSAQMD Rules R2-13 (05/25/94), R2-21 (09/14/05)	Rule 215, Transfer of Gasoline into Tank Trucks, Trailers, and Railroad Tank Cars at Loading Facilities (06/19/97)	Minor	76 FR 5277 01/31/11 (06/19/97)	Rule 215 emission reduction measures are equal to equivalent measures in the rules of other districts in the region.
Graphic Arts, Lithographic and Letterpress Printing	SMAQMD Rule 450 (10/23/08); SJUAPCD Rule 4607 (12/08/08); BAAQMD Reg. 8, Rule 20 (11/19/08); SCAQMD Rules 1130 (10/8/99); SDCAPCD Rule 67.16 (05/15/96)	239, Graphic Arts Operations (10/11/12)	Minor	63 FR 63410 11/13/98 (02/13/97)	Rule 239 emission reduction measures will be revised to meet equivalent measures in the rules of other districts in the region. Awaiting EPA action on 10/11/12 amendment.
Industrial Boilers > 5 million Btu/hr	SMAQMD Rule 411 (03/25/10); SJUAPCD Rules 4305 (08/21/03), 4306 (10/16/08); BAAQMD Reg. 9, Rule 7 (07/30/08); SDCAPCD Rules 69 (12/12/95), 69.2 (09/27/94); YSAQMD Rule R2-27 (08/14/96); CARB - RACT and Best Available Retrofit Control Technology (BARCT) for Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters (07/18/91)	231, Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters (10/09/97)	Minor	76 FR 67366 11/11/11, effective 1/3/12 (10/09/97)	Rule 231 emission reduction measures are equal to equivalent measures in the rules of other districts in the region.
Large Water Heaters and Small Boilers < 2 million Btu/hr	SCAQMD Rule 1146.1 (5/13/94) and 1146.2 (05/05/06); SMAQMD Rule 411 (8/23/07) and 414 (8/1/96); SJUAPCD Rule 4307 (5/19/11) and 4308 (12/17/09); BAAQMD Reg. 9, Rule 6 (11/7/07) and Rule 7 (9/16/92); YSAQMD Rule 2.37 (4/8/09)	246, Natural Gas Fired Water Heaters (06/19/97) Rule 247, Natural Gas-Fired Water Heaters, Small Boilers, and Process Heaters (10/10/13)	Minor Minor	76 FR 67366 11/11/11, effective 1/3/12 (06/19/97)	Rule 246 applies to natural gas water heater < 750,000 Btu/hr and is consistent with the rules of other districts in the region. Rule 247 for all new boilers and water heaters within the heat input range of 75,000 to 5 million Btu/hr -- a SIP commitment by 2015 -- Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan. Rule 247 amended on 02/13/14.

Table 3. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Marine Coatings	SCAQMD Rule 1106 (01/13/95); NESHAP 60 FR 64330 (12/15/95)		None		There are no sources subject to this source category in the District.
Metal Parts and Products (Non-Architectural)	SMAQMD Rule 451 (09/25/2008); SJUAPCD Rule 4603 (09/17/09); BAAQMD Reg. 8, Rule 19 (10/16/02); SCAQMD Rule 1107 (01/06/06); SDCAPCD Rule 67.3 (04/9/03); YSAQMD Rule R2-25 (05/14/08)	245, Surface Coating of Metal Parts and Products (08/20/09)	Minor		Rule 245 is consistent with the rules of other districts in the region. It was recently amended to meet the Control Technique Guidelines (CTG).
Pleasure Craft Coating Operations	SCAQMD Rule 1106.1 (02/12/99)		None		There are no sources subject to this source category in the District.
Polyester Resin Operations	SMAQMD Rule 465 (09/25/08); SJUAPCD Rule 4684 (09/17/09); BAAQMD Reg. 8, Rule 50 (12/2/09); SCAQMD Rule 1162 (07/08/05); SDCAPCD Rule 67.12 (05/15/96); YSAQMD Rule R2-30 (05/14/08)	243, Polyester Resin Operations (04/10/03)	Minor		Rule 243 considers the State emission reduction measures equal to the 2007 CARB's RACT/BARCT.
Polymeric Foam Product Manufacturing	SJUAPCD Rule 4682 (09/20/07); SDCAPCD (05/15/96); SCAQMD Rule 1175 (09/07/07)		None		There are no sources subject to this source category in the District.
Portland Cement Kilns	SCAQMD Rule 1112 (06/06/86)		None		There are no sources subject to this source category in the District.
Refinery Boilers	SCAQMD 1109 (08/05/88) BAAQMD Reg. 9 Rule 10 (01/05/94)		None		There are no sources subject to this source category in the District.
Restaurants, Chain Driven Charbroilers	SJUAPCD Rule 4692 (9/17/09); SCAQMD Rule 1138 (11/14/97)		Minor		There are no sources subject to this source category in the District.
Semiconductor Manufacturing	BAAQMD Reg. 8, Rule 30 (6/15/94); SCAQMD Rule 1164 (1/13/95); VCAPCD Rule 74.21(4/6/93)	Rule 244, Semiconductor Operations (02/09/95)	Minor	61 FR 38571 07/25/96 (02/09/95)	Rule 244 meets RACT. There is no available federal CTG guidance for this source category. The Rule was SIP approved on 07/25/96.

Table 3. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Small Industrial Boilers (1 million Btu/hr to 5 million Btu/hr)	SMAQMD Rule 414 (08/23/07); SJUAPCD Rules 4307(10/16/08); 4308 (12/17/09)	Rule 247, Natural Gas-Fired Water Heaters, Small Boilers, and Process Heaters (10/10/13)	Minor		Rule 247 for all new boilers and water heaters within the heat input range of 75,000 to 5 million Btu/hr -- a SIP commitment by 2015 -- Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan. Rule 247 amended on 02/13/14.
Solvent Cleaning	SMAQMD Rule 466 (09/25/08); SJUAPCD Rules 4663 (09/20/07), 4461 (09/20/07); BAAQMD Reg.8, Rule 16 (10/16/02); SCAQMD Rules 1122 (05/1/09), 1171 (05/1/09); SDCAPCD Rule 67.6.1 (05/23/07)	216, Organic Solvent Cleaning and Degreasing (12/11/03); 240, Surface Preparation and Cleanup (12/11/03)	Minor	75 FR 24406 05/05/10 (12/11/03)	Rule 216 emission reduction measures will be equal to equivalent measures in the rules of other districts in the region.
Surface Coating of Plastic Parts and Products	BAAQMD Reg. 8, Rule 31 (10/16/02); SCAQMD Rule 1145 (12/04/09)	Rule 249, Surface Coating of Plastic Parts and Products (08/08/13)	Minor		District adopted new Rule 249 to address this source category. Awaiting forwarding by ARB to EPA.

ATTACHMENT 1

RACT Evaluation of Existing District Rules

Attachment 1. RACT Evaluation of Existing District Rules

Adhesives

District Rule 235, ADHESIVES, was recently amended on 10/11/12 to meet the EPA's 2008 CTG and consideration of the rules of other districts in the region. As part of the recent adoption process it was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 08/30/13.

Architectural Coatings

District Rule 218, ARCHITECTURAL COATINGS, was recently amended on 10/14/10 to meet CARB's Suggested Control Measure, which contains beyond-RACT VOC limits. As such its controls well-exceed the existing EPA guidance and are equally or more stringent than the rules of other districts in the region. As part of the recent adoption process it was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 12/05/11. Note this category is not covered by a standing CTG.

Automotive Refinishing

District Rule 234, AUTOMOTIVE REFINISHING, was recently amended on 10/14/10 to meet CARB's Suggested Control Measure, which contains beyond-RACT VOC controls. As such, its controls well exceed the EPA CTG and are equally or more stringent than the rules of other districts in the region. As part of the recent adoption process it was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 12/05/11.

Boilers, Biomass

District Rule 233, BIOMASS BOILERS, was recently amended on 06/14/12 to meet more stringent NOx emission levels currently achieved in practice. As such, it is equally or more stringent than any other District rule, and much more stringent than EPA ACT guidance. As part of the adoption process it was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 06/14/12.

Boilers, Water Heaters > 5 MMBtu/hr

The District is not required to meet RACT for this source category because we do not have any major sources of this type. Nonetheless, for ozone attainment SIP planning, District Rule 231, INDUSTRIAL, INSTITUTIONAL, AND COMMERCIAL BOILERS, STEAM GENERATORS, AND PROCESS HEATERS, was originally adopted on 10/17/94, last amended on 10/09/97, and incorporated into the SIP recently on 11/01/11. It is more stringent than EPA ACT guidance. It is identical to rules of other districts in the region--Yolo-Solano, El Dorado, and Feather River. The Sacramento Air Quality Management District has Rule 411 with more stringent NOx limits for gas-fired boilers. We will consider including lower limits in upcoming regional ozone attainment plan commitments.

Water Heaters, Small Boilers, and Process Heaters

For natural gas units between 0.075 - 5 MMBtu/hr, the District is not required to meet RACT for this source category because we do not have any major sources of this type. Nonetheless, for ozone attainment SIP planning, District Rule 247, NATURAL GAS FIRED WATER HEATERS, SMALL BOILERS, AND PROCESS HEATERS, was recently adopted on 10/10/13. It is consistent with some of the most stringent rules in the state.

Cutback Asphalt

District Rule 217, CUTBACK AND EMULSIFIED ASPHALT PAVING MATERIALS, was last amended on 10/19/93 and approved into the SIP by EPA on 04/30/97. Subsequent EPA comments, in a letter dated 10/10/06, on the District's 2006 RACT SIP indicate that Rule 217 meets the CTG, however recommends considering banning the use of cutback asphalt during the ozone season as done by several midwestern states, and replacing the use of cutback asphalt with emulsified asphalt as promoted by the CTG.

The South Coast Air Quality Management District (SCAQMD) has since concluded that, based on the definitions in their cutback asphalt Rule 1108, replacement of cutback asphalt with emulsified asphalt

Attachment 1. RACT Evaluation of Existing District Rules

would actually potentially increase VOC emissions. This is because cutback asphalt has a 0.5% organic compound limit, whereas emulsified asphalt has a 3% organic compound limit.

District Rule 217 has the same basic organic content limits as SCAQMD Rule 1108. For slow-cure, Rule 217 allows 0% of organic compounds that evaporate at less than 500°F, less than the SCAQMD limit of 0.5%. For medium-cure, Rule 217 has an exemption that allows use only on days when the maximum temperature will not exceed 50°F; however, 50°F days do not occur during the ozone season. Use of fast-cure asphalt is prohibited at all times. Further, like SCAQMD, District Rule 217 limits emulsified asphalt to 3% organic compounds.

Thus, District Rule 217 meets RACT. The rule effectively prohibits the use of cutback asphalt containing volatile organics during the ozone season -- because during the ozone season only the use of slow-cure cutback asphalt is allowed. Banning the use of cutback asphalt would reduce VOC emissions only during periods outside of the ozone season.

Flat Wood Paneling Coatings

District Rule 238, FACTORY COATING OF FLAT WOOD PANELING, was recently amended on 10/14/10 to meet EPA's 2006 CTG and consideration of the rules of other districts in the region. As part of the adoption process, it was reviewed and approved by CARB, and reviewed and recently approved into the SIP by EPA on 11/21/11.

Gas Turbines

District Rule 250, STATIONARY GAS TURBINES, was adopted on 10/17/94 and SIP-approved on 08/23/95. It is applicable to gas turbines that are larger than 0.3 MW.

There are two existing gas turbine operations in the District: (1) a limited low-use, peaker, and (2) a baseline full load.

For limited low-use, peaker turbines, District Rule 250 NO_x limits meet RACT--they are consistent with the rules of other districts in the region, and meet EPA ACT and other guidance:

- Roseville Electric operates two peaker single cycle natural gas/fuel oil fired turbines, each at 25 MW capacity. Water injection is used for NO_x control. Operations began in 1987. District permits limit combined turbine operating hours to less than 900 unit-hours per year and 25 unit-hours per day. District permits limit NO_x emissions to 42 ppmv @ 15% O₂ on natural gas and 62 ppmv @ 15% O₂ on fuel oil. These limits are consistent with District Rule 250, STATIONARY GAS TURBINES for the low use (< 877 hours/year per engine) category.

Actual total combined annual engine operation for the last 3 years has ranged from 44 - 70 hours/year, significantly less than the allowable total of 900:

Calendar Year	<u>Engine Operating Hours per Year</u>		
	#1	#2	Total
2013			56.5
2012	41.8	28.1	69.9
2011	23.6	20.7	44.3

Actual measured emissions during source testing conducted in year 2011, which is required by the District permit to be performed once every three years, demonstrated NO_x emissions of 30.5 and 34.0 ppmv @ 15% O₂ (corresponding to 15.94 and 19.69 lb/hr), respectively for Engines #1 and #2, meeting both District permit and Rule 250 limits.

The engines run exclusively on natural gas; and will not ever run on fuel oil.

Attachment 1. RACT Evaluation of Existing District Rules

For baseline full load units, District Rule 250 NO_x limits do not meet RACT. However, for the one operation of this type in the District, federally enforceable permit limits are used to satisfy RACT:

- Roseville Electric operates two combined cycle natural gas fired turbines (each at 60 MW, 80 MW maximum capacity with duct burners firing). Selective catalytic reduction and oxidation catalysts are used for NO_x and CO control. Operations began in September 2007. They operate under an EPA reviewed and approved Title V permit. The federally enforceable permit limits NO_x emission to 2 ppmv @ 15% O₂ on a 1-hour average, VOC at 2 ppmv @ 15% O₂ on a 1-hour average, and CO at 4 ppmv @ 15% O₂ on a 3-hour average. These levels are representative of Best Available Control Technology, and are significantly more stringent than EPA ACT or rules of other districts in the region for existing sources. The operation uses (as required by District permit) Continuous Emissions Monitoring System (CEMS) to measure NO_x and CO; and is required to conduct annual source testing to confirm NO_x and CO plant emissions and relative accuracy of the CEMS.

Gasoline Bulk Plants and Terminals

District Rule 215, TRANSFER OF GASOLINE INTO TANK TRUCKS, TRAILERS, AND TAILROAD TANK CARS AT LOADING FACILITIES, was last amended on 06/19/97, and recently approved in the SIP by EPA on 01/31/11. It meets EPA CTG and NESHAPs, and is consistent with the rules of other districts in the region.

Gasoline Service Stations

District Rule 213, GASOLINE TRANSFER INTO STATIONARY STORAGE CONTAINERS, meets CARB Phase I Enhanced Vapor Recovery requirements, which are fully consistent with EPA CTG and the rules of other districts in the region. It was included in the SIP by EPA on 10/19/93.

District Rule 214, TRANSFER OF GASOLINE INTO VEHICLE FUEL TANKS, meets CARB Phase II Enhanced Vapor Recovery requirements, which are fully consistent with EPA CTG and the rules of other districts in the region. It was recently amended on 02/21/13, and has been reviewed and approved by CARB and forwarded to EPA. It is in process of being submitted by CARB to EPA for inclusion into the SIP.

Graphic Arts

District Rule 239, GRAPHIC ARTS, was recently amended on 10/11/12 to meet the EPA's 2006 CTG and consideration of the rules of other districts in the region. As part of the recent adoption process it was reviewed and approved by CARB, and reviewed and approved by EPA. It was recently proposed for approval into the SIP by EPA on 03/13/14.

Internal Combustion Engines (Stationary)

The District is not required to meet RACT for this source category because we do not have any major sources of this type. Nonetheless, for ozone attainment SIP planning, District Rule 242, STATIONARY INTERNAL COMBUSTION ENGINES, was adopted on 04/10/03, which limits NO_x for stationary engines greater than 50 HP, and has been recently submitted for SIP approval.

Metal Coil, Container, and Closure

District Rule 223, METAL CONTAINER COATING, was last amended on 10/06/94 and SIP approved on 01/10/95. Rule 223 meets the EPA CTG. There is one District source that operates under this rule -- Capital Drum, which coats reconditioned drums. For the drum coating VOC limits, Rule 223 is consistent with those of San Joaquin Valley Air Pollution Control District, and Sacramento Air Quality Management District. EPA has commented that the VOC limit for the end-sealing compound category does not meet RACT. The District has confirmed that this product-type is not used at Capital Drum, or any other location in the District that we are aware of.

Attachment 1. RACT Evaluation of Existing District Rules

Metal Parts Coating

District Rule 245, SURFACE COATING OF METAL PARTS AND PRODUCTS, was recently amended on 08/20/09 to meet the EPA's 2008 CTG and consideration of the rules of other districts in the region. As part of the recent adoption process, it was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 11/01/11.

Plastic Parts Coating

District Rule 249, SURFACE COATING OF PLASTIC PARTS AND PRODUCTS, was recently adopted on 08/08/13. It was based on EPA's 2008 CTG and considering the rules of other districts in the region. It has been reviewed and approved by CARB. It has been reviewed and commented on by EPA. CARB will forward the rule to EPA for inclusion into the SIP.

Polyester Resin Operations

District Rule 243, POLYESTER RESIN OPERATIONS, was adopted in 04/10/03, and recently incorporated into the SIP on 10/03/11. It meets EPA CTG and CARB BARCT guidance.

Solvent Cleaning

District Rule 240, SURFACE PREPARATION AND CLEANUP, and District Rule 216, ORGANIC SOLVENT CLEANING AND DEGREASING OPERATIONS, control VOCs from the use of solvents for cleaning, where not otherwise addressed in separate source category prohibitory rules. The District rules all meet the EPA 2006 CTG, with a VOC content limit of 50 g/L; many individual source category rules have a solvent cleaning VOC content limit of 25 g/L..

District Rule 240 was recently proposed for approval into the SIP by EPA on 03/13/14.

District Rule 240 and 216 do not meet the more stringent VOC limit of 25 g/L which have been recently adopted by two regional districts (Sacramento and Yolo-Solano) as part of their ozone attainment plan commitments. The District will consider moving to the 25 g/L limit as part of our upcoming regional ozone attainment planning. The District does not consider the general solvent cleaners VOC limit of 25 g/L to currently be cost effective or have a significant beneficial impact on reducing local ozone.

Tanks

District Rule 212, STORAGE OF ORGANIC LIQUIDS, was last amended on 06/19/97, and incorporated into the SIP on 06/11/09. It meets all EPA CTG and ACTs, and is consistent with the rules of other districts in the region.

Wood Furniture Coating

District Rule 236, WOOD PRODUCTS COATING OPERATIONS, was recently amended on 10/14/10 to be consistent with other District rules, EPA guidance, and consideration of the rules of other districts in the region. As part of the recent adoption process, it was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 11/21/11.

EPA MACT/NESHAPS

In our RACT analyses, the District has considered recent EPA Maximum Achievable Control Technology (MACT) rulemakings concerning the control of hazardous air pollutants (HAPs) from applicable District source categories. These include Autobody Refinishing (Subpart HHHHHH), Dry Cleaning (Subpart M), Miscellaneous Metal Parts and Products (Subpart MMMM), Metal Can (Subpart KKKK), and Plastic Parts (Subpart PPPP). Work practices appropriate for the control of both VOC and HAPs have been directly considered, and incorporated as possible. Because many HAPs are exempt VOCs for ozone regulation (i.e., are not photochemically reactive and do not produce ozone) and many VOCs are not HAPs, it is not possible to directly compare or utilize MACT HAP limits with RACT VOC limits. Further, MACT HAP limits are fully and directly evaluated and considered in case-by-case individual source permits.



Board Agenda Item

Information

Agenda Date: April 10, 2014

Prepared By: A.J. Nunez, Administrative Services Officer

Topic: Biennial Audit Report for Period Ended June 30, 2013 (Information Only)

Action Requested: No action requested. This is an information item on the statutorily required audit of District records and accounts for two fiscal years that ended June 30, 2012, and June 30, 2013.

Discussion: Due to the Placer County Air Pollution Control District's status as a special District, an audit of records and accounts is required by Government Code Section 26909. In years previous to FY 1994-95, the District was included in the audit arranged for by the Placer County Auditor Controller's Office in conjunction with the County Audit. In FY 1994-95, the District Board became independent, and the District was required to arrange for third party audit services.

On December 12, 1996, the District Board of Directors requested that the Placer County Board of Supervisors approve the replacement of the annual special audit for the Placer County Air Pollution Control District with a biennial audit covering a two-year period (Resolution #96-26). This request was approved, and since that time the biennial audit report has been presented to the board every two years at the regular board meeting following the conclusion of the audit.

The current audit requirement is for the two-year period that ended June 30, 2013. Statute prescribes that the audit must be completed and a report prepared within 12 months of the end of the fiscal year (i.e. by June 30, 2014).

The District had the necessary audit performed this year under an agreement between Placer County and Macias Gini & O'Connell LLP, with the cost of the audit by Macias Gini & O'Connell LLP charged to the District. The biennial audit of the District for the period beginning July 1, 2011, and ended June 30, 2013, was done during the months of January 2014 to February 2014. It is the opinion of the independent auditors that: "... in all material respects, the respective financial position of the governmental activities and the general fund of the District as of June 30, 2013, and the respective changes in financial position thereof for the two fiscal years then ended in accordance with accounting principles generally accepted in the United States of America." (Page 1 of the Independent Auditor's Report for period ended June 30, 2013 – Attachment 1)

Concerning the subject Internal Control Over Financial Reporting, found on page 26 of the audit, it is the auditors' opinion that: "We did not identify any deficiencies in internal control that we consider to be material weaknesses."

PCAPCD Agenda Item

April 10, 2014

Page 2

Under Compliance and Other Matters, found on page 27 of the audit, the auditors noted "...no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*."

The audit shows that the District ended the July 1, 2010, to June 30, 2011, fiscal period with a decrease of \$761,136 to the Net Position (page 11 of the audit). All fund balances shown on page 12 of the audit are reflective of the fund balances as of June 30, 2013, which were reported by the District to the Board in the District's fiscal reports. No differences between the audit and the District's fiscal reports were found, except for changes in classification of fund balances under the new GASB 54 Statement. This Statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

Fiscal Impact: The budget for this audit was \$8,200, and the District will receive an invoice of \$8,248.00 for the services provided.

Recommendation: A copy of the Independent Auditor's Report is attached, including a bound copy of the Report to the Board of Directors. There were no deficiency findings. No action is necessary.

Attachment 1: Placer County Air Pollution Control District Independent Auditor's Reports for the Two Fiscal Years Ended June 30, 2013

ATTACHMENT #1

Subject:

Placer County Air Pollution Control District
Independent Auditor's Reports for the
Two Fiscal Years Ended June 30, 2013

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

Independent Auditor's Reports,
Management's Discussion and Analysis,
Basic Financial Statements, and
Required Supplementary Information

For the Two Fiscal Years Ended June 30, 2013

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the Placer County Air
Pollution Control District
Auburn, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Placer County Air Pollution Control District (District), as of and for the two fiscal years ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of June 30, 2013, and the respective changes in financial position thereof for the two fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of revenues, expenditures and changes in fund balance – budget and actual, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues, expenditures and changes in fund balance – budget and actual has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Maclean Meiri & O'Connell LLP
Sacramento, California
March 21, 2014

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013
(UNAUDITED)**

As management of the Placer County Air Pollution Control District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the two fiscal years ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements commencing on page 10.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$5,364,976 (net position).
- As of the close of the current fiscal year, the District reported ending fund balance of \$3,774,619.
- The District had program and general revenues of \$7,611,177 and program expenses of \$8,372,313 for the two fiscal years ended June 30, 2013.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The following three components comprise the District's basic financial statements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report on the function of the District that is principally supported by charges for services and intergovernmental revenues. The District's objective is to maintain and improve Placer County's air quality for an aesthetically pleasing and healthful environment. Program activities include administration, enforcement, engineering, ambient air quality monitoring, and planning as related to air quality. This program is mandated by State and Federal laws and grant conditions to provide an active and effective air pollution control program.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013
(UNAUDITED)**

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The general fund is used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, the general fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the District's general fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the general fund with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financial decisions. Both the general fund balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental activities*. The general fund financial statements can be found on pages 12 through 15 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16 through 23 of this report.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013
(UNAUDITED)**

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$5,364,976 at the close of the most recent fiscal year. The District's condensed statement of net position consist of the following at June 30, 2013 and June 30, 2011:

	<u>June 30, 2013</u>	<u>June 30, 2011</u>
Current and other assets	\$ 3,992,539	\$ 4,920,386
Capital assets, net	<u>1,912,526</u>	<u>2,025,715</u>
Total assets	<u>5,905,065</u>	<u>6,946,101</u>
Current and other liabilities	217,920	502,287
Long-term liabilities	<u>322,169</u>	<u>318,702</u>
Total liabilities	<u>540,089</u>	<u>820,989</u>
Investment in capital assets	1,912,526	2,025,715
Restricted	1,703,302	2,118,170
Unrestricted	<u>1,749,148</u>	<u>1,982,227</u>
Total net position	<u>\$ 5,364,976</u>	<u>\$ 6,126,112</u>

The net position of the District decreased by \$761,136 during the two fiscal years ended June 30, 2013. This decrease is primarily a result of budgeted deficit that resulted in expenses exceeding revenues. In addition, there was an increase in expenses related to employee benefits as a result of policy change for unused sick leave hours to be used for payment of retiree's share of health insurance premiums upon retirement.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013
(UNAUDITED)**

For the two fiscal years ending June 30, 2013 and June 30, 2011, the District's change in net position is as follows:

	Two Fiscal Years Ended June 30, 2013	Two Fiscal Years Ended June 30, 2011
Program Expenses		
Governmental activities:		
Air pollution control	\$ 8,372,313	\$ 8,782,737
Program Revenue:		
Charges for services	2,966,764	2,538,901
Operating grants and contributions	4,527,019	4,452,616
Total program revenue	<u>7,493,783</u>	<u>6,991,517</u>
Net Program Expense	<u>(878,530)</u>	<u>(1,791,220)</u>
General Revenue:		
Investment earnings	90,852	266,263
Rental income	26,542	-
Settlement	-	465,832
Total general revenue	<u>117,394</u>	<u>732,095</u>
Change in net position	(761,136)	(1,059,125)
Net position, beginning of year	6,126,112	7,185,237
Net position, end of year	<u>\$ 5,364,976</u>	<u>\$ 6,126,112</u>

Fund Financial Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's general fund is discussed below.

GENERAL FUND

The focus of the District's *general fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *fund balance* may serve as a useful measure of the District's net resources available for spending for program purposes at the end of the fiscal year.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013
(UNAUDITED)**

As of the end of the current fiscal year, the District's general fund reported an ending fund balance of \$3,774,619. Revenues by source and expenditures by function in the general fund are as follows for the two fiscal years ending June 30, 2013 and June 30, 2011:

Revenues Classified by Source						
	Two Fiscal Years Ended June 30, 2013		Two Fiscal Years Ended June 30, 2011		Total Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Licenses and permits	\$ 1,586,545	21%	\$ 1,633,705	21%	\$ (47,160)	4%
Fines, forfeitures and penalties	281,880	4%	219,158	3%	62,722	-5%
Investment earnings	90,852	1%	266,263	3%	(175,411)	15%
Rental income	26,542	0%	-	0%	26,542	-2%
Intergovernmental	4,526,918	59%	4,414,662	57%	112,256	-9%
Mitigation fees	678,269	9%	221,196	3%	457,073	-38%
Charges for services	420,070	6%	464,842	6%	(44,772)	4%
Miscellaneous	101	0%	503,786	7%	(503,685)	42%
Total	\$ 7,611,177	100%	\$ 7,723,612	100%	\$ (112,435)	100%

Expenditures by Function						
	Two Fiscal Years Ended June 30, 2013		Two Fiscal Years Ended June 30, 2011		Total Increase (Decrease)	
	Air pollution control:					
County professional services	\$ 4,560,255		\$ 4,405,625		\$ 154,630	
Services and supplies	3,612,025		4,139,355		(527,330)	
Capital outlay	82,377		1,904,680		(1,822,303)	
Total	\$ 8,254,657		\$ 10,449,660		\$ (2,195,003)	

The key factors to the revenue changes were as follows:

- An approximate \$175,000 decrease in investment earnings from the County's pooled investments due to a continued decrease in the annual interest yield that was 1.89% during the prior two-year period compared to 1.31% at the end of the current two-year period.
- A \$457,000 increase in mitigation fees because three new commercial applicants made substantial mitigation fee payments during the current two-year period.
- A \$504,000 decrease in miscellaneous income due to a settlement payment received in the previous period and not in the current two-year period.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013
(UNAUDITED)**

The key factors to the expenditure changes were as follows:

- Services and supplies decreased approximately \$527,000 as a result of less DMV and mitigation projects conducted during the current two-year period.
- Capital outlay decreased \$1.8 million as a result of the purchase of a District building purchased in the prior two-year period.

CAPITAL ASSETS

The District's investment in capital assets is \$1,912,526 comprised of land, equipment, and building and improvements. Refer to Note C for additional details on capital assets.

BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an increase of approximately \$497,866 in appropriations. This increase was due to additional mitigation funds (unpredictable in budgeting) collected and used for additional Clean Air Grants. The major increase to the Budget was for the purchase of a solar photo voltaic system which is projected to reduce the District's PG&E electricity costs for the building at 110 Maple Street by approximately half of the current cost. The funding for these expenditures came mainly from the District's Settlement Fund and the Litigation Cost Recovery Fund.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the District's budget for the 2013-14 fiscal year:

- Planned Clean Air Grants to worthy projects are to be continued at \$915,000 from the AB2766 DMV and AB923 funds and from the approved mitigation plan funds. As mitigation plans are approved, the funds from these plans will be available to increase the amount granted to those worthy projects. These Clean Air Grants are to be issued to entities that have projects that lower the emission of air pollutants in Placer County.
- Significant professional services agreements (PSA's) of \$248,648 will continue to be funded to provide support to the District in accomplishing and completing the existing projects.
- No additional hiring of permanent staff and not filling an allocated position for an Air Specialist unless the funding becomes available. The District instead uses extra-help part time positions to support the existing permanent staff. Extra-help can be utilized as needed at the discretion of the District Air Pollution Control Officer. The Air Pollution Control Officer cannot utilize extra-help personnel beyond the funding approved by the Board of Directors for that purpose.

FUTURE EVENTS THAT WILL FINANCIALLY IMPACT THE DISTRICT

The District continues to have a cautious approach in regards to the revenue source for permitted facilities. Initial Permits are likely to slow and the District is watchful for business closures of permitted

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013
(UNAUDITED)**

facilities. There has been a decline of business to the District and recovery is anticipated to be slow. Initial Permits and Renewal Permits make up the amount budgeted for the revenue source "Licenses and Permits" on the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Thomas Christofk, Placer County Air Pollution Control District, 110 Maple, Auburn, CA 95603.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**STATEMENT OF NET POSITION
JUNE 30, 2013**

Assets

Cash and investments	\$ 1,925,635
Restricted cash and investments	1,703,302
Due from other governments	360,000
Interest receivable	3,602
Capital assets, net	1,912,526
Total assets	<u>5,905,065</u>

Liabilities

Accounts payable and accrued expenses	115,369
Unearned revenue	102,551
Long-term liabilities:	
Due within one year	32,217
Due in more than one year	289,952
Total liabilities	<u>540,089</u>

Net Position

Investment in capital assets	1,912,526
Restricted	1,703,302
Unrestricted	1,749,148
	<u>\$ 5,364,976</u>

The notes to the basic financial statements are an integral part of this statement.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**STATEMENT OF ACTIVITIES
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

Program Expenses:

Governmental activities:	
Air pollution control	\$ 8,372,313

Program Revenue:

Charges for services	2,966,764
Operating grants and contributions	4,527,019
Total program revenue	<u>7,493,783</u>

Net Program Expense	<u>(878,530)</u>
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General Revenue:

Investment earnings	90,852
Rental income	26,542
Total general revenue	<u>117,394</u>

Change in net position	(761,136)
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Net position - beginning of year, as stated	6,126,112
Net position - end of year	<u>\$ 5,364,976</u>

The notes to the basic financial statements are an integral part of this statement.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**GENERAL FUND BALANCE SHEET
JUNE 30, 2013**

Assets

Cash and investments	\$	1,925,635
Restricted cash and investments		1,703,302
Due from other governments		360,000
Interest receivable		3,602
Total assets		\$ 3,992,539

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$	35,490
Accrued salaries and benefits payable		79,879
Unearned revenue		102,551
Total liabilities		217,920

Fund Balance:

Restricted for DMV program		967,655
Restricted for mitigation fees		735,647
Committed for operations		88,624
Committed for capital maintenance outlay		50,000
Unassigned		1,932,693
Total fund balance		3,774,619

Total liabilities and fund balance	\$	3,992,539
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The notes to the basic financial statements are an integral part of this statement.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**RECONCILIATION OF THE GENERAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Fund balance	\$	3,774,619
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the GENERAL fund. These assets consist of:</p>		
Capital assets		2,275,400
Accumulated depreciation		(362,874)
Net capital assets		1,912,526
<p>Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.</p>		
Compensated absences		(322,169)
Net position of governmental activities	\$	5,364,976

The notes to the basic financial statements are an integral part of this statement.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

Revenues:

Licenses and permits	\$ 1,586,545
Fines, forfeitures and penalties	281,880
Investment earnings	90,852
Rental income	26,542
Intergovernmental	4,526,918
Mitigation fees	678,269
Charges for services	420,070
Miscellaneous	101
Total revenues	<u>7,611,177</u>

Expenditures:

Air pollution control:	
County professional services	4,560,255
DMV projects	1,941,103
Other professional services	659,809
Mitigation	592,713
Rents and leases	9,947
Communications and postage	83,923
Special department	46,307
Office supplies	31,657
Insurance	49,812
Travel and transportation	22,187
Maintenance	139,558
Publications and legal notices	7,061
Vehicle	16,236
Membership dues and subscriptions	9,941
Special training	1,771
Capital outlay	82,377
Total expenditures	<u>8,254,657</u>

Net change in fund balance	(643,480)
Fund balance - July 1, 2011	<u>4,418,099</u>
Fund balance - June 30, 2013	<u>\$ 3,774,619</u>

The notes to the basic financial statements are an integral part of this statement.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**RECONCILIATION OF THE GENERAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

Net change in fund balance \$ (643,480)

Amounts reported for governmental activities in the statement of activities
are different because:

The general fund reported capital outlay as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay	82,377
Depreciation expense	(195,566)

Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in the general fund.

Change in compensated absences	<u>(4,467)</u>
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Change in net position of governmental activities	<u><u>\$ (761,136)</u></u>
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The notes to the basic financial statements are an integral part of this statement.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Placer County Air Pollution Control District (District) is one of 35 local air pollution control agencies established pursuant to Section 40002 of the California Health and Safety Code (HSC). The District has primary responsibility for the control of air pollution from all local sources, other than the emissions from motor vehicles which is the responsibility of the California Air Resources Board (ARB).

The District's objective is to maintain and improve Placer County's air quality for an aesthetically pleasing and healthful environment. Program activities include administration, enforcement, engineering, ambient air quality monitoring, and planning as related to air quality. This program is mandated by State and Federal laws and grant conditions to provide an active and effective air pollution control program.

The governing board of the District is composed of nine members, three members from the Placer County Board of Supervisors and six members, who are Mayors or City Council Members of cities incorporated within Placer County: Auburn, Colfax, Lincoln, Loomis, Rocklin and Roseville.

In accordance with the Memorandum of Understanding (MOU) between the County and the District, the District's staff are County employees working for the District as ex-officio employees and officers.

Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures of the County of Placer. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the District's activities. The District is only engaged in governmental activities and is primarily supported by intergovernmental revenues and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Program revenues include 1) charges paid by the recipients of goods or services offered by the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Direct expenses are those that are clearly identifiable with a specific function or segment.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. Their reported fund balance is considered a measure of "available spendable resources."

The general fund is accounted for using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current accounting period. Expenditures are recognized when the related fund liability is incurred (when goods are received or services rendered). Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. The General Fund is the general operating fund of the District and is used to account for all financial resources and activities.

Capital Assets

Capital assets are stated at cost unless they are donated, in which case they are stated at their estimated fair market value at the date of donation. The District defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets are depreciated using the straight-line method. The estimated useful lives are as follows: building and improvements – 10 to 50 years; equipment – 3 to 10 years.

Compensated Absences

The District reports a liability for compensated absences attributable to services already rendered as of June 30, 2013, and which are not contingent on a specific event that is outside the control of the District, such as employee illness. This liability is based on the probability that the District will eventually compensate the employees for the benefits through paid time off or some other means, such as annual leave cash-outs, payment of future health insurance premiums, or cash payments at termination or retirement. The liability is calculated based on pay rates in effect at June 30, 2013, in addition to those salary-related payments that are directly and incrementally associated with payments made for compensated absences on termination, such as Social Security and Medicare taxes. The District reports a liability for the compensated absences attributable to the District's staff.

All regular employees of the District earn paid vacation hours. The amount of vacation hours earned is based on the years of continuous service and the various conditions negotiated by the bargaining unit to which the employee belongs. Except for management employees, no more than 400 hours, or 520 hours after 10 continuous years of service, may be accumulated as of the last day of the first full pay period of each calendar year. Management employees can accumulate up to 520 hours. Upon termination, employees are entitled to a lump sum payment for accrued vacation and compensatory time off.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All regular employees are given credit for eight hours of sick leave during each month of employment with accumulation limits based on contract term with each bargaining unit. Unless otherwise stated below, upon termination of employment, for employees working 40 hours per week, no pay shall be given for the first 24 days of sick leave in the employee's account. The remaining sick leave shall be paid at the rate of 50% of the hourly pay rate of the employee at the time of termination.

Each bargaining unit will be entitled to use sick leave balances upon retirement as summarized below:

- *Placer Public Employees Organization General Unit (PPEO)* – On May 24, 2011, the Board of Supervisors approved the following change effective July 2, 2011: upon retirement, the first 1,500 unused sick leave hours will be set aside for payment of retiree's share of health insurance premiums not to exceed 8 hours per month; any hours in excess of 1,500 are converted to CalPERS Service Credit. As of September 22, 2012, PPEO represented active employees can accrue no more than 750 sick leave hours. Employees with balances in excess of 750 hours will no longer accrue sick leave hours until their balance falls below 750 hours.
- *Management and Confidential Employees* – Guidelines for use of sick leave at termination are the same as described above for PPEO represented employees. However, on May 24, 2011, the Board of Supervisors approved the following change: upon retirement, Management and Confidential employees will have 100% of unused sick leave hours set aside for payment of retiree's share of health insurance premiums. There is no sick leave cap for this group.

Due From Other Governments

Receivables consist primarily of permits and grants. Management believes its receivables to be fully collectable and, accordingly, no allowance for doubtful accounts is recorded.

Unearned Revenue

Unearned revenue represents permit fees that have been received but have not been earned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Position

Net position represents the difference between assets and liabilities. The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislations of other governments that relate to specific

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

projects of the District. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the net position balance.

Restricted net position – This category represents the portion of the District's net position that consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. The District's restricted net position has been externally restricted by law or regulation of other governments for the reduction of air pollution from motor vehicles and to provide incentive funds to reduce air pollutant emissions from sources that are not required by law to reduce their emissions.

Unrestricted – This category represents net position of the District, not restricted for any project or other purpose.

Fund Balance

In the general fund financial statements fund balance is reported as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

Nonspendable fund balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance – amounts that are constrained by the District's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned fund balance – amounts that constitute the residual balances that have no restrictions placed on them.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

Effective July 1, 2011, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This statement incorporates deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. Management has determined there is no significant impact on the District's financial statements.

Effective July 1, 2011, the District early implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to properly classify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and to recognize certain items that were previously reported as assets and liabilities as outflows of resources or inflows of resources. Management has determined there is no significant impact on the District's financial statements.

NOTE B – CASH AND INVESTMENTS

Cash and investments shown on the statement of net position and the balance sheet represent the District's share of the County Treasurer's (Treasurer) cash and investment pool and its deposits with financial institutions. The District voluntarily participates in the County Treasurer's cash and investment pool. California Government Code Section 53600, et. seq., and the County investment policy authorizes the following investments; local agency bonds, U.S. Treasury securities, U.S. agency securities, bankers acceptances, commercial paper, certificates of deposit, repurchase agreements, corporate notes and the California Local Agency Investment Fund (LAIF).

The County has a Treasury Review Panel, which performs oversight for its pool as required by Treasurer policy. Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. However, the value of the pool shares in the County, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's comprehensive annual financial report (CAFR) and may be obtained by contacting the County Auditor – Controller's Office at 2970 Richardson Drive, Dewitt Center, Auburn, California 95603 or by visiting www.placer.ca.gov/auditor.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, requires additional disclosures about a government's deposit and investment risks that include credit risk, custodial credit risk, concentration of credit risk and interest rate risk. The District does not have an investment policy that addresses these specific types of risk.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

NOTE B – CASH AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. The weighted average maturity of the County's external investment pool as of June 30, 2013 was 1,688 days.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County external investment pool is not rated.

Custodial Credit Risk and Concentration of Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District is not exposed to custodial credit risk or concentration of credit risk for its investments as it participates exclusively in the County's external investment pool, and therefore is not subject to such risks.

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

NOTE C – CAPITAL ASSETS

Capital asset activity for the two fiscal years ended June 30, 2013 was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>
Capital assets, not being depreciated				
Land	\$ 275,000	\$ -	\$ -	\$ 275,000
Capital assets, being depreciated				
Building and improvements	1,480,515	82,377	-	1,562,892
Equipment	437,508	-	-	437,508
Total capital assets being depreciated	<u>1,918,023</u>	<u>82,377</u>	<u>-</u>	<u>2,000,400</u>
Less accumulated depreciation for:				
Building and improvements	-	(107,232)	-	(107,232)
Equipment	(167,308)	(88,334)	-	(255,642)
Total accumulated depreciation	<u>(167,308)</u>	<u>(195,566)</u>	<u>-</u>	<u>(362,874)</u>
Total capital assets being depreciated, net	<u>1,750,715</u>	<u>(113,189)</u>	<u>-</u>	<u>1,637,526</u>
Total capital assets, net	<u>\$ 2,025,715</u>	<u>\$ (113,189)</u>	<u>\$ -</u>	<u>\$ 1,912,526</u>

NOTE D – LONG-TERM LIABILITIES

Long-term liabilities activity for the two fiscal years ended June 30, 2013 was as follows:

	<u>Balance July 1, 2011, as restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>	<u>Amounts Due Within One Year</u>
Compensated absences	<u>\$ 317,702</u>	<u>\$ 232,791</u>	<u>\$ (228,324)</u>	<u>\$ 322,169</u>	<u>\$ 32,217</u>

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

NOTE E – SELF-INSURANCE

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the County of Placer's Self Insurance Program. The County provides workers' compensation, unemployment, vision care, and dental benefits under self insured plans.

The District purchases commercial insurance for general liability coverage which has no deductible and provides coverage to a maximum of \$5,000,000 for each occurrence. To date there has been no significant reduction in any of the District's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the last three years.

NOTE F – RELATED PARTY TRANSACTIONS

The County of Placer provides and charges for a variety of services to the District including accounting and legal services, which are derived from the County of Placer Countywide Cost Allocation Plan and are included in the financial statements as other professional services. For the two fiscal years ended June 30, 2013, the total amount charged was \$461,379.

NOTE G – RESTATEMENT OF NET POSITION

As a result of the Board of Supervisor's May 24, 2011 action restricting the use of unused sick leave hours upon retirement - a liability was established. Accordingly, beginning net position has been restated by (\$158,298).

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ 1,612,260	\$ 1,612,260	\$ 1,586,545	\$ (25,715)
Fines, forfeitures and penalties	156,675	186,675	281,880	95,205
Investment earnings	190,000	190,000	90,852	(99,148)
Rental income	30,104	30,104	26,542	(3,562)
Intergovernmental	4,330,866	4,434,732	4,526,918	92,186
Mitigation fees	82,107	346,107	678,269	332,162
Charges for services	424,327	424,327	420,070	(4,257)
Miscellaneous	5,000	65,000	101	(64,899)
	<u>6,831,339</u>	<u>7,289,205</u>	<u>7,611,177</u>	<u>321,972</u>
Total revenue				
Expenditures:				
Air pollution control:				
County professional services	4,609,650	4,667,516	4,560,255	107,261
DMV projects	3,787,522	3,818,522	1,941,103	1,877,419
Other professional services	854,405	959,405	659,809	299,596
Mitigation	1,575,258	1,839,258	592,713	1,246,545
Rents and leases	8,697	8,697	9,947	(1,250)
Communications and postage	91,000	91,000	83,923	7,077
Special department	110,240	60,240	46,307	13,933
Office supplies	50,000	50,000	31,657	18,343
Insurance	50,626	50,626	49,812	814
Travel and transportation	30,000	30,000	22,187	7,813
Maintenance	160,662	160,662	139,558	21,104
Publications and legal notices	17,000	17,000	7,061	9,939
Vehicle	30,000	30,000	16,236	13,764
Membership dues and subscriptions	12,500	12,500	9,941	2,559
Special training	-	-	1,771	(1,771)
Capital outlay	-	90,000	82,377	7,623
	<u>11,387,560</u>	<u>11,885,426</u>	<u>8,254,657</u>	<u>3,630,769</u>
Total expenditures				
Net change in fund balance	<u>\$ (4,556,221)</u>	<u>\$ (4,596,221)</u>	\$ (643,480)	<u>\$ (3,308,797)</u>
Fund balance - July 1, 2011			<u>4,418,099</u>	
Fund balance - June 30, 2013			<u>\$ 3,774,619</u>	

The note to the required supplementary information is an integral part of this statement.

REQUIRED SUPPLEMENTARY INFORMATION

**PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT**

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2013**

Budgets and Budgetary Accounting

Formal budgetary accounting is employed by the District as a management control for the general fund. The Board of Directors adopts an annual budget each fiscal year. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is exercised at the fund level. All amendments to the budget are reflected in the financial statements and require the approval of the Board of Directors. All unencumbered annual appropriations lapse at the end of each fiscal year.

OTHER REPORT



Sacramento
3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

Walnut Creek

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
of the Placer County Air
Pollution Control District
Auburn, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Placer County Air Pollution Control District (District), as of and for the two fiscal years ended June 30, 2013, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements, and have issued our report thereon dated March 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maciel Mini & O'Connell LLP

Sacramento, California
March 21, 2014



<p style="text-align: center;">Board Agenda <i>Closed Session/Action</i></p>

Agenda Date: April 10, 2014

Prepared By: Thomas Christofk, Air Pollution Control Officer

Topic: Air Pollution Control Officer’s Annual Performance Evaluation (Closed Session)

Action Requested: Conduct the annual performance evaluation of the Air Pollution Control Officer for the period April 11, 2013 through the present.

Discussion: The Employment Agreement between Placer County, the Placer County Air Pollution Control District (collectively known as Employers) and Thomas Christofk (Air Pollution Control Officer/Director of Air Pollution Control/Employee) specifies that the District shall evaluate the Employee’s performance at least annually. Section 3 of the Memorandum of Understanding (MOU) between the District and the County specifies that with respect to District business: 1) the APCO receives his/her direction from and reports only to the District Board (§3B); 2) the District Board shall have the authority to set the salary of the APCO, and the District Board’s determination in this regard shall not be subject to the provisions of any County compensation plan (§3C); 3) All performance and other personnel-type related evaluations of the APCO will be performed by the District Board (§3C).

In past evaluations, a form has been utilized to capture comments from individual Board members, and has proven to be an effective tool in conducting the review. A copy of that form is included as Attachment 1.

Attachment 2 contains a listing of functions and work related goals by section for the District for FY 2013-2014. These goals were established or updated in concert with the annual budget process and define the basis of the resource allocations for the fiscal year. Many of the items listed are projects or initiatives beyond the mandated regulatory functions required of our District, and their accomplishment will enhance internal business processes and efficiencies or provide cost savings; generate direct public service benefits; or provide for air quality improvements. Progress towards accomplishment on the majority of the items has been satisfactory, with a number of them completed. Others are evolving, sometimes as a result of changing circumstances, and may require additional resource investments. In my opinion, all areas of the District’s operations are functioning well, with the numerous regulatory functions and service delivery requirements being accomplished within appropriate resource allocations. This is primarily due to the high quality of the District employees, both permanent and extra-help, as well as our various contractors who assist in a variety of technical support activities.

Fiscal Impact: The APCO/District Director's salary and benefits are included in the budget for the fiscal year.

Recommendation: It is recommended that your Board conduct the annual performance evaluation of the APCO/Director of the Air Pollution Control District.

Attachment #1: Annual Performance Evaluation Form

Attachment #2: PCAPCD 2013-2014 Specific Section Goals

ATTACHMENT #1

Subject:

Annual Performance Evaluation Form

Annual Performance Evaluation for Thomas Christofk, APCO, for FY 2014-2015

unacceptable
needs improvement
standard
exceeds standard
outstanding

COMMUNICATIONS

- Clearly states staff positions during Board meetings
- Keeps Board Members informed of his activities
- Responds to communications in a timely manner
- Provides concise, clean and sound advise

1	2	3	4	5
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				

DECISION MAKING

- Effectively defends Board positions
- Considers the needs of all Board Members
- Accepts responsibility for decisions
- Protects the Air Pollution Control District interests

1	2	3	4	5
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				

BUDGET

- Keeps the Air Pollution Control District within budget
- Implements budget saving measures

1	2	3	4	5
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				

PERSONNEL

- Effectively delegates tasks and responsibilities
- Monitors staff for their effectiveness
- Maintains good relationships with Board Members

1	2	3	4	5
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				

RESOURCE ALLOCATION AND PLANNING

- Develops and implements plans to achieve District goals and objectives
- Establishes cooperative Agreements with governmental and private agencies
- Leverages District resources to meet regulatory and operational commitments

1	2	3	4	5
<input type="checkbox"/>				
<input type="checkbox"/>				
<input type="checkbox"/>				

ASSETS AND STRENGTHS:

AREAS FOR IMPROVEMENT:

Mike Holmes, Chairman
PCAPCD Board of Directors

Thomas Christofk
Air Pollution Control Officer

Date

Date

ATTACHMENT #2

Subject:

Placer County Air Pollution Control District
Fiscal year 2013-2014 Section Specific Goals

Placer County Air Pollution Control District Fiscal Year 2013-2014 Section Specific Goals

Permitting & Engineering Section:	Mission Goal/Objective
<p>The Permitting & Engineering Section has the primary responsibility of permitting stationary sources of emissions in accordance with applicable state and federal laws and District regulations. Specific responsibilities of the Section include:</p>	
<ul style="list-style-type: none"> • Evaluation of new Authority to Construct applications and annually review Permits to Operate prior to renewal. 	1(a), 1(c), 1(d)
<ul style="list-style-type: none"> • Supporting the Hearing Board’s consideration of Variances and Abatement Orders. 	2(a), 2(d), 3(a), 3(b)
<ul style="list-style-type: none"> • Administering the Emission Reduction Credit (ERCs) banking program by issuing ERCs and tracking in a Registry. 	1(a), 2(c)
<ul style="list-style-type: none"> • Implementing the AB 2588 Air Toxics “Hot Spots” program and evaluation of airborne toxic emissions from new and modified facilities. 	2(a), 2(b)
<ul style="list-style-type: none"> • Preparation and review of annual information requests sent to stationary sources to gather information used to calculate emissions and determine compliance. 	1(a), 1(b), 4(a)
<ul style="list-style-type: none"> • Conducting comparison of state and federal control measure guidelines to adopted District rules and emission sources in order to demonstrate compliance or rule deficiencies that will need to be corrected through new rules or rule amendments. 	1(a), 1(e), 2(g)
<ul style="list-style-type: none"> • Reviewing state and federal regulations for applicability to District emission sources that would need to be regulated. 	1(a), 1(e), 2(g)
<ul style="list-style-type: none"> • Assisting in regulation compliance education and response to business inquiries and public information requests about sources. 	1(c), 2(f), 3(a)
<ul style="list-style-type: none"> • Identifying business operations that should be permitted by the District through a permitting outreach effort, or “Harvest” program, in conjunction with Compliance and Enforcement Section staff. 	1(a), 1(b), 1(c), 2(d), 2(f), 3(a), 3(b)
<p>In addition to the Section general functions noted above, specific tasks to be completed in the 2013-2014 fiscal year are:</p>	
<ul style="list-style-type: none"> □ <u>Evaluation of Rule 610, Air Toxics “Hot Spots” Fees:</u> Evaluate the Rule 610 fee schedules recovery of costs for the District program work and to collect the California Air Resources Board mandated pass-through charges. Determine what changes need to be made, if any. The fiscal evaluation will be supported by the Administrative Services Section. Changes by the Air Resources Board to the mandated charges have resulted in a reduction in the District’s portion of the fees assessed. The evaluation will result in a recommendation on how to resolve this situation and provide an assessment as to whether costs are adequately recovered and a recommendation on the best means to equitably recover program costs. It is likely that at a minimum Rule 610 will require amendment in order to facilitate any changes, and possibly other rules. 	1(e), 2(b), 2(c), 2(e), 2(g), 8
<ul style="list-style-type: none"> □ <u>Air Toxics:</u> Review of stationary sources for compliance with AB 2588 “Air Toxics Hot Spots” program requirements. Update the toxic emission inventory for reporting to CARB. 	2(a), 2(b)
<ul style="list-style-type: none"> □ <u>California Environmental Quality Act (CEQA) Requirements for Permitting:</u> Implementation of CEQA compliance procedures, such as ministerial permit evaluation procedures, and CEQA checklists, with the assistance from the Planning & Monitoring Section. 	1(a), 8

- | | |
|--|--|
| <ul style="list-style-type: none"> □ <u>Adoption of New Rules:</u> <ul style="list-style-type: none"> ▪ EPA requires the adoption of rules for which EPA has developed Control Technology Guidelines. A new rule regulating the coating of plastic parts, Rule 249, <u>Surface Coating of Plastic Parts and Products</u>, will be prepared for adoption. ▪ A commitment for the 8-hour Ozone Non-Attainment Plan is the adoption of a rule for natural gas water heaters and boilers rated less than 1,000,000 BTU/hour and greater than or equal to 75,000 BTU/hour. This will be a new rule that covers equipment which was not previously regulated. The District may propose to regulate water heaters and small boilers up to 5,000,000 BTU/hour rated heat capacity to close a regulations gap. □ <u>Aboveground Gasoline Storage Tank Phase I EVR:</u> Air Resources Board regulations require existing aboveground gasoline storage tanks (ASTs) to be upgraded with Phase I Enhanced Vapor Recovery (EVR) equipment by July 1, 2014. This will take an outreach effort to inform the AST permit holders, who will need to submit applications for Authority to Construct permits and then the permits will need to be prepared and issued. There are approximately 80 ASTs that will need the upgrade. □ <u>Agricultural Engine Registration Renewal:</u> Agricultural engine registrations are valid for three years. Most of the registrations expire on April 30, 2014. This renewal of registrations will require an outreach effort and the preparation and issuance of new registration certificates. □ <u>Implementation of ARB Semiconductor Greenhouse Gas Regulation:</u> This regulation for semiconductor manufacturing requires Telefunken to meet the greenhouse gas (GHG) emissions limitation of the regulation in 2014 for the first time. The company is aware that it needs to install control equipment to meet the emissions limitation. The District will work with Telefunken to insure the control equipment operational parameters are adequate to achieve the required level of control. | <p>1(e), 2(d), 2(g)</p> <p>1(c), 2(a), 2(d), 2(f), 3(a)</p> <p>1(a), 2(f), 3(a)</p> <p>(1(a), 1(c), 1(d), 2(d), 2(f), 3(a)</p> |
|--|--|

Planning & Monitoring Section:
**Mission
Goal/Objective**

The Planning & Monitoring Section is responsible for air quality planning that is required to guide local emission reduction efforts and to demonstrate that these efforts satisfy state and federal planning requirements. The Section also conducts assessments of land use projects with respect to their impact on air quality. The air quality planning effort, and the determination of whether state and local emission control measures have been successful, is verified by the air monitors that measure ambient air quality in the District. The Section is also responsible for preparing inventories of emissions in the District, regulating open burning and burning from wood-fired appliances, and managing the Clean Air Grant Program. Specific activities of the Section include:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Working with federal, state, and the other local agencies to develop regional planning documents to attain state and federal ambient air quality standards. • Ensuring compliance with federal conformity requirements. • Developing emission inventories and new or amended rules and regulations for adoption. • Assisting in the development of land use plans, such as specific and general plans. • Reviewing environmental documents submitted by lead agencies in compliance with the California Environmental Quality Act (CEQA). • Preparing environmental documents when the District is the lead agency. • Inspecting new development projects to verify mitigation measures were implemented. | <p>4(b), 4(d), 5a), 5(b)</p> <p>7(b)</p> <p>1(e), 2(g), 4(a), 4(b)</p> <p>4(c), 5(a), 7(b)</p> <p>4(c), 5(a), 7(b)</p> <p>2(a), 2(g), 4(c)</p> <p>1(b), 4(c), 4(d)</p> |
|---|--|

2013-2014 Section Specific Goals (continued)

- Administering the Clean Air Grant and Offsite Mitigation Programs. 1(d), 2(c), 2(e), 4(c), 4(d), 5(a),
- Providing public outreach and information. 1(c), 2(f)
- Operating air monitoring equipment at three existing locations and developing additional air monitoring sites. 4(a), 8
- Submitting air monitoring data to the State and Federal governments. 4(a), 8
- Overseeing the District burn program to minimize smoke impacts, including residential burning, rice burning, and forest management prescribed burning – through smoke management plan approval, permitting, burn project authorization, and burn day declarations. 1(a), 1(b), 2(f), 5(b)

In addition to the Section functions noted above, specific tasks to be completed in the 2013-2014 fiscal year are:

- Air Quality Plans for the Federal and State Standards: Work with CARB and other local air districts in Sacramento Federal Ozone Nonattainment Area to prepare two regional air quality plans which will demonstrate the regional efforts to attain and maintain the attainment status in the target year for the federal 24-hour PM_{2.5} (35 ug/m³) and revised 8-hour ozone standards (0.075ppm), respectively. In addition to the plans for federal standards, Staff will prepare a triennial progress report (2008-2011) to assess the progress made towards attaining the state air quality standards in Placer County. 1(a), 1(e), 2(f), 2(g), 4(a), 4(b), 4(d), 5(b)
- Emission Inventory Reconciliation and Enhancement: As an on-going effort, continue updating the emission inventory data for criteria pollutants and air toxics emitted from the facilities and area-wide sources in the County to produce more accurate baseline emissions data for future rule development and regional air quality planning work. 4(a), 8
- Air Monitoring Network Improvements: Improve the existing monitoring stations' operation and monitoring data reporting managed by the District. The improvements include developing internal protocols for field operations, laboratory operations, and data handling procedures to enhance the data quality assurance and the ability to provide air monitoring data instantly to officials and the public. In addition, Staff will work with Tahoe Regional Planning Agency (TRPA) to secure the operational funding for the monitoring station at Tahoe City, California. The monitoring data from this station will be used for baseline establishment and future regional air management plan development. 4(a), 8
- CEQA Land Use Emission Model Improvement: Work with the other participating air districts to update the CAPCOA's Land Use Emission Model (CalEEMod) based on the latest data and technology to provide defensible air pollution emission estimation and more user friendly functions to conduct analyses for land use development projects. 4(c), 4(d), 5(a), 5(b), 8
- Regional CEQA GHG Thresholds: Work with the other local air districts within the Sacramento area to develop CEQA GHG thresholds of significance for land use development projects. The anticipated product would be a guideline to provide a recommendation to the lead agencies on ways to determine the level of the land use project's related GHG impacts and to identify the appropriate mitigation measures to offset the project's impacts within the project's environmental documents. Because this is a collaborative effort, the ending date for these efforts cannot be predicted. 4(b), 4(c), 4(d), 5(b)

- Land Use Project Tracking Database: Complete the development of an internal land use tracking database. The database could be integrated into the existing District permitting database to support the District's CEQA review program by tracking the land development related documents including comments and recommended mitigation measures and to monitor the project's status and the implementation of mitigation measures. 4(c), 8

Compliance and Enforcement Section:	Mission Goal/Objective
<p>The Compliance and Enforcement Section is responsible for ensuring compliance with permit conditions, District rules and regulations, and applicable state and federal air pollution laws through investigations and on-site inspections, and, if violations are found, pursuing enforcement actions. Specific responsibilities of the Section include:</p>	
<ul style="list-style-type: none"> • Inspection of permitted and unpermitted stationary sources of air pollution (i.e. facilities) for compliance with applicable rules and regulations, including the inspection of Portable Equipment that is registered with the state. 	1(a), 1(b), 1(c), 2(a), 2(b), 2(d), 3(a), 3(b), 3(c)
<ul style="list-style-type: none"> • Inspection of new home construction in the unincorporated areas of Placer County for compliance with land use mitigation conditions on wood burning appliances. 	1(c), 4(c), 3(c)
<ul style="list-style-type: none"> • Investigation and resolution of air pollution complaints from the public regarding odors or air pollutant emissions from any source, including smoke from burning and dust from construction and other activities. 	1(a), 1(b), 2(a), 2(b), 2(d), 2(f), 3(a), 3(b), 3(c)
<ul style="list-style-type: none"> • Review and observation of source tests, monitoring data, and reports, for compliance with applicable rules and regulations. 	1(a), 1(b)
<ul style="list-style-type: none"> • Issuing Notices of Violation or Corrective Action Notices. 	2(d), 3(a), 3(b)
<ul style="list-style-type: none"> • Resolving enforcement cases for violations of District, state, and federal air pollution laws and regulations through mutual civil settlement, orders of abatement through the District's Hearing Board, or by referral of the case to the Placer County District Attorney's Office or the State Attorney General's Office. 	3(b)
<ul style="list-style-type: none"> • Education of the public and permitted sources on air pollution rules and regulations. 	1(c), 2(f)
<ul style="list-style-type: none"> • Assistance with control measure and rule development. 	1(e), 2(g), 4(b)
<p>In addition to the Section functions noted above, specific tasks to be completed during the 2013-2014 fiscal year are:</p>	
<p>□ <u>Field Investigation Program Improvement</u>: Enhance the effectiveness of field staff performance and complaint response through:</p> <ul style="list-style-type: none"> ▪ Conducting job safety analyses for source inspections and complaint response. ▪ Establishing a quality assurance/quality control program for field sample physical evidence. ▪ Developing expertise and capabilities for evaluating smoke and odors to resolve complaints. 	1(a), 1(b), 2(a), 2(b), 2(d), 2(f), 8
<p>□ <u>Enforcement Settlement</u>: Use Small Claims Court to efficiently settle violation enforcement cases that are not resolved through Mutual Settlement. Streamline the issuance, tracking, and processing of violation notices. Develop a monetary penalty assessment structure and/or schedule to assist in the establishment of consistent and defensible fines for enforcement case settlement.</p>	3(b), 3(c), 8

- | | |
|---|---|
| <ul style="list-style-type: none"> ❑ <u>Greenhouse Gas CEQA Mitigation</u>: Participate in the CAPCOA Greenhouse Gas Exchange to support and encourage local projects that reduce greenhouse gases (including forest management and biomass waste for energy under District developed protocols) and to provide cost effective CEQA mitigation. | 2(a), 3(b), 4(a), 4(b), 4(c), 5(b) |
| <ul style="list-style-type: none"> ❑ <u>Biomass</u>: Continue to advance and support forest management projects that reduce air pollution through: utilization of waste biomass for energy as an alternative to open burning; hazardous fuel reduction thinning and defensible space clearing to mitigate impacts of wildfire; and the development of tools that quantify and provide monetary value to air emission reductions, as well as other societal benefits including renewable energy and protection of upland watersheds, timber resources, and forest ecosystems. Specific tasks will include: conduct of a biomass energy project at the U.C. Berkeley College of Natural Resources Center for Forestry Blodgett Forest Research Station to demonstrate greenhouse gas, criteria air pollutants, and collateral benefits, development of a biochar greenhouse gas offset protocol, and advocacy for a biomass electricity rate that recognizes the full range of benefits. | 1(a), 1(c), 1(d), 2(a), 2(c), 2(e), 2(f), 2(g), 5(a), 5(c), 6 |
| <ul style="list-style-type: none"> ❑ <u>Inter-agency Cooperation</u>: Optimize the utilization of resources and improve investigation effectiveness through partnering with building and public works departments, law enforcement, fire agencies, code enforcement, weights and measures, animal control, and environmental health. | 3(c), 5(a), 5(b), 5(c) |

Administrative Services Section:	Mission Goal/Objective
The Administrative Services Section is responsible for providing overall administrative services and support for the District. Specific responsibilities of the Section include:	
• Preparation of monthly fiscal statements and review for management and Board information.	8
• Clerk of the Board functions including preparation of the Board Meeting Agenda and the Board Packet that includes information and action items.	8
• Tracking, filing, and archiving of District documents. The conduct of this function is being improved through the implementation of an electronic document handling system (EDHS).	5(c), 8
• Handling of payroll, accounts receivable, accounts payable, purchasing, cost accounting/cost allocation and conducting a bi-annual outside audit.	5(b), 8
• Preparation, oversight, management, and administration of grant and professional services contracts, including inter-agency MOUs.	5(a), 5(b), 5(c), 8
• Assisting the APCO in the preparation of the annual budget and providing the APCO with fiscal status summaries each month and performance statistics for the District each quarter.	8
• Maintenance of the District's networked computers and office equipment, and recommendations for equipment replacement.	5(b), 5(c), 8
• Maintenance and upgrade of the District database program and training of District Staff on the use of this in-house program.	5(b), 5(c), 8
• Overseeing the maintenance of District motor vehicles and their sign-out by staff.	5(b), 5(c), 8
• Maintenance and control of personnel files and training logs (Personnel Liaison).	8
• Facility maintenance and operations for the District offices at 110 Maple Street, Auburn, including management of repairs and scheduled preventive maintenance, and oversight of building related service contracts.	5(c), 8

- Complete office management functions, including answering caller inquiries and directing the public to the proper staff and facilitating all business transactions with the District. 8

In addition to the Section general functions noted above, specific tasks to be completed within the Fiscal Year 2013-2014 are:

- Assessment of Staff Resources and Cost-Recovery Effectiveness: The District has been working on a Resource Development Plan adopted in 2002 that projected staffing needs and organizational structure for the period of 2002-2016. This long range staffing plan will be largely fulfilled in 2013 with the hiring of an Administrative Services Officer (ASO) to join the Air Pollution Control Officer and the Deputy APCO/Principal Air Pollution Control Engineer as the District's management team. There is a need to revisit the resource needs of the District to evaluate staffing requirements and internal organizational structure to meet current and projected administrative and operational demands, and to implement appropriate succession planning for upcoming staff turnover. The District is anticipating the retirement of a couple of long-term employees by the end of 2013, in addition to an on-going Specialist vacancy. The evaluation of whether and how to fill these vacancies, as well as the District position allocations, should be evaluated in consideration of regulatory mandates and current economic and business trends which are closely tied to District workload. As a part of this assessment, the adequacy of District revenue to provide for mandated and necessary programs based on a review of the District's cost of doing business, with key overhead factors identified and quantified, will also be examined. 8
- Technology Improvement Program: Management of a multi-branched effort to assess options for the District to better utilize electronic information technology and communications tools, to identify the best process improvement pathways, and to manage program implementation. With Board approval, the District has prepared a Strategic Information Technology Master Plan and has established an implementation roadmap and budget. If the US EPA Section 105 Pilot pass-through grant program is continued for federal fiscal year 2014, the grant funding received by the District would likely be used for Plan implementation in FY 2013-2014. The Plan has these elements: 1(a), 1(b), 1(c), 2(d), 3(b), 4(a), 5(c), 8
 - Air Pollution Control Database System (Database System): The Database System will continue to be the common connecting point for all District business applications. The continued implementation and enhancement of the database system will enable electronic access to expanded information by the creation of new system modules, as well as the enhancement of existing system modules.
 - Electronic Document Handling System (EDHS): The use of the EDHS will be expanded to facilitate greater levels of document storage and retrieval. The EDHS is part of a Document Management System that links specific electronic documents to Air Pollution database records, stores required records, and documents in electronic formats, and is coordinated with database records for document locations and with document retention requirements. In FY 2013-2014 the goal is to provide the document handling structure that will facilitate storing documents in a manner that enables the document to be located, identifies the retention and location of hardcopy documents, and integrates records management retention policies.

- **Wireless Device Integration/Mobile Inspections Project:** The District will continue to work to expand its implementation of wireless device integration that supports the work of District employees while they are in the field by providing mobile capabilities that aid the conduction of inspections. The District will seek to build upon the work of other air districts. This goal will require the input and support of the Compliance & Enforcement Section.
- **District Website Enhancements:** The District Website will continue to be a primary area for the delivery of District electronic services to citizens, businesses and employees. Proposed enhancements will be implemented by District staff through Placer County Information Technology's "Website Redesign Project" and in later years, if it is necessary, further enhancements will be made with the assistance of contracted support.
- **Microsoft Office 365 Project:** An option for the District to consider is to migrate from the County provided MS Office email and MS Office suite to a new cloud computing offering called Microsoft Office 365. Microsoft Office 365 for government would allow for the District to begin evaluating Cloud Computing services with an industry leader as well as to potentially realize significant annual IT savings.
- **Client Access Portal Project:** The District will work to expand its delivery of electronic information and services to District clients and the public. A Client Access Portal will provide District clients with on-line access to District permit and billing information and client contact profile capabilities. The concept is to provide clients and the public with portals to access District information and documents. This element of the Plan is postponed to FY 2015-2016 when the database enhancements and EDHS are completed as a necessary foundation for the accessing of the stored information.
- **County-District MOU Update:** Continue to develop and complete the amendment of the County-District MOU to address recent revisions to the County policies and their organization, as well as, changes required by the District to facilitate its operations. In addition, prepare and adopt policies and procedures to ensure internal control and to address areas where the District practices diverge from usual County policies and procedures. 5(a), 5(b), 5(c), 5(b), 8
- **Air Pollution Control Library Outreach Project:** In conjunction with the 2013 Clean Air Grant award to the Placer County Public Library to fund e-books, the District will seek to inaugurate a new public information and education program. Beginning with the Placer County Library, the District's Public Information Team will identify existing outreach materials on air quality topics that are of interest to a broad range of ages, and work with the Library staff to have those materials publicized and displayed in the libraries. The District will request approval of a funding allocation in the FY 2013-14 Budget for the purchase or printing of outreach materials, and for presentation products such as brochure and flyer holders that could be wall or counter mounted, or on a kiosk. 1(d), 2(f), 5(a), 5(b), 4(d), 6, 8

- Document Management Policy Development: Develop guidelines for handling and retention of both hard copy and electronic documents. The District would benefit from having policies and procedures governing when and how documents are to be retained by the District as official records, which records are public records, and when documents may be destroyed. The District may destroy or dispose of records pursuant to a record retention schedule adopted by the Board pursuant to Government Code Section 60201(b). The District has limited space available to archive public records. A records retention policy that is adopted by the Board provides direction to District staff on the required procedure for retention and destruction of records. Additionally, the District must maintain a list, by category, of the types of records destroyed or disposed of that reasonably identifies the information contained in the records in each category. The retention policy will need be integrated with the Electronic Document Handling System (EDHS) and the Central Filing System's categorization and location process for electronic and hard copy documents, as well as, the District database system that will be used to track both electronic and hard copy records. 8
- Air Quality Supplemental Questionnaire: The District Staff have prepared a supplemental questionnaire that may be incorporated into the permitting process of building departments in Placer County. The questionnaire asks questions to address a number of District regulatory issues, including naturally-occurring asbestos and dust control for development, wood-fired appliance requirements, District permit requirements, and statutory mandates upon building departments with regard to hazardous materials storage and emission sources near schools. The questionnaire and supporting materials provide guidance to the applicant on how to comply, as well as providing notice to the building department, the District, and Environmental Health, when appropriate, that the project impacts air quality and/or utilizes hazardous materials. District Staff have developed sample questionnaires and background and support information to assist the applicant that can be made available both in hardcopy and through a webpage on the internet. The next step is for the District to offer the questionnaire to the building departments in Placer County. 1(a), 1(b), 1(c), 2(d), 2(f), 3(a), 3(c), 5(a), 8



Board Agenda

APCO Report

Agenda Date: April 10, 2014

Air Pollution Control Officer Report:

1. Art Walk Update (verbal report)
2. District/County MOU Update (verbal report)
3. Fiscal update (financial report to be provided at board meeting) ([Documents now attached herein](#))

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
BALANCE SHEET FOR FY 2013-14**

Description:	G/L #	BEGINNING BALANCE July 1, 2013	debit	credit	ENDING BALANCE March 31, 2014
Assets:					
CASH IN TREASURY	1000	2,115,837	3,926,486	3,692,516	2,349,807
IMPREST CASH	1020	100	200	-	300
ACCOUNTS RECEIVABLE	1090	360,000			360,000
INVESTMENT RECEIVABLE - INTEREST	1430	3,602	(3,602)		-
EQUIPMENT	1640	-			-
ACC DEPRECIATION	1650	-			-
TOTAL ASSETS		2,479,539			2,710,107
Current Liabilities:					
ACCOUNTS PAYABLE	2020	35,491	1,212,583	1,181,901	4,809
SALARIES & BENEFITS PAYABLE	2070	79,879		(79,879)	-
COMPENSATED ABSENCES PAYABLE	2080				-
DEFERRED REVENUE	2211	102,551			102,551
Long Term Liabilities:					
ENCUMBRANCES/OPERATION FUND	2410.01	88,624	62,004	83,300	109,921
ENCUMBRANCES FOR DMV FUND	2453.52	798,080	722,188	32,000	107,892
ENCUMBRANCES FOR MITIGATION FUND	2454.52	464,460	183,107	-	281,352
Fund Balances:					
IMPREST CASH FUND	2400	100		200	300
UNRESERVED/OPERATIONS FUND	2410/2455	174,593	1,217,163	1,412,874	370,304
DEPRECIATION FIXED ASSETS	2444				-
BUILDING - CAPITAL MAINTENANCE OUTLAY RESERVE	2410	50,000			50,000
NON-TORT DEFENSE FUND	2455	155,000			155,000
DMV FUND	2453.51	90,000			90,000
MITIGATION FUND	2454.51	169,575	869,831	1,518,095	817,839
INVESTMENT IN FIXED ASSETS	2460	271,187	16,682	365,633	620,139
TOTAL LIABILITIES & FUND BALANCES		2,479,539	8,206,641	8,206,641	2,710,107
					0

Total Encumbered Funds	\$ 499,164
Total Fund Balances	2,103,583
Increase/Decrease in Expenditures compared to Budget	-31.60%
Increase/Decrease in Revenues compared to Budget	25.54%

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
FY 2013-14 BUDGET SUMMARY COMPARISON
CONSOLIDATED FUND SUMMARY**

	APPROVED CONSOLIDATED BUDGET FY 2012-13	REVISED CONSOLIDATED BUDGET FY 2012-13	ACTUAL CONSOLIDATED FUNDS FY 2013-14 3/31/2014	APPROVED CONSOLIDATED BUDGET FY 2013-14
REVENUE:				
Permit Fees	836,942	836,942	788,605	820,900
Fines/Settlement Funds	35,000	65,000	53,638	49,000
Interest	70,000	70,000	34,451	70,000
State Subvention	106,000	106,000	108,602	106,000
Statewide PERP	43,000	43,000	43,162	43,000
Other Government Assistance	74,866	74,866	87,276	87,276
State Vehicle Surcharge Fee (AB2766 & AB923)	2,040,000	2,054,000	1,597,357	2,080,348
Burn / Land / Other	32,134	32,134	32,533	33,247
Mitigation Fees	0	264,000	365,633	-
Per Capita Assessment	177,664	177,664	178,732	178,732
Miscellaneous	2,700	2,700	262	2,700
From Litigation Cost Recovery Fund				-
District Facility Rental Income	15,242	15,242	6,351	10,162
From Settlement Fund		40,000		-
Project Generated		60,000	-	20,000
Total Revenue:	3,433,549	3,841,548	3,296,602	3,501,364
TOTAL FUND CARRY-OVER PREVIOUS FY	790,208	790,208	910,455	910,455
TOTAL FUNDS AVAILABLE	4,223,757	4,631,756	4,207,057	4,411,819
EXPENSE:				
Salary & Benefits	2,189,600	2,189,600	1,499,572	2,237,439
Supplies & Services	742,034	832,034	490,203	621,384
Clean Air Grants and TAP	910,000	1,188,000		970,000
Building Purchase Payback	50,000			50,000 ***
Building Improvement	-	90,000	-	
Total Expense:	3,891,634	4,299,633	1,989,775	3,878,823
Ending Fund Balance:	332,123	332,123	2,217,282	532,997 *
Unencumbered (encumbered) Current			(113,700)	
TOTAL FUND BALANCE	332,123	332,123	2,103,582	532,997
Encumbered Funds (Funds already committed)	2,025,327	2,025,327	499,166	1,351,164 **
TOTAL FUND BALANCE	2,357,450	2,357,450	2,602,748	1,884,161

*The "Ending Fund Balance" for the proposed FY 2013-14 budget is the consolidated total for the following fund balances:

Operations Fund	\$	34,699
Building - Maintenance Capital Outlay		50,000
Vehicle Replacement Fund		60,000
Reserve -- sub fund to Operations		95,000
Non-Tort Defense Fund--sub fund to Operations		90,000
Sub-Total Unreserved Operations + Reserved Operations =	\$	329,699
DMV (AB2766 & AB923) Fund		431
Mitigation Fund		1,187
Ending Fund Balance Totals	\$	<u>331,317</u>

**The "Encumbered Funds" for the approved FY 2013-14 budget are consolidated from the following:

Operations Fund	\$	88,625
DMV (AB2766 & AB923) Fund		798,079
Mitigation Fund		464,460
Encumbered Funds	\$	<u>1,351,164</u>

*** Note that the Settlement Revenue from the SPI case (settlement was received on July 24, 2007) of \$2,742,500 has been removed to a separate sub-fund; likewise, the recovered litigation costs for the same case of \$700,000 has also been moved to a sub-fund in order to separate these funds from the District's Operational Budget. The funds for the purchase of the building were taken from the Settlement Fund (\$1,500,000) leaving \$1,242,500. An additional \$40,000 was used to purchase and install solar panels on the District's building located at 110 Maple Street in Auburn, California. That leaves a balance of \$1,202,500 in the Settlement Fund. Also, \$361,500 was taken from the Litigation Cost Recovery Fund for "Relocation Costs" leaving \$338,500 in that fund. Interest derived from those funds is included in the Operations Fund for FY 2013-14.

Most of the encumbered funds (94.59%) are Clean Air Grants that have been awarded to Placer County recipients over the last three fiscal years. The funds have not been dispersed because the contracted clean air projects have not been completed.