



**AGENDA:**  
**PCAPCD Board of Directors Meeting**  
**Thursday, June 12, 2014 at 2:30 PM**  
**Placer County Board of Supervisors' Chambers**  
**175 Fulweiler Avenue, Auburn, California**

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**Call to Order**

**Flag Salute**

**Roll Call / Determination of a Quorum**

**Page 3** **Approval of Minutes:** April 10, 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.

**Public Hearing (No Action): Item 1**

**Page 9** **1. Preliminary FY 2014-2015 Budget Public Hearing.** Conduct a Public Hearing in accordance with the Health and Safety Code § 40131(3)(A) that states: "The district shall notice and hold a public hearing for the exclusive purpose of reviewing its budget and of providing the public with the opportunity to comment upon the proposed district budget." The District also seeks guidance from the Board regarding any changes to this Proposed Preliminary Budget for FY 2014-2015, for inclusion into the Final Proposed Budget, which will be presented to the District Board for adoption on August 14, 2014.

**Consent: Items 2 and 3**

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.
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**Page 11** **2. Fleet Air Quality Support Services Agreement.** Adopt Resolution #14-12, thereby approving a contract between the Placer County Air Pollution Control District and the Placer County Department of Public Works in an amount not to exceed \$60,000 in FY 2014-2015, for the District to provide consultant services for the DPW's fleet air quality compliance; and authorizing the Air Pollution Control Officer to sign the contract and subsequent amendments.

**Page 26** **3. Advance Budget Authorization for Contracted Technical Support Services.** Adopt Resolution #14-11, thereby authorizing the expenditure of up to a total of One-Hundred Thirty-Nine Thousand Dollars (\$139,000) for contracted technical support services from TSS Consultants and Air Permitting Specialists. This authorization request is in advance of the adoption of the Final FY 2014-2015 District Budget that is scheduled to be heard on August 14, 2014, in order to enable the services to continue uninterrupted after June 30, 2014, the end of the current fiscal year.

**Action: Items 4 and 5**

**Page 31** 4. **Multi-Year Professional Legal Services Agreement.** Adopt Resolution #14-13, thereby authorizing the Air Pollution Control Officer to negotiate, sign, and amend as necessary, a multi-year professional legal services agreement with an independent contractor for advocacy and legal support services; and providing early funding approval, with an effective date of July 1, 2014, for the initial FY 2014-2015 contract year, in the not to exceed amount of Ninety-Five Thousand Dollars (\$95,000).

**Page 36** 5. **Foresthill Biomass Utilization Feasibility Study Technology Assessment Program (TAP) Grant Request.** Adopt Resolution #14-14, thereby providing a grant of Thirty Thousand Dollars (\$30,000) from the Placer County Air Pollution Control District, to the Placer County Resource Conservation District; and authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, an agreement between the Placer County Air Pollution Control District and the Placer County Resource Conservation District for the TAP grant to assess the feasibility of biomass utilization in Foresthill, California.

**Air Pollution Control Officer Report**

- Page 68** a. New Health Risk Assessment Methodology – supporting document attached
- Page 70** b. Fiscal Update – financial report will be provided at meeting ([now included in this file](#))

**Adjournment**

**Next Regularly Scheduled Board Meeting: August 14, 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



## **Minutes of the Thursday, April 10, 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, April 10, 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; Bruce Springsteen, Compliance and Enforcement Section Manager; 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: Kim Douglass (alternate for Donna Barkle), Stan Nader, Robert Black, Mike Holmes, Jim Holmes, Diana Ruslin, and Carol Garcia. Jennifer Montgomery, Robert Weygandt and Donna Barkle were absent. A quorum was established.

**Approval of Minutes:** February 13, 2014, Regularly Scheduled Meeting.

**Motion to approve minutes:** Carol Garcia. Unanimously approved.

**Public Comment:** No public comment.

### **Consent: Item1**

- 1. Authorization to Execute MOU with Tahoe Regional Planning Agency (TRPA) for Wood Stove Replacement Program.** *District Staff recommendation: 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.*

**Motion to approve Consent Item 1:** Jim Holmes. Unanimously approved.

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**Action: Item 2**

- 2. Clean Air Grant Awards.** *District Staff recommendation: 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.*

Ms. Heather Kuklo presented the 2014 Clean Air Grant (CAG) program, including the program's goals, funding sources, outreach, evaluation analysis process, and program benefits.

Ms. Kuklo described the Clean Air Grant program's goal to offset emissions for motorized vehicles and other sources, based on cost effectiveness and community benefit. The program supports the District's air attainment plans, reducing emissions and improving air quality for the District; promotes education and public awareness of air quality; and reduces risks of catastrophic wildfires by providing alternatives to the usual practice of open burning of biomass, thereby reducing emissions.

Ms. Kuklo reported that the funding sources for the Clean Air Grant program include DMV registration fees, which are a \$4 surcharge due to AB2766, and a \$2 surcharge authorized by AB923. Each of these funding sources has limitations on what the funds may be used for, with AB923 funds being more restrictive. Land Use Mitigation Funds are also used to support the CAG program. They are collected via the District's policy on air quality mitigation for land use projects. This fund is separated into West and East side mitigation, based on where the land use projects occur, and is allocated to fund CAG projects by location.

Director Stan Nader asked how the land use funds are collected. Ms. Kuklo responded that CEQA projects are required to mitigate emissions directly on the project, or may voluntarily do so, indirectly, by paying a fee to the District; the District then applies the funds collected towards eligible CAG projects.

Ms. Kuklo stated that the Clean Air Grant program's outreach and marketing efforts took place during the solicitation period, from January 1 through February 28, 2014. Included in these efforts were updated application packets, two workshops, newspaper advertisements, public notices, display advertisements, web page updates, bulk mailings, and an email blast.

Ms. Kuklo summarized the applications and recommended project funding for this year's program. The District received a total of 21 applications, in the areas of heavy duty on-road and off-road equipment; alternative fuels infrastructure; and other emission reducing and energy efficiency projects. The total request for funds was approximately \$2.4 million, with CAG funds available of about \$1.1 million. The total funding for the 17 recommended projects for the 2014 CAG program is \$1,074,500, leaving a balance in Eastern Mitigation

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Funds. All of the projects eligible for the Eastern Mitigation Funds are being recommended for funding, therefore there are no remaining projects to be funded with this source.

Ms. Kuklo explained that the evaluation process involved an initial evaluation of project eligibility. Then the project was ranked, based on several factors, including an analysis of cost effectivity for those projects that have measurable emissions reductions. Next, the technical review team made recommendations. Lastly, the APCO completed a final review.

Ms. Kuklo demonstrated that this CAG program provides excellent emissions benefits. For this year's recommended projects, the emissions reductions annually are projected at 12 tons for NOx, 2.65 tons for ROG, and 10.5 tons for PM. Accounting for the project life durations of all of the projects, the total emission reduction is about 74 tons. In addition, the overall average Cost Effectivity of these reductions is \$15,434/ton, which is consistent with the District's goal of maintaining a cost effective program. Ms. Kuklo also pointed out that the program provides economic value to the region, because for every dollar granted by the District, the applicant will spend approximately five dollars.

Ms. Kuklo concluded by stating that District Staff recommends funding and approval of the 17 projects on Exhibit I of Resolution #14-10.

Chair Mike Holmes asked how many attended the teleconference for Tahoe area applicants. Ms. Kuklo responded that none attended, but that she often meets with Tahoe area applicants individually.

Chair Mike Holmes invited members of the public to make comment. Members of the public in attendance who expressed gratitude and praise about the Clean Air Grant program included Dan Quarton, Sierra Pacific Industries; Bernie Schroeder, City of Auburn; Mark Shadowens, North Star Fire Department; Brian Gruchow, Roseville Joint Union High School District; Bruce Springsteen on behalf of Brett Storey with the Placer County biomass program; Mike Wixon, City of Roseville; Mary George, Placer County Library Services; David Melko, Placer County Transportation Planning Agency; Anthony Lavezzo, Eastern Regional Landfill; Elisa Noble, Placer County Resource Conservation District; and Chuck Gordon, Placer County Fleet.

Chair Mike Holmes called for a roll call vote on approval of this item and Resolution #14-10.

**Motion to approve Item 2: Jim Holmes. Unanimously approved via roll call vote.**

### **Public Hearing/Action: Item 3**

- 3. Approval of the 2014 Reasonably Available Control Technology State Implementation Plan (RACT SIP) Analysis and Negative Declaration.** *District Staff recommendation: 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.*

Mr. Bruce Springsteen presented this item on behalf of the District. He first explained the background of the RACT requirement, explaining that the District currently does not meet the national ambient air quality standard for ozone, and therefore the District is required to establish rules to reduce nitrogen oxide (NO<sub>x</sub>) and volatile organic compounds (VOCs), which interact to produce ozone. These rules are required to be based on Reasonably Available Control Technology (RACT) which applies to existing sources in the District that emit those types of pollutants. The rules are put into a State Implementation Plan, which is approved by the EPA. The proposed analysis will satisfy an EPA requirement for a new RACT SIP analysis by July 20, 2014.

Mr. Springsteen reported that the District has updated its rules to meet the RACT requirement, and as a result of the analysis in February 2014, provided 16 negative declarations for sources that are not present in this District. The changes to the February 2014 version of the RACT analysis address comments the District received from an EPA review, as well as addressing a control guidance associated with polyester resin manufacturing. There are no polyester resin manufacturers in the District, therefore this category is appropriate for an additional negative declaration. The District also committed to evaluating and considering a composting rule at some point in the future. Mr. Springsteen stated that District Staff is recommending that the Board approve the resolutions adopting the RACT SIP analysis and the negative declaration for polyester resin manufacturing.

Director Stan Nader asked for additional information about the composting requirement. Mr. Springsteen stated that there is encouragement from the EPA to control VOCs from composting, but there is disagreement as to whether it is cost effective to do so, or even if controlling VOC emissions would provide any benefit towards reducing ozone or protecting public health. Mr. Tom Christofk emphasized that the situation within this District, in terms of emissions, and based upon photo-chemical reaction modeling data, is that controlling VOCs does nothing to help the District's ozone attainment. Mr. Christofk explained that controlling man-made VOCs does not make a difference because this District is overwhelmingly impacted by biogenic VOCs (natural occurring/vegetation). The component that the District has to control heavily is NO<sub>x</sub>. Mr. Springsteen further clarified that the EPA does not have a guidance document defining RACT for composting.

Chair Mike Holmes invited the public to comment. No member of the public came forward, and he brought the item and Resolution #14-08 and #14-09 to the Board for approval.

**Motion to approve Item 3: Carol Garcia. Unanimously approved.**

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## **Information: Item 4**

### **4. Biennial Audit Report for Period Ended June 30, 2013.**

Ms. A.J. Nunez presented the audit report which was conducted by Macias Gini & O'Connell LLP, in accordance with Government Code Section 26909, for the two year period beginning July 1, 2011, through June 30, 2013. The audit was conducted in January and February of 2014. There were no deficiency findings as a result of the audit.

Ms. Nunez highlighted some of the findings in the report with regard to District expenses, revenues, and net position. She explained that the decrease in net position at the end of the audit period was primarily a result of a decrease in investment earnings due to a continued decrease in the annual interest received; accumulated depreciation of the District's building and equipment; and increased expenses in employee benefits due to changes in Placer County benefits requirements. Ms. Nunez emphasized that the District has a cautious approach with regard to projecting revenue, and budgets very conservatively.

Director Mike Holmes asked if the District is going to consider seeking a new firm for the next audit. Ms. Nunez responded that the District currently uses the accounting firm that Placer County contracts with, as it provides cost benefit to the District. The County has approved a contract with a new accounting firm that will be used for the next two-year audit period, thus providing a change.

Director Mike Holmes asked if there were any further questions about the audit. There were no additional questions or comments.

## **Closed Session: Item 5**

### **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 held a closed session to discuss the following item: Air Pollution Control Officer's Annual Evaluation—54957(b)(1).*

Chair Mike Holmes adjourned the meeting to Closed Session at 3:24 p.m. to perform an annual employment evaluation of Mr. Tom Christofk, for the position of Air Pollution Control Officer. Chair Mike Holmes re-adjourned the regular meeting at 3:42 p.m., and reported that the evaluation had been completed. There were no actions to report from closed session.

## **Air Pollution Control Officer Report**

### **A. Art Walk Update:**

Mr. Tom Christofk stated that the art walk was to occur that night at the District's office. He mentioned that there is a new artist, Nick Vogt, displaying his exhibit titled "Paintings of Historical Significance", which includes paintings of locations in Placer County.

### **B. District/County MOU Update:**

Mr. Tom Christofk reported that the District has successfully concluded negotiations with Placer County regarding the District-County MOU. Placer County approved the agreement on March 11, and both the District and County have executed the agreement.

### **C. Fiscal Update:**

Mr. Tom Christofk summarized the March end of month balance sheet, stating that the District is under-running the expenses in the budget by about 31%, and revenues are ahead by about 25%. He added that the Clean Air Grants' expenditures will be reflected in the next balance sheet, after the District encumbers those funds.

### **Adjournment:**

Chairperson Holmes adjourned the meeting at 3:50 p.m.



Shannon Harroun, Clerk of the Board



## Board Agenda Item 1

### *Public Hearing*

**Agenda Date:** June 12, 2014

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

**Topic:** Proposed Preliminary Budget FY 2014-15

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**Action Requested:** Conduct a Public Hearing in accordance with the Health and Safety Code § 40131(3)(A) that states: “The district shall notice and hold a public hearing for the exclusive purpose of reviewing its budget and of providing the public with the opportunity to comment upon the proposed district budget.” District management also seeks guidance from the Board regarding any changes to this Proposed Preliminary Budget for FY 2014-15 for inclusion in the Final Proposed Budget, which will be presented to the District Board for adoption on August 14, 2014.

**Discussion:** The District Proposed Preliminary Budget for FY 2014-15 is very similar to previous District budgets. District management continues to conservatively estimate revenues and project expenditures that are adequate to cover costs and provide contingency funds for unforeseen events. The current FY 2013-14 projected revenue amount of \$3,963,837 is \$476,473 (13.7%) above the approved budget amount of \$3,487,364, while the FY 2013-14 projected expense of \$3,820,926 is \$245,578 (6%) below the approved budget amount of \$4,066,504. This helps to build a fund balance for District use in the upcoming fiscal year.

The District offers the following analysis of the differences between the Proposed Preliminary Budget for FY 2014-15 and the Approved Budget for FY 2013-14.

**Proposed Revenue:** The proposed total revenue projected for FY 2014-15 is \$3,506,872 plus the projected fund carryover of \$1,053,366, providing a Total Funds Available amount of **\$4,560,238**. This is a \$164,419 net increase compared to the FY 2013-14 Approved Budget total revenue of \$3,487,364 plus the fund carryover of \$910,455, for a Total Funds Available amount of **\$4,397,819**. Reductions of revenue in Permit Fees and Interest which reflect current market conditions are offset by the increase in District Facility Income and Project Funding Revenue.

**Proposed Expenditures:** The total proposed expenditure for FY 2014-15 of **\$4,220,214** is \$153,710 higher than the FY 2013-14 Approved Budget expense projection of **\$4,066,504**. In FY 2014-15, Salaries and Benefits are proposed to be \$120,925 higher due to a negotiated 2% COLA increase that will go into effect December of 2014, as well as increases to employee benefits and Workers Compensation costs. Supplies and Services are proposed to be increased by \$18,288, and Clean Air Grants (CAG) and Technology Assessment Program (TAP) are proposed to be \$14,497 higher than the FY 2013-14 Approved Budget. The District may seek a budget revision to increase CAG funding if additional funds from approved Mitigation Plans become available. For FY 2014-15, there is a proposed Building Purchase Payback of \$50,000.

Proposed Preliminary Budget FY 2014-15

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In this enclosed Proposed Preliminary Budget for FY 2014-15, on page 20, Staff has linked program and project resource expenditures to specific goals and objectives (pages 5-14) and the District's Mission Statement (pages 3-4).

**Fiscal Impact:** The District Proposed Preliminary Budget for FY 2014-15 balances total revenues and total expenditures:

Revenue of \$3,506,872 for FY 2014-15, combined with the total projected Fund Carry-Over of \$1,053,366 projected for year-end balance from FY 2013-14, provide a Total Funds Available amount of \$4,560,238.

The total proposed Expenditures of \$4,220,214 for FY 2014-15, plus the projected Total Ending Fund Balance of \$340,025 for FY 2014-15, equal the Total Fund Usage of \$4,560,238.

The Proposed Preliminary Budget for FY 2014-15 covers the operational costs, maintains services and program delivery, and provides for selected critical resource needs. It also maintains an Operations Fund Balance of \$340,025, which is 8.1% of the total Proposed Operations Budget for FY 2014-15.

**Recommendation:** It is recommended that the District Board provide direction to Staff regarding any changes to this Proposed Preliminary Budget for FY 2014-15, for inclusion into the Final Proposed Budget. The Final Proposed Budget will be presented to your Board for its approval and adoption at the regular Board Meeting scheduled for August 14, 2014, at 2:30 PM in the Board of Supervisors Chambers located at 175 Fulweiler Avenue, Auburn, California.

**Enclosure:** Proposed Preliminary Budget FY 2014-15.



## Board Agenda Item 2

### *Consent*

**Agenda Date:** June 12, 2014

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

**Topic:** Approval of Fleet Air Quality Support Services Agreement

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**Action Requested:** Adopt Resolution #14-12 (Attachment 1), thereby approving a contract between the Placer County Air Pollution Control District (District) and the Placer County Department of Public Works (DPW) in an amount not to exceed \$60,000 in FY 2014-2015, for the District to provide consultant services for DPW's fleet air quality compliance; and authorizing the Air Pollution Control Officer to sign the contract and subsequent amendments.

**Background:** The Placer County Department of Public Works has responsibility for management of the county-wide fleet vehicles and equipment. DPW's Fleet Services Division's responsibilities include compliance with mobile equipment emission requirements established by the California Air Resources Board (ARB). The County's fleet size, age and diversity create challenges in complying with numerous and evolving emission requirements and regulations. Under the proposed contract, the District would assist DPW in its compliance effort by providing fleet air quality emission compliance support, to include a full mobile equipment inventory audit; determination of fleet regulatory compliance requirements; establishing a compliance database and maintenance plan; and on-going ARB regulatory review.

**Discussion:** The District and DPW have negotiated the proposed terms of this contract, and on May 20, 2014, at a regularly scheduled meeting, the Placer County Board of Supervisors authorized the Director of Public Works to sign the agreement and subsequent amendments. A copy of the proposed Fleet Air Quality Support Services Agreement, authorized by the Board of Supervisors and signed by Ken Grehm, Director of Public Works, is included as an attachment to Resolution #14-12.

Placer County Air Pollution Control District personnel have the necessary expertise, experience and ability to perform the requirements of the proposed contract, and the following highlights the tasks and work products that District personnel would perform for DPW under this agreement:

- Conduct a full inventory audit of fleet equipment and list each piece of equipment under its subject regulation(s), including its current compliance status and any other pertinent information.
- Work to determine the compliance obligations of DPW's fleet equipment.
- Identify potential areas of non-compliance and address those areas.
- Coordinate with DPW staff to ensure that the administrative and emission compliance requirements of the ARB's regulations are/will be achieved.

Fleet Air Quality Support Services Agreement

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- Create a compliance plan and implementation schedule and assist in identifying a procedure for ensuring fleet compliance on an annual basis.

If the contract is approved, it is anticipated that the support provided by the District will remain in effect for a minimum three (3) year period, commencing from its initiation in FY 2014-2015, but may be reduced or extended based upon agreements between the District and DPW management.

**Fiscal Impact:** The contract, if approved by the District Board, will provide revenue to the District of \$60,000, which is included in the FY 2014-2015 preliminary budget.

**Recommendation:** Staff recommends adoption of Resolution #14-12, thereby approving a contract between the Placer County Air Pollution Control District and the Placer County Department of Public Works in an amount not to exceed \$60,000 in FY 2014-2015, for the Air Pollution Control District to provide consultant services for DPW's fleet air quality compliance; and authorizing the Air Pollution Control Officer to sign the contract and subsequent amendments.

**Attachment:** #1: Resolution #14-12

**ATTACHMENT #1**

**SUBJECT:**

Resolution #14-12



**Board Resolution:**  
*Resolution # 14-12*

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

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**In the Matter Of:** Adopt a Resolution to approve a contract between the Placer County Air Pollution Control District and the Placer County Department of Public Works in an amount not to exceed \$60,000 in FY 2014-2015, for the District to provide consultant services for DPW’s fleet air quality compliance; and to authorize the Air Pollution Control Officer to sign the contract and subsequent amendments.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **June 12, 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**, the Placer County Department of Public Works (DPW) Fleet Services has responsibility for management of the county-wide fleet vehicles and equipment, and is responsible for compliance with mobile equipment emission requirements established by the State of California Air Resources Board; and

**WHEREAS**, Placer County Air Pollution Control District (District) has the necessary expertise, experience and ability to provide fleet air quality emission compliance support to DPW; and

**WHEREAS**, the District and DPW desire to enter into a contract for the District to provide fleet air quality emission compliance support services; and

**WHEREAS**, the Placer County Board of Supervisors has approved the proposed Fleet Air Quality Support Services Agreement, and such agreement has been signed by the Placer County Director of Public Works; and

**WHEREAS**, the contract, if approved by the District Board, will provide revenue to the District of \$60,000, which is included in the FY 2014-2015 Preliminary Budget.

**NOW THEREFORE BE IT RESOLVED**, that the Placer County Air Pollution Control District Board hereby approves the Fleet Air Quality Support Services Agreement between Placer County Air Pollution Control District and the Placer County Department of Public Works, in an amount not to exceed \$60,000 in FY 2014-2015, for the District to provide consultant services for DPW's fleet air quality compliance; and

**BE IT FURTHER RESOLVED**, that the Placer County Air Pollution Control District Board hereby authorizes the Air Pollution Control Officer to sign the subject contract and subsequent amendments.

**Attachment #1: Proposed Fleet Air Quality Support Services Agreement**

**RESOLUTION # 14-12**

**ATTACHMENT #1**

**SUBJECT:**

Proposed Fleet Air Quality Support Services Agreement

**FLEET AIR QUALITY SUPPORT SERVICES  
AGREEMENT**

This AGREEMENT is between the Placer County Air Pollution Control District (hereinafter "PCAPCD") and Placer County Department of Public Works, a political subdivision of the State of California (hereinafter "DPW").

**RECITALS**

**WHEREAS**, DPW's Fleet Services Division has responsibility for management of county-wide fleet vehicles and equipment; and

**WHEREAS**, DPW's Fleet Services Division responsibilities include compliance with mobile equipment emission requirements established by the State of California Air Resources Board; and

**WHEREAS**, County fleet size, age and diversity creates challenges in complying with numerous and evolving emissions programs and regulations; and

**WHEREAS**, DPW desires to retain the services of the PCAPCD to provide fleet air quality emissions compliance support as described in Exhibit "A", subject to the terms and conditions set forth in this AGREEMENT; and

**WHEREAS**, PCAPCD has the necessary expertise, experience and ability to competently complete the described services and is willing to perform such services.

**NOW THEREFORE**, In consideration of the promises and covenants set forth herein, the parties agree as follows:

1. Contract Period

- a) The term of this contract shall begin on the date signed by both parties and conclude one year from said date, unless terminated, extended or amended.
- b) This contract may be canceled by either party upon serving thirty (30) days' notice in writing to the other party.

2. Services

PCAPCD agrees, during the term of this AGREEMENT, to perform the services set forth below and in Exhibit "A" – Scope of Services (hereinafter "SERVICES").

3. Payment

- a) DPW agrees to pay for the services covered by this AGREEMENT pursuant to the payment schedule set forth in Exhibit "B"- Payment for Services Rendered and Exhibit

"C"- PCAPCD Standard Charge Rates.

- b) The amount paid to the PCAPCD shall constitute full payment for all services set forth herein. PCAPCD shall not be reimbursed for any additional expenses incurred beyond the maximum approved sum.
- c) PCAPCD shall invoice DPW on a quarterly basis for services performed under this AGREEMENT. DPW shall review and pay approved charges within 30 days of the invoice.
- d) Notwithstanding any other terms of this AGREEMENT, no payments shall be made to PCAPCD until DPW is satisfied that work of such value has been rendered pursuant to this AGREEMENT. However, DPW shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.

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:

PCAPCD:

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

DPW:

Ken Grehm, Director  
Placer County Department of Public Works  
3091 County Center Dr., #220  
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. Hold Harmless Indemnity

Each Party agrees to indemnify, defend and hold harmless the other party, and the officers, employees, agents and contractors of the other, from and against any claims, liabilities, costs or losses of any kind that arise from, or are alleged to arise from the Party's actions under or the performance of this MOU, except for any such loss, damage, injury or death to the extent caused by the active negligence or other wrongful conduct of the other Party.

6. 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 contract.

7. Facilities, Equipment and other Materials

Except as set forth herein PCAPCD shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this AGREEMENT. DPW shall furnish PCAPCD only those facilities, equipment, and other materials, as listed herein.

8. 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.

9. Records and Documents

- a) PCAPCD shall maintain at all times complete, detailed records with regard to work performed under this AGREEMENT, in a form acceptable to DPW, and DPW shall have the right to inspect such records at any reasonable time.
- b) All work papers, drawings, internal memoranda, graphics, photographs, and any written or graphic material, however produced, prepared by PCAPCD in connection with its performance of services hereunder shall be, and shall remain after termination of this AGREEMENT, the property of DPW and may be used by the DPW for any purpose whatsoever. DPW agrees that any future use of documents produced by the PCAPCD under the terms of this contract shall be at the sole discretion of the DPW and PCAPCD shall bear no liability for the decisions on whether and how to use such documents.

10. Independent Status

- a) PCAPCD shall perform this contract as an independent PCAPCD and not as an employee of DPW. PCAPCD acknowledges that PCAPCD is not entitled to any of the DPW's fringe benefits, including without limitation; paid holidays, life insurance, sick leave, or travel or any other expenses in connection with services performed hereunder. No part of the compensation payable to CONTRACTOR hereunder shall be deducted or withheld for payment of Federal or State income or other employment related taxes. It shall be the responsibility of CONTRACTOR to provide all coverage necessary for CONTRACTOR'S own benefit and not as an employee of DPW.
- b) Except as DPW may specify in writing, CONTRACTOR shall have no authority, express or implied, to act on behalf of DPW in any capacity whatsoever as an agent. CONTRACTOR shall have no authority, express or implied, pursuant to this AGREEMENT to bind DPW to any obligation whatsoever.

11. Warranties

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

12. Assignment or Transfer

PCAPCD may assign any of its rights, burdens, duties, or obligations under this AGREEMENT only upon the prior written consent of DPW. Approval will be at the sole discretion of DPW.

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. 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 DPW.

17. Exhibits

All exhibits to herein and attached hereto are fully incorporated by this reference.

**The Parties so agree:**

Placer County Air Pollution Control District

\_\_\_\_\_  
Thomas J. Christofk  
Air Pollution Control Officer

Date: \_\_\_\_\_

Placer County Department of Public Works

Ken Grehm  
Ken Grehm,  
Director of Public Works

Date: 5/20/14

Attachments:

- Exhibit A – Scope of Work
- Exhibit B – Payment for Services Rendered
- Exhibit C – PCAPCD Standard Charge Rates

## EXHIBIT A

### SCOPE OF SERVICES

The Placer County Air Pollution Control District (PCAPCD) will provide the Placer County Department of Public Works (DPW), Fleet Services Division with support in achieving compliance with applicable California Air Resources Board (CARB) mobile source related regulations. This will commence with an analysis of DPW fleet equipment in accordance with corresponding CARB regulations and coordinate with DPW staff to establish methods of compliance with such regulations. PCAPCD will provide advisory resources to successfully accomplish the following Work Description. It is anticipated that this support will remain in effect for a minimum three (3) year period commencing from its' initiation, but may be reduced or extended based upon agreements between PCAPCD and DPW management.

#### **Work Description**

The following highlights the tasks and work products PCAPCD will perform for DPW:

- Conduct a full inventory audit of fleet equipment and list each piece of equipment under its subject regulation(s), including its current compliance status and any other pertinent information.
- Work to determine the compliance obligations of DPW's fleet equipment.
- Identify potential areas of non-compliance and address those areas.
- Coordinate with DPW staff to ensure that the administrative and emission compliance requirements of the ARB's regulations are/will be achieved.
- Create a compliance plan and implementation schedule and assist in identifying a procedure for ensuring fleet compliance on an annual basis.

PCAPCD shall have the following responsibilities:

1. **Designated Staff:**  
Provide a designated Liaison(s) to communicate with DPW for project development and coordination.
2. **Fleet Inventory Assessment for Compliance:**  
In coordination with DPW staff, conduct an inventory audit of fleet equipment.
3. **Compliance Plan:**  
Research the currently applicable administrative, reporting, and emissions compliance requirements for the equipment listed in the inventory audit. Determine the compliance obligation(s) for the equipment using the current resources available.

4. Documentation/ Database Tracking File:  
Create a database tracking file that will provide DPW the base information for tracking and maintaining on-going compliance.

**DPW shall have the following responsibilities:**

1. Office Space:  
Provide office space and County networked computer to the designated PCAPCD Liaison necessary to complete the above work.
2. Designated Staff:  
Provide a designated Liaison to communicate with and provide access to DPW Fleet equipment and to make available requested documentation to PCAPCD staff.
3. Fleet Inventory Assessment Plan for compliance:  
Identify fleet equipment to be included in the audit.
4. Compliance Plan:  
DPW shall select the method of compliance that will be adhered to if more than one option is available.
5. Attaining and Maintaining Compliance:  
DPW shall be responsible for reviewing the advisory recommendations provided by PCAPCD and taking the appropriate actions to attain and maintain compliance.

**The PARTIES shall have the following responsibilities:**

1. To meet periodically, at least semi-annually or more frequently if requested by either party, to discuss issues of mutual interest and concern that may arise in connection with the services provided pursuant to this agreement.
2. To review and determine level of effort and annual fees for the subsequent renewals of this agreement at least 90 days in advance of the renewal of this agreement.
3. To meet near the end of each permit term to perform a qualitative assessment to review the level of effort expended on the project in relation to the financial resources provided.

## EXHIBIT B

## PAYMENT FOR SERVICES RENDERED

All payment requests shall be subject to the following budget:

Proposed First Year Expenses (ARB Compliance Services Provided by PCAPCD)		
Item Description	Hours	Expenses
<b>1 Inventory Audit</b>		
Field Inspections	100	7,573.00
Paperwork/Database Audit	172	13,025.56
Inventory Reconciliation	40	3,029.20
<b>Item 1 Subtotal</b>	<b>312</b>	<b>23,627.76</b>
<b>2 Determine Fleet Regulatory Compliance Requirements</b>		
Compliance Advocacy/Communication with ARB	40	3,029.20
Fleet Compliance Determination for all Specified Regs.	120	9,087.60
<b>Item 2 Subtotal</b>	<b>160</b>	<b>12,116.80</b>
<b>3 Generate a Compliance Database &amp; Maintenance Plan</b>		
Establish Compliance Database	100	7,573.00
Establish Procedures for Maintaining/Tracking Inventory	100	7,573.00
Research Alternative Compliance Options and Identify Prospective Cost Savings and/or Incentive Funding Opportunities	20	1,514.60
<b>Item 3 Subtotal</b>	<b>220</b>	<b>16,660.60</b>
<b>4 Meetings/Trainings with Key DPW Personnel</b>	70	5,301.10
<b>Item 4 Subtotal</b>	<b>70</b>	<b>5,301.10</b>
<b>5 Routine ARB Regulatory Review</b>	30	2,271.90
<b>Item 5 Subtotal</b>	<b>30</b>	<b>2,271.90</b>
<b>Total</b>	<b>792</b>	<b>59,978.16</b>

\* Expenses based on an hourly rate of \$75.73 per staff hour.

Placer County Department of Public Works (DPW) agrees to pay Placer County Air Pollution Control (PCAPCD) up to a maximum sum of Sixty Thousand dollars (\$60,000.00) for the services provided to DPW as set forth in Exhibit A. Payment for PCAPCD services shall be made in four quarterly payments of Fifteen Thousand dollars (\$15,000.00) as set forth in Exhibit C. The fourth quarter billing shall be adjusted in accordance with the total number of hours expended on this project. Each invoice request shall provide a breakdown by staff member hours for work activities identified by task as described in the scope of work. Actual hours for individual tasks may vary from those indicated in the table above.

Subsequent agreement renewal negotiations between PCAPCD and DPW management will take place at least 90 days prior to expiration of this agreement to evaluate the desire for renewal and the anticipated level of effort for services for the following year. The scope of services, budget, and payment provisions shall be revised as agreed upon in such negotiations for any subsequent renewals.

**EXHIBIT C****Placer County Air Pollution Control  
Compliance Advisory Services**

<b>Planning &amp; Monitoring Standard Rate</b>	<b>Less Discounted Rate Amount</b>	<b>Air Pollution Control Specialist Adjusted Rate</b>	<b>Quarterly Payment in Advance</b>
\$104.48/Hr.	-\$28.75	\$75.73/Hr.	\$15,000.00

Pricing above in accordance with the work described in Exhibit B



## Board Agenda Item 3

### *Consent*

**Agenda Date:** June 12, 2014

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

**Topic:** Advance Budget Authorization for Contracted Technical Support Services from TSS Consultants and Air Permitting Specialists

**Action Requested:** Adopt Resolution #14-11 (Attachment 1), thereby authorizing the expenditure of up to a total of One-Hundred Thirty-Nine Thousand Dollars (\$139,000) for contracted technical support services. This authorization request is in advance of the adoption of the Final FY 2014-2015 District Budget that is scheduled to be heard on August 14, 2014, in order to enable the services to continue uninterrupted after June 30, 2014.

**Background:** The early authorization is requested for District services contracts with Ray Kapahi, dba Air Permitting Specialists (APS), in the amount of \$25,000 in Non-DMV funds and \$84,000 in DMV funds, a total of \$109,000; and with TSS Renewables, Inc., dba TSS Consultants (TSS), in the amount of \$30,000 in non-DMV funds, as shown in the Preliminary FY 2014-2015 Budget presented to your Board on June 12, 2014.

**Discussion:** The projected ending non-DMV balance for the APS and TSS contracts are shown below, along with the additional funding proposed in the Preliminary FY 2014-2015 Budget.

	<b>Addition Requested to FY 2014-15 Budget</b>	<b>Projected FY 2013-14 Ending Balance</b>
APS (Non-DMV)	\$25,000	\$ 2,699
APS (DMV)	\$84,000	\$ 769
TSS (Non-DMV)	\$30,000	\$ 57

DMV funds are from the Motor Vehicle Registration Air Quality Surcharge of \$4 per registered vehicle in Placer County (AB2766 portion). These funds have restricted uses related to air quality planning, monitoring, and related studies, as well as obtaining reductions in emissions through grants. Non-DMV funds are operational funds from unrestricted revenue sources.

The District has an existing contract with Air Permitting Specialists to provide permit evaluation, rule preparation and development, administrative and air monitoring support, and technical review services. The District has contracted for these technical services with APS since 2002. In particular, at the present time APS provides consulting staff that augment and support the District's Permitting and Engineering Section by performing necessary projects, and helping to offset the recent loss of an Associate Engineer due to retirement. In addition, APS contractors provide air toxics support, land use planning support, and professional services in support of the District's biomass initiatives. It is critical that the availability of support for this ongoing work does not lapse due to the lack of approval of funding budgeted for the new fiscal year, beginning July 1, 2014.

## Advance Budget Authorization

June 12, 2014

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The District has been involved in and continues to be engaged in a broad range of initiatives related to Placer County's forested landscape, in an effort to reduce wildfires and manage smoke from open burning, in order to improve air quality. TSS Renewables, Inc., dba TSS Consultants, has assisted the District with the assessment of the effects of forest fuels reduction activities on the reduction of criteria pollutants and greenhouse gas emissions and in other forestry biomass related studies. The District has contracted with TSS since 2008. The District's engagement with progressive biomass issues makes necessary the continued services of TSS on July 1, 2014, without a lapse due to funding in the budget not yet being approved.

As mentioned, such services may be required after the end of the current fiscal year on June 30, 2014, but prior to the scheduled Final Budget hearing date of August 14, 2014. There will be insufficient funds for APS and TSS to continue working after the end of the current fiscal year on June 30, 2014. The Preliminary FY 2014-2015 Budget includes the One Hundred Thirty-Nine Thousand Dollars (\$139,000) in new funding for the two contracts, however the Final Budget is not to be considered for approval until August 14, 2014.

The District is requesting early approval for the expenditure of the additional funds under the existing contracts in advance of the adoption of the Final FY 2014-2015 Budget to provide for continuation of services.

**Fiscal Impact:** The funds involved in the advance request for spending authorization are included in the Preliminary FY 2014-2015 Budget that will be discussed in a public hearing, prior to this consent item, on June 12, 2014. Sufficient funds are allocated in the Preliminary FY 2014-2015 Budget to cover the possible expenditures. A portion of the non-DMV funds appropriated to increase the APS and TSS contracts for the support of the District's biomass initiatives is drawn from the 2007 SPI Case Settlement's Biomass Supplemental Environmental Project (SEP).

If advance spending authorization is granted, the Final FY 2014-2015 Budget scheduled to be heard on August 14, 2014, will include the necessary funds to cover these expenditures.

**Recommendation:** Staff recommends adoption of Resolution #14-11 (Attachment 1), thereby:

1. Authorizing the expenditure of funds for contracted technical support services from TSS Renewables, Inc., dba TSS Consultants, and increasing the authorized amount by Thirty Thousand Dollars (\$30,000), effective July 1, 2014; and
2. Authorizing the expenditure of funds for contracted technical support services from Ray Kapahi, dba Air Permitting Specialists, and increasing the authorized amount by One Hundred Nine Thousand Dollars (\$109,000), effective July 1, 2014.

**Attachment:** #1: Resolution #14-11

**ATTACHMENT #1**

**Subject:**

Resolution #14-11



Board Resolution:  
*Resolution #14-11*

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

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**In the Matter Of:** Adopt a Resolution to authorize the expenditure of funds in advance of final FY 2014-2015 budget approval for contracted services from TSS Renewables, Inc., DBA TSS Consultants, and increase the authorized amount by Thirty Thousand Dollars (\$30,000), effective July 1, 2014; and for contracted services from Ray Kapahi, DBA Air Permitting Specialists, and increase the authorized amount by One Hundred Nine Thousand Dollars (\$109,000), effective July 1, 2014.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **June 12, 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**, on June 12, 2014, the District held a Public Hearing for the exclusive purpose of reviewing its budget and providing the public with an opportunity to comment upon the proposed District budget, as required by Health and Safety Code Section 40131 (a)(3); and

**WHEREAS**, The District made available to the public at least 30 days prior to the August 14, 2014 public hearing, a summary of the proposed budget, as required by Health and Safety Code Section 40131(a)(1); and

**WHEREAS**, The District provided public notice and direct mailings to persons subject to District fees in the preceding year, at least 30 days in advance of the scheduled public hearing on August 14, 2014, as required by Health and Safety Code Section 40131(a)(2); and

**WHEREAS**, the District has a need for a continuation of consultant services after the end of the current fiscal year on June 30, 2014, and before the Final FY 2014-2015 Budget will be considered for approval on August 14, 2014; and

**WHEREAS**, the Board's approval of expenditures, of One Hundred Thirty-Nine Thousand Dollars (\$139,000) for consultant services that are contained in the proposed Preliminary Budget for FY 2014-2015, in advance of the Final Budget hearing would enable the continuation of services.

**NOW THEREFORE BE IT RESOLVED** that the Placer County Air Pollution Control District's Board of Directors hereby authorizes the expenditure of funds in advance of Final FY 2014-2015 Budget approval for contracted services from TSS Renewables, Inc., dba TSS Consultants, and increases the authorized contract amount by Thirty Thousand Dollars (\$30,000), effective July 1, 2014; and for contracted services from Ray Kapahi, dba Air Permitting Specialists, and increases the authorized contract amount by One Hundred Nine Thousand Dollars (\$109,000), effective July 1, 2014.



## Board Agenda Item 4

### *Action*

**Agenda Date:** June 12, 2014

**Prepared By:** Tom Christofk, Air Pollution Control Officer

**Topic:** Approval of a Multi-year Professional Legal Services Agreement for Legal Advocacy and Support for the District

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**Action Requested:** Adopt Resolution #14-13 (Attachment 1), thereby authorizing the Air Pollution Control Officer (APCO) to negotiate, sign, and amend as necessary, a multi-year professional legal services agreement with an independent contractor for advocacy and legal support services; and providing early funding approval, with an effective date of July 1, 2014, for the initial FY 2014-2015 contract year, in the not to exceed amount of Ninety-Five Thousand Dollars (\$95,000).

**Discussion:** The District has a continuing need to maintain legal counsel for District business. Placer County's Counsel's Office has been the primary provider of legal services to the District since the District's inception. These legal services have historically included advising support for code enforcement, contracts and grants, District policies, personnel, Board programs, and rulemaking. Beginning in 2012, the District's legal service needs began to include regulatory advocacy. The deputy county counsel assigned to APCD had some experience in this area. The need for this type of legal services support slowly grew, and most recently began to include the need for legislative advocacy services. This led to the County Counsel's Office initiating a conversation with the District regarding its capacity to provide these legal services outside of the traditional services provided by County Counsel, and the District's increasing service demand. With this change, the District and County Counsel's Office have agreed that it would be more appropriate for the District to obtain these types of legal services from an outside contract attorney.

As the District has become more active in its role as a CEQA responsible agency, the potential for conflicts with the cities and the county has increased. Also, including CEQA advising services in the outside attorney contract would alleviate any potential conflicts in that area. Otherwise, the County Counsel's Office will continue to provide, at the District's request, traditional legal support to the District. In particular, legal services regarding personnel issues must stay with the County Counsel's Office given that District employees are County employees. The current master legal services agreement between the District and the County Counsel provides that the agreement "...does not bind APCD to exclusively use the Placer County Counsel's Office for their legal services and APCD may obtain legal services from other legal service providers concurrent with or instead of services to be provided by the County Counsel. County Counsel will work cooperatively with any attorney hired by or for the District."

Legal Services Agreement

June 12, 2014

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**Fiscal Impact:** The proposed FY 2014-2015 Preliminary Budget includes \$95,000 for professional legal services to augment the current agreement with County Counsel. The contract may be augmented in the future for continuation of legal services through a budget revision or through the approval of funding in an annual District budget.

**Recommendation:** Staff recommends adoption of Resolution #14-13, thereby authorizing the Air Pollution Control Officer to negotiate, sign, and amend as necessary, a multi-year consulting contract for legal services; and providing early funding approval, with an effective date of July 1, 2014, for the initial FY 2014-2015 contract year, in the not to exceed amount of Ninety-Five Thousand Dollars (\$95,000).

**Attachment:** #1. Resolution #14-13

**ATTACHMENT #1**

**SUBJECT:**

Resolution #14-13



**Board Resolution:**  
*Resolution #14-13*

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

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**In the Matter Of:** Adopt a Resolution to authorize the Air Pollution Control Officer to negotiate, sign, and amend, as needed, a multi-year professional legal services agreement with an independent contractor for advocacy and legal support, and to provide early funding approval.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **June 12, 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**, the Board of Directors of the Placer County Air Pollution Control District is authorized to adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted by Health and Safety Code Sections 40001, 40702, 40716, 41010, and 41013 (Health and Safety Code Section 40727(b)(2)); and

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

**WHEREAS**, there is an identified need to obtain independent legal consultation and advice from a source other than the Placer County Counsel's Office; and

**WHEREAS**, the civil penalties prescribed in Sections 39674, 42401, 42402, 42402.1, 42402.2, and 42402.3, of the California health and Safety Code may be assessed and recovered in a civil action brought in the name of the people of the State of California by the attorney for any district in which the violation occurs in any court of competent jurisdiction; and

**WHEREAS**, if a civil action, pursuant to the above mentioned statutes, is brought by an attorney for a district, the entire amount of the penalty collected shall be paid to the treasurer of the district on whose behalf judgment was entered; and

**WHEREAS**, the Board's approval of expenditures for legal services that are contained in the proposed Preliminary Budget for FY 2014-2015 in advance of the Final Budget hearing would enable the commencement of services on or after July 1, 2014.

**NOW THEREFORE BE IT RESOLVED**, that the Placer County Air Pollution Control District Board hereby authorizes the Air Pollution Control Officer to negotiate, sign, and amend as needed, a multi-year contract with a properly qualified attorney, selected by the Air Pollution Control Officer, to provide advocacy and legal support services on an as-needed basis; and

**BE IT FURTHER RESOLVED**, that the Placer County Air Pollution Control District Board hereby approves the expenditure of Ninety-Five Thousand Dollars (\$95,000) for legal services as shown in the Preliminary Budget for FY 2014-2015 and authorizes the Air Pollution Control Officer to commence use of contracted legal services beginning July 1, 2014; and

**BE IT FURTHER RESOLVED**, that should legal services in future years under a professional legal services contract be identified as being beneficial to the District, additional funding may be authorized by the District Board for the contracted services in the future through a budget revision or through the adoption of an annual District budget, and the contract amended as necessary by the Air Pollution Control Officer.



## Board Agenda Item 5

### *Action*

**Agenda Date:** June 12, 2014

**Prepared By:** Bruce R. Springsteen, Manager, Compliance & Enforcement Section

**Topic:** Foresthill Biomass Utilization Feasibility Study Technology Assessment Program (TAP) Grant Request

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**Action Requested:** Adopt Resolution #14-14 (Attachment #1), thereby providing a grant of Thirty Thousand Dollars (\$30,000) from the Placer County Air Pollution Control District, to the Placer County Resource Conservation District, and authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, an agreement between the Placer County Air Pollution Control District and the Placer County Resource Conservation District for the Technology Assessment Program grant to assess the feasibility of biomass utilization in Foresthill, California.

**Background:** The Placer County Air Pollution Control District has a Technology Assessment Program (TAP) to provide financial assistance in the form of grants for the development and evaluation of technologies which have the potential to reduce air pollution in Placer County. The program's intent is to provide grant funding for studies and other analysis that will help to assess the emission effects of projects, and to foster projects that may result in emission reductions in future years, with a focus on energy efficiency and waste to energy technologies. While a project being assessed may have emission reduction benefits, the assessment work itself does not have emission reduction benefits and therefore cannot compete for Clean Air Grant (CAG) funding, or is ineligible due to CAG grant restrictions.

This program was initially funded in FY 2008-2009 with interest on violation settlement monies. Since that time, the District Board has approved two TAP grants—the first was a grant to the City of Lincoln in 2008 for a 10% design study of a waste fueled gas production process to produce heat and electricity in a fuel cell to power the City of Lincoln's Wastewater Treatment and Reclamation Facility (WWTRF). The second approved TAP grant was in 2009 to the Western Placer Waste Management Authority for the evaluation of processes for the thermal conversion of Material Recovery Facility residue to produce electricity and heat.

**Discussion:** The Placer Resource Conservation District (Placer RCD) has collaborated with the Foresthill BioEnergy Steering Committee, the Placer County Department of Planning, and the Sierra Nevada Conservancy (SNC) to develop a proposal for a Foresthill Biomass Utilization Feasibility Study. The collaborators view the Feasibility Study as the first step to achieve multiple goals on the Foresthill Divide, including: improved air quality, local job creation, community benefits, improved safety, forest health, and watershed stewardship. Placer RCD will serve as the fiscal sponsor and project coordinator for the proposed study.

The collaborators have put together a team of consultants and regional experts to provide a critical look at the technological assessment of a new way to provide forest-based energy. The team will work with experts within Placer County and federal, state and local governmental agencies to complete an assessment of the possibility of developing multiple

## Foresthill Biomass Utilization TAP Grant Request

June 12, 2014

Page 2

biomass-to-energy facilities in the region. The collaborators have also initiated a complementary study funded by the Sierra Nevada Conservancy to investigate the “Value-Added Forest Material Products and Uses for an Integrated Product Yard in the Foresthill Area” (Foresthill VAFM Study). The Foresthill VAFM study will also explore the potential economic and community development benefits to the Foresthill area. The collaborators intend to coordinate the Foresthill VAFM study with this proposed Foresthill technical feasibility study so that information is exchanged efficiently.

Having an energy facility in the Foresthill area would substantially reduce distances to potential biomass sources, including biomass from fire hazard reduction treatments, and could produce a higher rate of return to allow for a more economically viable energy project.

The Technology Assessment Program grant proposal submitted by Placer RCD is provided in Attachment #2.

A sample agreement is provided as Attachment #3.

**Fiscal Impact:** Placer RCD has requested a Technology Assessment Program grant of Thirty Thousand Dollars (\$30,000), and an additional \$5,000 of in-kind project support by District staff to assist in the development of all emissions-related tasks on this project. The \$30,000 in grant funds would be expended for program management by Placer RCD (\$2,000) and for subcontractor consultant services (\$28,000). In addition, Placer RCD will receive \$5,000 in funding support from the Placer County Planning Services Division, and \$30,000 of in-kind value from Placer County Planning, Placer County Water Agency, and the above mentioned contribution by the District. Details of the project objectives and funding are provided in the attached grant request.

TAP funding is currently derived from the interest earned by all District funds in the County treasury. The District Board has included \$50,000 in the FY 2013-2014 budget for TAP, and none of these funds have been committed as expenditures for this fiscal year. Accordingly, \$30,000 is available for this grant if approved by the Board. Because permanent District Staff are already included in the District budget, the up to \$5,000 of in-kind services requested would be provided by a re-allocation of staff resources, without a budgetary impact.

**Recommendation:** Staff recommends adoption of Resolution #14-14 (Attachment 1), thereby approving the expenditure of funds in a grant of Thirty Thousand Dollars (\$30,000), and authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, an agreement between the Placer County Air Pollution Control District and the Placer County Resource Conservation District for a Technology Assessment Program grant for a Foresthill Biomass Utilization Feasibility Study.

**Attachments:**

- #1. Resolution #14-14
- #2. Foresthill Biomass Utilization Feasibility Study Grant Proposal
- #3. Sample TAP Agreement

**ATTACHMENT #1**

**SUBJECT:**

Resolution #14-14



Board Resolution:  
*Resolution #14-14*

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

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**In the Matter Of:** Adopt a Resolution to approve the expenditure of funds in a grant of Thirty Thousand Dollars (\$30,000), and to authorize the Air Pollution Control Officer to negotiate, sign, and amend, as needed, an agreement between the Placer County Air Pollution Control District and the Placer County Resource Conservation District for a Technology Assessment Program Grant for a Foresthill Biomass Utilization Feasibility Study.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **June 12, 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**, the Board of Directors of the Placer County Air Pollution Control District is authorized to adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted by Health and Safety Code Sections 40001, 40702, 40716, 41010, and 41013 (Health and Safety Code Section 40727(b)(2)); and

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

**WHEREAS**, Health and Safety Code 40701 provides that the District has the power to cooperate and contract with any federal, state, or local governmental agencies, private industries or civic groups necessary or proper to the accomplishment of its duties; and

**WHEREAS**, the Technology Assessment Program is designed to provide funding for the assessment of air pollutant emissions, and to foster technology that has the potential to reduce pollution in future years, from projects that otherwise would not be eligible to compete under the regular Clean Air Grants (CAG) program of the District due to the nature of the funding sources; and

**WHEREAS**, funding for the Technology Assessment Program is contained in the Final FY 2013-2014 District Budget.

**NOW THEREFORE BE IT RESOLVED**, that the Placer County Air Pollution Control District Board hereby approves the expenditure of funds in a grant of Thirty Thousand Dollars (\$30,000), and authorizes the Air Pollution Control Officer to negotiate, sign, and amend, as needed, an agreement between the Placer County Air Pollution Control District and the Placer County Resource Conservation District for a Technology Assessment Program Grant for a Foresthill Biomass Utilization Feasibility Study.

**ATTACHMENT #2**

**SUBJECT:**

Foresthill Biomass Utilization Feasibility Study Grant Proposal



## Placer Resource Conservation District

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May 28, 2014

Placer County Air Pollution Control District Board of Directors:

The Placer Resource Conservation District (RCD) respectfully requests your consideration of the attached Technology Assessment Program (TAP) grant proposal. Placer RCD has collaborated with the Foresthill BioEnergy Steering Committee, the Placer County Department of Planning, and the Sierra Nevada Conservancy (SNC) to develop this proposal for a Foresthill Biomass Utilization Feasibility Study. I believe our coordinated effort, the SNC-funded complementary study, and the committed cost-share funding will make this important study both cost-efficient and highly valuable.

Please let me know if you have any questions.

Kind Regards,

*Elisa Noble*

Elisa Noble  
Executive Director

## Technology Assessment Program (TAP) Grant Proposal

### Introduction

The Foresthill BioEnergy Steering Committee, Placer County Department of Planning, Placer Resource Conservation District (RCD), and the Sierra Nevada Conservancy have collaborated in developing this proposal for a Foresthill Biomass Utilization Feasibility Study. The collaborators view the Feasibility Study as the first step to achieve multiple goals on the Foresthill Divide, including: improved air quality, local job creation, community benefits, improved safety, forest health, and watershed stewardship. Placer RCD will serve as the fiscal sponsor and project coordinator for the proposed study.

Placer County's vast forested areas and numerous wildland-urban-interfaces (WUIs) make it an ideal location for converting biomass from a fire hazard to a beneficial product. Over the last several years, Placer County has documented that an enormous amount of excess woody biomass from forest management and fire hazard reduction operations can be used for energy production rather than being disposed of by burning in open piles and releasing many tons of emissions to the region. Several areas seem to be well suited to placing a small, community-scale biomass to energy facility near large amounts of woody biomass waste. One of those areas is the region surrounding Foresthill, California.

With the advent of newer technology for both the conversion of the biomass to energy and the control of potential air emissions released, a new approach to building a facility is being considered. There are multiple emerging bioenergy technologies, as well as a variety of methods to sell the energy and other potential economic attributes of a facility. This proposal is for a feasibility study in the Foresthill area that has relevance to all forested areas and would examine all necessary elements of feasibility including long-term sustainable biomass type and supply, suitable technologies for utilizing the available biomass, comparison of potential site locations, biomass supply logistics, and economics of alternative approaches. The feasibility study would also include a process for continuous community involvement and feedback.

The collaborators have put together a team of consultants and regional experts to provide a critical look at the technological assessment of a new way to provide forest-based energy. Our team consists of biomass facility development experts that have researched, developed, built and operated such systems in California and are currently working in those arenas. They will work with experts within Placer County and federal, state and local governmental agencies to complete an assessment of the possibility of developing multiple biomass-to-energy facilities in the region.

The collaborators have also initiated a complementary study funded by the Sierra Nevada Conservancy to investigate the "Value-Added Forest Material Products and Uses for an Integrated Product Yard in the Foresthill Area," (Foresthill VAFM Study). The Foresthill VAFM study will also explore the potential economic and community development benefits to the Foresthill area. The collaborators intend to coordinate the Foresthill VAFM study with this proposed Foresthill technical feasibility study so that information is exchanged efficiently. This study will help inform the other to produce a final document and inform future decisions.

## Justification for the Proposed Project

### **Forest Management Situation:**

For many decades forest management on the Foresthill Divide was comprised mainly of timber sales on the Tahoe National Forest, along with a philosophy of suppressing wildfires whenever possible. Today, there is some timber harvest and hazard reduction on private lands, but the rate of harvest on National Forest lands has decreased due primarily to changing regulations and decreased budgets.

On the Tahoe National Forest, management consists primarily of thinning/partial cutting and removal of hazard trees along roads, along with a continuation of aggressive suppression of wildfires. Much of the timber harvest is followed by prescribed broadcast burning to increase the effectiveness of hazard reduction on the landscape. Most timber harvest contracts require whole tree yarding which results in large piles of excess biomass from the limbs, tops and small trees that have no commercial value for lumber products. These piles are usually burned to remove their inherent fire hazard.

While these activities result in effective hazard reduction and forest health improvement in the areas where they occur, not enough of the landscape is being treated to optimally reduce fire hazard on the full landscape and forest biomass continues to increase at rates up to 4% per year. This results in increased density and overcrowding of forests, particularly the understory. The overall goal of forest management on public land is to increase the size and age of trees in order to increase forest health and reduce the effects—forest mortality and air pollution—from large, high intensity wildfires that are now occurring with more frequency.

### **Air Emission Situation:**

In nearly all cases, the excess biomass from forest management projects is **piled and burned**. This practice wastes a potential resource, results in emissions of various pollutants into the atmosphere, and contributes to the current **non-attainment** of air quality goals established by the U.S. Environmental Protection Agency.

### **Fire and Burning Events:**

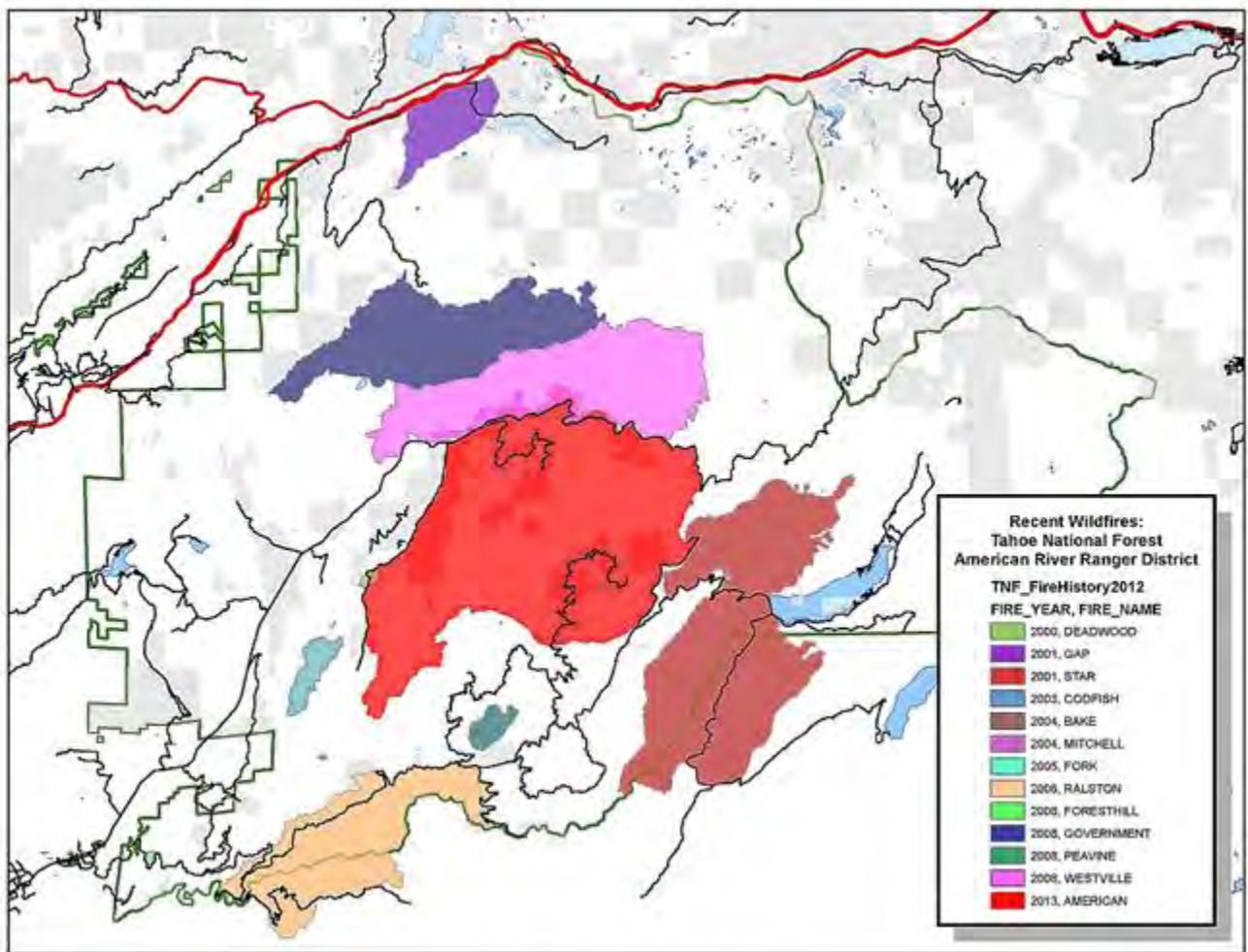
The number of acres of forests consumed by wildfire in recent years is shown in *Table 1*. A Fire History map is displayed in *Figure 1*.

**Table 1- Acres Consumed by Wildfire since 2000 \***

<b>FIRE EVENT</b>	<b>DATE</b>	<b>ACRES</b>
PONDEROSA	2001	2,800
RED STAR	2001	17,600
GAP FIRE	2001	2,450
FORESTHILL	2006	45
RALSTON	2006	4,540
AMERICAN COMPLEX	2008	27,400
ROBBERS	2012	2,700
AMERICAN	2013	27,440
<b>TOTAL ACRES</b>		<b>84,975</b>

\* Source: American River District – Tahoe National Forest

Figure 1- Recent Wildfire History in the Tahoe National Forest in Placer County \*



\* Source: American River District – Tahoe National Forest

#### **Economic Viability Situation:**

Small forestry biomass facilities are difficult to develop due generally to the cost of processing and delivering biomass from forest management projects to energy facilities that are typically located further than 40 miles from the biomass sources. Often those costs are above any economic feasibility currently proposed. The state has introduced legislation that may make it possible to create economic viability, but that option has yet to be tested in actual application. Having an energy facility in the Foresthill area would substantially reduce distances to potential biomass sources and could produce a higher rate of return to allow for a more economically viable energy project. In addition, several forms of technology could be used to further improve potential economic viability.

#### **Detailed Description of Project**

The project will be performed in three tasks that overlap while assessing multiple facets - including the potential for sustainable biomass fuel, facility location, technology, logistics, and community involvement. Specific capabilities for technology integration, transmission potential, energy sales and

economic options will be detailed in the final report recommendations. In addition, the information and analyses from this project will be utilized by the collaborators to inform the Foresthill VAFM Study.

## Proposed Statement of Work

Placer RCD will be the fiscal sponsor and project coordinator. The Placer RCD contact is Elisa Noble, (530) 885-3046 ext. 118, [elisa@placercountyrcd.org](mailto:elisa@placercountyrcd.org). Various team members are discussed at each task level below.

### **The Technical Team:**

The following technical team will perform all analyses and document the information performed during this project.

Greg Stangl and Matt Cook of Phoenix Energy  
Fred Tornatore and Matt Hart of TSS  
Steve Eubanks, consultant

Additionally, in-kind funding services from the following entities will assist the consultants in their work.

Brett Storey and Gerry Haas of Placer County (PC)  
Ryan Cline, Darin Reintjes and Andy Fecko of Placer County Water Agency (PCWA)  
Bruce Springsteen of Placer County Air Pollution Control District (PCAPCD)

### **Task 1 – Scoping, Determine Technology and Capability Potential**

#### A) Fuel Assessment

This assessment is intended to determine long-term, sustainable woody biomass fuel sources to validate the optimum local supply (approximate 30 mile radius). Additional investigation of long-term sustainable supply (10-plus years) obtainable via forest stewardship contracts/agreements and other viable contracting opportunities will be conducted. Direct discussions with the Tahoe National Forest and other local agencies will be conducted to properly assess the situation. Recent fuel assessment studies from this region will be utilized and updated to reflect the current situation. This information will also be provided to the Foresthill VAFM Study.

Task team: Steve Eubanks, PC

#### B) Location Options

An analysis of potential areas where a facility could be developed will be performed. Both current appropriately-zoned parcels and parcels that could potentially be re-zoned for energy production and other VAFM will be reviewed and recommendations will be provided. Issues related to those possibilities would be documented. This information will also be provided to the Foresthill VAFM Study.

Task team: Greg Stangl, Fred Tornatore, PC

#### C) Technology Preference

Various technology options for biomass-to-energy production will be analyzed. While gasification is currently being implemented in California and will be the baseline technology, other technologies, such as conventional boiler for electricity and heat, will be reviewed to

assess the current possibility of usage. Cost versus performance discussions will be part of the assessment. This information will also be provided to the Foresthill VAFM Study.

Task team: Greg Stangl, Matt Cook, Fred Tornatore, Matt Hart, PC, PCAPCD

D) Emissions/Environmental

Multiple possibilities to reduce emissions will be analyzed to complement the energy conversion technologies. A review of possible environmental effects of an energy project, both from the process side and the control side, will be performed. The high general cost of air emissions control is often a negative economic factor for a small facility; therefore, multiple possible technology type scenarios will be developed to allow future investors to assess the likelihood of financial success.

Task team: Greg Stangl, Matt Cook, Fred Tornatore, PC, PCAPCD

E) Capability Range

The range of energy potential will be reviewed and assessed to look at the best value and technology fit for a range of at least 2 MW and no more than the maximum amount of MW that an emission profile would allow in this area. Final recommendations on facility size/capacity will be based on sustainable biomass supply from the fuel assessment analysis. This information will also be provided to the Foresthill VAFM Study.

Task team: Greg Stangl, Fred Tornatore, PC

F) Community Involvement and Feedback (*This task will be paid for by PC funding the RCD*)

This task will be implemented in coordination with the Foresthill VAFM Study. Placer RCD will work with the Foresthill Bioenergy Steering Committee to coordinate the Community Stakeholder initial meeting, monthly phone calls, and final meeting. At the meetings/phone calls, both this study and the Foresthill VAFM Study will be covered.

For this task, an initial meeting would be convened with interested stakeholders of the Foresthill community – as identified by the Foresthill Bioenergy Steering Committee – to introduce this study and initiate communication between the project team and the community.

Interactive community dialogue will be conducted to ensure that the project and the benefits of this type of facility are understood, that community interests are sought and understood, and that potential issues of a feasibility stage study are addressed. Feedback in the form of a questionnaire would be gathered to assist the project team with aligning expectations versus opportunities. These factors should increase the likelihood of community support and ultimate facility implementation success. At least one follow-up meeting would be held with the community to discuss the draft study results prior to completing the final report.

Task team: Elisa Noble, Steve Eubanks

**Task 2 – Performance Feasibility**

A) Technology Integration

An assessment of the baseline technology with emission control options will be reviewed and documented. The possibility of new technology upgrades during the lifetime of a facility will also be reviewed. A potential generic layout of a couple of facility technology types including a list of ideal equipment and feedstock material processing options will be performed.

Task team: Greg Stangl, Matt Cook, Fred Tornatore, Matt Hart, PC

B) Transmission Factors

This task will require coordinating with the area utility partner (PG&E) to determine power delivery infrastructure required and an estimated cost. A technical assessment will be conducted to discover electrical transmission system needs that could be required based upon the multiple possible system definitions.

Task team: Greg Stangl, PCWA

C) Energy Sales Potential

This process may prove to be the most pivotal for this project, as the economics of forest area biomass to energy projects are often problematic. Analyses will examine 1) a standard practice method of selling electricity (and other products) via the local energy provider, 2) a process of working under the state mandated SB1122 bioenergy process and 3) an alternate solution that would involve selling directly to the energy market. The value of green energy is higher than standard energy and there are many instances where the value can be much higher than a traditional “sell-to-an-existing-utility” model. The Placer County Water Agency (PCWA) and Placer County have proposed, via their partnership of the Middle Fork Hydroelectric Project, an energy control room that would be able to sell directly to the energy market in the near future. They will be providing expert consultation to support this effort.

Task team: Greg Stangl, PCWA, PC

D) Basic Financial Pro forma

The purpose of this subtask is to provide a preliminary financial analysis of a proposed bioenergy facility using regional forest biomass waste. Included in this preliminary pro forma will be the evaluation of capital equipment costs, operation and maintenance, labor costs, building construction and site preparation, site integration with any potential thermal host, fuel cost, with revenue projections for the production of heat, power, and other potential products such as bio-char.

Task team: Greg Stangl, Fred Tornatore, PC

**Task 3 – Feasibility Report & Next Steps**

The team will provide a final report that will document all of the work performed and results of analyses. Details regarding all of the technology and process assessments will be provided along with recommendations and next steps for success. All members of the team will provide support to complete this task.

**Cost Proposal:**

**Total Requested Grant Funds: \$30,000**

**Program Management Cost: \$2,000**

Elisa Noble of Placer RCD: \$2,000

**Subcontractor Cost: \$28,000**

Greg Stangl and Matt Cook of Phoenix Energy: \$19,000

Fred Tornatore and Matt Hart of TSS: \$7,000

Steve Eubanks, consultant: \$2,000

**Cost share contributions by partners: \$5,000 in funding + \$30,000 of in-kind value**

The Placer County Planning Services Division is proposing to provide \$5,000 in funding to support the community involvement portion of this project, including the community interaction funds for the Placer RCD Program Manager. In addition, they are providing another \$15,000 of in-kind expertise to support multiple elements of the project as advisors and to work with the consultants to get all pertinent information required. In addition, they will provide support for the energy sales potential portion of this project.

The Placer County Water Agency (PCWA) will provide \$10,000 of in-kind expertise for this effort that will support the transmission factors and energy sales potential portion of this project. PCWA has several experts in both of these areas that can work with the consultants to get all pertinent information required.

The Placer County Air Pollution Control District is crucial to this project and will provide \$5,000 of in-kind expertise to assist in the development of all emissions-related tasks on this project.

Cost of materials: None

**ATTACHMENT #3**

**SUBJECT:**

Sample Technology Assessment Program Agreement



## TECHNOLOGY ASSESSMENT PROGRAM GRANT AGREEMENT

**Contract No. CN000**

**Contract Year: 2014**

This AGREEMENT is between the Placer County Air Pollution Control District (hereinafter "PCAPCD") and Placer Resource Conservation District, (hereinafter "CONTRACTOR").

### RECITALS

**WHEREAS**, the PCAPCD Board of Directors approved Resolution #14-14 on June 12, 2014, authorizing the expenditure of funds in a grant of Thirty Thousand Dollars (\$30,000), and authorizing the Air Pollution Control Officer to negotiate, sign, and amend, as needed, a grant agreement between the Placer County Air Pollution Control District and the Placer County Resource Conservation District for a Technology Assessment Program Grant for a Foresthill Biomass Utilization Feasibility Study; and

**WHEREAS**, funding for the Technology Assessment Program is contained in the Final FY 2013-2014 District Budget; and

**WHEREAS**, the Technology Assessment Program is designed to provide funding for the assessment of air pollutant emissions and to foster technology that has potential to reduce pollution in future years from projects that otherwise would not be eligible to compete under the regular Clean Air Grants (CAG) program of the District due to the nature of the funding sources; and

**WHEREAS**, CONTRACTOR has requested that PCAPCD provide Technology Assessment Program Grant monies for the PROJECT described in Exhibit A, subject to the terms and conditions set forth in this AGREEMENT; and

**WHEREAS**, CONTRACTOR has represented to PCAPCD that CONTRACTOR has the necessary expertise, experience and ability to competently complete the described PROJECT.

**NOW THEREFORE,** In consideration of the promises and covenants set forth herein, the parties agree as follows:

**1. Contract Period**

- a) The term of this contract shall begin on the last date signed by the parties below and conclude on or before 2/28/2015, unless terminated or amended.
- b) This contract may be canceled by either party upon serving thirty (30) days notice in writing to the other party.

**2. Services**

- a) CONTRACTOR agrees, during the term of this AGREEMENT, to perform the contracting services set forth below and in Exhibit "A" – Scope of Services (hereinafter "PROJECT").
- b) CONTRACTOR shall be obligated to devote as much time, attention, skill, and effort as may be reasonably required to perform the PROJECT services, in a professional and timely manner, consistent with the elements of the PROJECT.

**3. Payment**

- a) PCAPCD agrees to pay for the services covered by this AGREEMENT pursuant to the payment schedule set forth below and in Exhibit "B"- Contract Terms and Payment for Services Rendered.
- b) The amount paid to the CONTRACTOR shall constitute full payment for all services set forth herein. CONTRACTOR shall not be reimbursed for any additional expenses incurred beyond the maximum approved sum.
- c) CONTRACTOR shall bill PCAPCD upon completion of the PROJECT and after all of the conditions for funding outlined in this AGREEMENT are met. If the PROJECT funded under this contract is performed in phases or over a period of time, then requests can be made by the CONTRACTOR for partial payment. Partial requests for payments must receive prior authorization by PCAPCD. CONTRACTOR agrees to provide a detailed invoice to PCAPCD with copies of purchase orders, signed contracts, or receipts referencing the contract number. PCAPCD retains the right to require proof of services performed or costs incurred prior to any payment under this AGREEMENT.
- d) Notwithstanding any other terms of this AGREEMENT, no payments shall be made to CONTRACTOR until PCAPCD is satisfied that work of such value has been rendered pursuant to this AGREEMENT. However, PCAPCD shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.

**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:

PCAPCD:  
Placer County Air Pollution Control District  
Attn: Air Pollution Control Officer  
110 Maple Street  
Auburn, CA 95603

CONTRACTOR  
Elisa Noble  
Placer County Resource Conservation District  
251 Auburn Ravine Road, Suite 107  
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 PCAPCD**

- a) PCAPCD agrees to pay CONTRACTOR an amount not to exceed the requirements set forth in Exhibit "B" – Contract Terms and payment for Services Rendered, in accordance with the requirements listed in Exhibit "A" – Scope of Services.
- b) PCAPCD shall not reimburse CONTRACTOR for any expenses incurred by CONTRACTOR in the performance of PROJECT described in Exhibit A unless such reimbursement is specifically authorized in the Payment Schedule. CONTRACTOR shall not be reimbursed for any additional expenses incurred beyond the maximum amount.
- c) Except for the payment obligations set forth above, PCAPCD shall have no other obligations or responsibilities to CONTRACTOR under this AGREEMENT.

**6. Obligations of CONTRACTOR**

- a) CONTRACTOR has or will obtain all additional funding set forth in Exhibit B of this AGREEMENT.
- b) CONTRACTOR has or will obtain all required licenses, permits, fees, and other legal authorizations from all applicable Federal, State, and local jurisdictions necessary to commence and properly complete, in a professional manner, the PROJECT described in Exhibit A and will produce said documents if requested by PCAPCD.
- c) Labor, equipment, material, supply costs and other charges will be in conformance with the requirements of Exhibit A.
- d) No component of the monies to be paid by PCAPCD to CONTRACTOR shall be used for grant administration or any interest costs.
- e) CONTRACTOR shall provide proof of PROJECT completion and verification of costs as set forth in Exhibit A and paragraph 3.

**7. Hold Harmless/Indemnity**

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

## 8. Insurance Requirements

- a) It is recognized that CONTRACTOR is self-insured, and as such provides coverage for General Liability and Worker's Compensation.
- b) CONTRACTOR shall file with PCAPCD, concurrently herewith, Certificates of Insurance. All certificates are to be received and approved by PCAPCD before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. PCAPCD reserves the right to require complete, certified copies of all required insurance policies, required by these specifications, at any time.

CONTRACTOR shall maintain the following insurance coverage in full force and effect during the term of this contract:

### WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

If CONTRACTOR represents that they have no employees, and does not hire SUBCONTRACTORS with employees, then they are not required to have Workers Compensation coverage.

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

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

CONTRACTOR shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed with PCAPCD upon demand.

### GENERAL LIABILITY INSURANCE

- A. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of CONTRACTOR, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:
  1. Contractual liability insuring the obligations assumed by CONTRACTOR in this Agreement.

B. One of the following forms is required:

1. Comprehensive General Liability;
2. Commercial General Liability (Occurrence); or
3. Commercial General Liability (Claims Made).

C. If CONTRACTOR carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury damage, and Personal Injury Liability of:

- One million dollars (\$1,000,000) each occurrence
- One million dollars (\$1,000,000) aggregate

D. If CONTRACTOR carries a Commercial General Liability (Occurrence) policy:

- The limits of liability shall not be less than:
  - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
  - One million dollars (\$1,000,000) for Products-Completed Operation
  - One million dollars (\$1,000,000) General Aggregate
- If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limit is two million dollars (\$2,000,000).

E. Special Claims Made Policy Form Provisions:

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

## 9. **Facilities, Equipment and Other Materials**

Except as set forth herein, CONTRACTOR shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this AGREEMENT. PCAPCD shall furnish CONTRACTOR only those facilities, equipment, and other materials, and shall perform only those obligations as listed herein.

**10. Non-Discrimination**

CONTRACTOR 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. Records and Documents**

- a) CONTRACTOR shall maintain at all times complete, detailed records with regard to work performed under this AGREEMENT, in a form acceptable to PCAPCD, and PCAPCD shall have the right to inspect such records at any reasonable time.
- b) CONTRACTOR agrees to return to PCAPCD, upon termination of this AGREEMENT, all documents, drawings, photographs, and other written or graphic material, however produced, received from PCAPCD and used by CONTRACTOR in the performance of its services. All work papers, drawings, internal memoranda, graphics, photographs, and any written or graphic material, however produced, prepared by CONTRACTOR in connection with its performance of services hereunder shall be, and shall remain after termination of this AGREEMENT, the property of PCAPCD and may be used by PCAPCD for any purpose whatsoever. PCAPCD agrees that any future use of documents produced by the CONTRACTOR under the terms of this contract shall be at the sole discretion of PCAPCD and CONTRACTOR shall bear no liability for the decisions on whether and how to use such documents.

**12. Independent Status**

- a) CONTRACTOR shall perform this contract as an independent CONTRACTOR and not as an employee of PCAPCD. CONTRACTOR acknowledges that CONTRACTOR is not entitled to any of PCAPCD's fringe benefits, including without limitation; paid holidays, life insurance, sick leave, or travel or any other expenses in connection with services performed hereunder. No part of the compensation payable to CONTRACTOR hereunder shall be deducted or withheld for payment of Federal or State income or other employment related taxes. It shall be the responsibility of CONTRACTOR to provide all coverage necessary for CONTRACTOR'S own benefit and not as an employee of PCAPCD.
- b) Except as PCAPCD may specify in writing, CONTRACTOR shall have no authority, express or implied, to act on behalf of PCAPCD in any capacity whatsoever as an agent. CONTRACTOR shall have no authority, express or implied, pursuant to this AGREEMENT to bind PCAPCD to any obligation whatsoever.

**13. Warranties**

CONTRACTOR warrants that its services are performed, with the usual thoroughness and competence; in accordance with the standard for professional services at the time those services are rendered.

**14. Licenses, Permits, Etc.**

CONTRACTOR represents and warrants to PCAPCD that it has or will obtain before initiation of the PROJECT, all licenses, permits, qualifications, and approvals of whatever nature, which are legally required for CONTRACTOR to practice its profession. CONTRACTOR represents and warrants to PCAPCD that CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this AGREEMENT, any licenses, permits, and approvals which are legally required for CONTRACTOR to practice its profession at the time the services are performed.

**15. Assignment or Transfer**

CONTRACTOR may assign any of its rights, burdens, duties, or obligations under this AGREEMENT only upon the prior written consent of PCAPCD. Approval will be at the sole discretion of PCAPCD.

**16. 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.

**17. Waiver**

One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this AGREEMENT shall not operate as a waiver of any subsequent breach or default.

**18. 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.

**19. 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 PCAPCD.

**20. Exhibits**

All exhibits referred to herein and attached hereto are fully incorporated by this reference.

**The parties so agree.**

PCAPCD:

\_\_\_\_\_  
Thomas J. Christofk  
Air Pollution Control Officer

\_\_\_\_\_  
Date

CONTRACTOR:

\_\_\_\_\_

\_\_\_\_\_  
Date

**EXHIBIT A  
SCOPE OF SERVICES**

**Contract Number: CN000**

**CONTRACTOR: Placer County Resource Conservation District**

1. Statement of Work

Placer RCD will be the fiscal sponsor and project coordinator. The Placer RCD contact is Elisa Noble, (530) 885-3046 ext. 118, [elisa@placercountyrcd.org](mailto:elisa@placercountyrcd.org). Various team members are discussed at each task level below.

**The Technical Team:**

The following technical team will perform all analyses and document the information performed during this project.

Greg Stangl and Matt Cook of Phoenix Energy  
Fred Tornatore and Matt Hart of TSS  
Steve Eubanks, consultant

Additionally, in-kind funding services from the following entities will assist the consultants in their work.

Brett Storey and Gerry Haas of Placer County (PC)  
Ryan Cline, Darin Reintjes and Andy Fecko of Placer County Water Agency (PCWA)  
Bruce Springsteen of Placer County Air Pollution Control District (PCAPCD)

**Task 1 – Scoping, Determine Technology and Capability Potential**

A) Fuel Assessment

This assessment is intended to determine long-term, sustainable woody biomass fuel sources to validate the optimum local supply (approximate 30 mile radius). Additional investigation of long-term sustainable supply (10-plus years) obtainable via forest stewardship contracts/agreements and other viable contracting opportunities will be conducted. Direct discussions with the Tahoe National Forest and other local agencies will be conducted to properly assess the situation. Recent fuel assessment studies from this region will be utilized and updated to reflect the current situation. This information will also be provided to the Foresthill VAFM Study.

Task team: Steve Eubanks, PC

**EXHIBIT A (continued)**  
**SCOPE OF SERVICES**

## B) Location Options

An analysis of potential areas where a facility could be developed will be performed. Both current appropriately-zoned parcels and parcels that could potentially be re-zoned for energy production and other VAFM will be reviewed and recommendations will be provided. Issues related to those possibilities would be documented. This information will also be provided to the Foresthill VAFM Study.

Task team: Greg Stangl, Fred Tornatore, PC

## C) Technology Preference

Various technology options for biomass-to-energy production will be analyzed. While gasification is currently being implemented in California and will be the baseline technology, other technologies, such as conventional boiler for electricity and heat, will be reviewed to assess the current possibility of usage. Cost versus performance discussions will be part of the assessment. This information will also be provided to the Foresthill VAFM Study.

Task team: Greg Stangl, Matt Cook, Fred Tornatore, Matt Hart, PC, PCAPCD

## D) Emissions/Environmental

Multiple possibilities to reduce emissions will be analyzed to complement the energy conversion technologies. A review of possible environmental effects of an energy project, both from the process side and the control side, will be performed. The high general cost of air emissions control is often a negative economic factor for a small facility; therefore, multiple possible technology type scenarios will be developed to allow future investors to assess the likelihood of financial success.

Task team: Greg Stangl, Matt Cook, Fred Tornatore, PC, PCAPCD

## E) Capability Range

The range of energy potential will be reviewed and assessed to look at the best value and technology fit for a range of at least 2 MW and no more than the maximum amount of MW that an emission profile would allow in this area. Final recommendations on facility size/capacity will be based on sustainable biomass supply from the fuel assessment analysis. This information will also be provided to the Foresthill VAFM Study.

Task team: Greg Stangl, Fred Tornatore, PC

**EXHIBIT A (continued)**  
**SCOPE OF SERVICES**

F) Community Involvement and Feedback (*This task will be paid for by PC funding the RCD*)

This task will be implemented in coordination with the Foresthill VAFM Study. Placer RCD will work with the Foresthill Bioenergy Steering Committee to coordinate the Community Stakeholder initial meeting, monthly phone calls, and final meeting. At the meetings/phone calls, both this study and the Foresthill VAFM Study will be covered.

For this task, an initial meeting would be convened with interested stakeholders of the Foresthill community – as identified by the Foresthill Bioenergy Steering Committee – to introduce this study and initiate communication between the project team and the community.

Interactive community dialogue will be conducted to ensure that the project and the benefits of this type of facility are understood, that community interests are sought and understood, and that potential issues of a feasibility stage study are addressed. Feedback in the form of a questionnaire would be gathered to assist the project team with aligning expectations versus opportunities. These factors should increase the likelihood of community support and ultimate facility implementation success. At least one follow-up meeting would be held with the community to discuss the draft study results prior to completing the final report.

Task team: Elisa Noble, Steve Eubanks

**Task 2 – Performance Feasibility**

A) Technology Integration

An assessment of the baseline technology with emission control options will be reviewed and documented. The possibility of new technology upgrades during the lifetime of a facility will also be reviewed. A potential generic layout of a couple of facility technology types including a list of ideal equipment and feedstock material processing options will be performed.

Task team: Greg Stangl, Matt Cook, Fred Tornatore, Matt Hart, PC

B) Transmission Factors

This task will require coordinating with the area utility partner (PG&E) to determine power delivery infrastructure required and an estimated cost. A technical assessment will be conducted to discover electrical transmission system needs that could be required based upon the multiple possible system definitions.

Task team: Greg Stangl, PCWA

**EXHIBIT A (continued)**  
**SCOPE OF SERVICES**

C) Energy Sales Potential

This process may prove to be the most pivotal for this project, as the economics of forest area biomass to energy projects are often problematic. Analyses will examine 1) a standard practice method of selling electricity (and other products) via the local energy provider, 2) a process of working under the state mandated SB1122 bioenergy process and 3) an alternate solution that would involve selling directly to the energy market. The value of green energy is higher than standard energy and there are many instances where the value can be much higher than a traditional “sell-to-an-existing-utility” model. The Placer County Water Agency (PCWA) and Placer County have proposed, via their partnership of the Middle Fork Hydroelectric Project, an energy control room that would be able to sell directly to the energy market in the near future. They will be providing expert consultation to support this effort.

Task team: Greg Stangl, PCWA, PC

D) Basic Financial Pro forma

The purpose of this subtask is to provide a preliminary financial analysis of a proposed bioenergy facility using regional forest biomass waste. Included in this preliminary pro forma will be the evaluation of capital equipment costs, operation and maintenance, labor costs, building construction and site preparation, site integration with any potential thermal host, fuel cost, with revenue projections for the production of heat, power, and other potential products such as bio-char.

Task team: Greg Stangl, Fred Tornatore, PC

**Task 3 – Feasibility Report & Next Steps**

The team will provide a final report that will document all of the work performed and results of analyses. Details regarding all of the technology and process assessments will be provided along with recommendations and next steps for success. All members of the team will provide support to complete this task.

2. CONTRACTOR shall notify PCAPCD in writing if installation and/or implementation of this PROJECT will deviate from the scope of work as outlined in the CONTRACTOR’S Technology Assessment Program grant application or this AGREEMENT at any time during the term of this AGREEMENT. CONTRACTOR shall notify the APCO within 15 days of recognizing such deviation. If funding has not yet been disbursed at the time of recognizing such deviation, then the CONTRACTOR shall notify the APCO at least 30 days in advance of any request for payment. The APCO has the sole discretion to approve, deny, or adjust funding amount as outlined in Exhibit B of this AGREEMENT, based on the extent of the deviation.

**EXHIBIT A (continued)**  
**SCOPE OF SERVICES**

3. **At the sole discretion of the PCAPCD, ten (10) percent of the awarded grant amount, as outlined in this Exhibit B, will be withheld pending the submittal and approval of the final feasibility report as outlined herein.**
4. Pursuant to Section 8 of this AGREEMENT, CONTRACTOR shall provide certificates of insurance prior to performing work on this PROJECT, and throughout the term of this contract.
5. If for any reason after PROJECT funding, the project funded under this contract is not performed according to this Scope of Services, or if the conditions of this AGREEMENT are not met, the PCPACD may seek reimbursement of grant funds.

**EXHIBIT B  
CONTRACT TERMS AND PAYMENT FOR SERVICES RENDERED**

**Contract Number: CN000**

**CONTRACTOR: Placer County Resource Conservation District**

**Budget:**

**Total Requested Grant Funds: \$30,000**

**Program Management Cost: \$2,000**  
Elisa Noble of Placer RCD: \$2,000

**Subcontractor Cost: \$28,000**  
Greg Stangl and Matt Cook of Phoenix Energy: \$19,000  
Fred Tornatore and Matt Hart of TSS: \$7,000  
Steve Eubanks, consultant: \$2,000

**Cost share contributions by partners: \$5,000 in funding + \$30,000 of in-kind value**

The Placer County Planning Services Division is proposing to provide \$5,000 in funding to support the community involvement portion of this project, including the community interaction funds for the Placer RCD Program Manager. In addition, they are providing another \$15,000 of in-kind expertise to support multiple elements of the project as advisors and to work with the consultants to get all pertinent information rrequired. In addition, they will provide support for the energy sales potential portion of this project.

The Placer County Water Agency (PCWA) will provide \$10,000 of in-kind expertise for this effort that will support the transmission factors and energy sales potential portion of this project. PCWA has several experts in both of these areas that can work with the consultants to get all pertinent information required.

The Placer County Air Pollution Control District is crucial to this project and will provide \$5,000 of in-kind expertise to assist in the development of all emissions-related tasks on this project.

Cost of materials: None

If the Total PROJECT Amount is less than what is listed above, then the CONTRACTOR shall continue to provide an equivalent percentage of Co-Funding based on the reduced Total PROJECT Amount. The Amount Awarded by PCAPCD, as listed above, shall be adjusted accordingly.

**Contract Schedule (to occur on or before the following dates):**

Start Date: last date signed by the parties  
Project Completion Date: 2/28/2015

**EXHIBIT B (continued)**  
**CONTRACT TERMS AND PAYMENT FOR SERVICES RENDERED**

**Payment:**

PCAPCD will provide up to Thirty-Thousand Dollars (\$30,000) in funding, in accordance with the requirements listed in this AGREEMENT.

At the sole discretion of PCAPCD, ten (10) percent of the awarded grant amount, as outlined in this Exhibit, will be withheld pending the submittal and approval of final Feasibility Report, as outlined in Exhibit A – Scope of Work

Payment(s) shall be made to the CONTRACTOR within thirty (30) days after the billing is received and approved by PCAPCD.

An IRS Form 1099 will be issued for incentive funds received under this AGREEMENT, if applicable. It is the CONTACTOR'S responsibility to determine tax liability associated with receiving Technology Assessment Program incentive funds.

**Invoices:**

Invoices shall be submitted to PCAPCD in an original format and include contract number CN000 . Along with submitting an invoice for reimbursement, provide copies of all paid receipts and proof of in-kind support (when applicable) associated with the PROJECT funded under this AGREEMENT.



## Board Agenda

### *APCO Report*

**Agenda Date:** June 12, 2014

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**Air Pollution Control Officer Report:**

1. New Health Risk Assessment Methodology (supporting document attached)
2. Fiscal update (financial report to be provided at board meeting)



## Board Agenda

### *APCO Report Attachment*

**Agenda Date:** June 12, 2014

**Prepared By:** Tom Christofk, Air Pollution Control Officer

**Topic:** New Health Risk Assessment Methodology

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The California State Legislature, through SB 25, Children's Environmental Health Protection Act, has directed the State Office of Environmental Health Hazard Assessment (OEHHA) to revise the health risk assessment methodology, using the latest science to make the assessments more protective of children. The OEHHA methodology is how the District evaluates projects and facilities for health risk for the purposes of new stationary source permits, CEQA, and AB2588 (Hot Spots Program).

OEHHA is on track to release a new OEHHA Risk Assessment Guidance Manual (OEHHA Guidance Manual) for public review on, or about, June 20, 2014. This is expected to create considerable public discussion. OEHHA is expected to finalize the release of the new methodology in November, 2014.

OEHHA, State Air Resources Board (ARB), and the California Air Pollution Control Officers Association (CAPCOA), the latter representing the air districts, have been meeting to discuss the issues that all will be faced with over this new methodology, and to work on collective efforts on communication and outreach, and the implementation of the new methods. In addition, a joint public relations committee has been working on how to present the draft guidance document and answer expected questions.

The release of this new methodology was identified as a significant issue under the heading of "Stationary Source Air Toxics Assessments" in the 2014 Board of Director's Handbook, where it is stated: "*OEHHA is working on significant changes to the procedures for performing risk assessments, which may show calculated risk levels to be much higher than previously calculated. These changes may require previously completed risk assessments to be performed again, and more facilities may be required to lower the calculated risk that they pose. Toxic emissions will need to be reduced. The changes proposed by OEHHA may significantly affect District resource requirements and workload, as well as imposing risk reduction requirements on many more facilities.*"

The new OEHHA Guidance Manual is built on a foundation of three peer-reviewed Risk Assessment Guideline documents, finalized in 2008, 2009, and 2012. These three documents focused on non-cancer risk, cancer risk, and exposure assessment, respectively. The OEHHA Guidance Manual summarizes the information in all three of these peer-reviewed final documents, and provides information on how to put all of the information together into a unified

risk assessment. All together, the OEHHA Guidance Manual and the three underlying foundational documents are designed to improve upon the way agencies estimate potential lifetime cancer and non-cancer risks from air toxics, by refining exposure data for individuals of all ages, and with adjustments based on new science about the increased childhood sensitivity to air toxics.

In the Guidance Manual, OEHHA has revised the methodology for estimating the health risk from air toxics for the following reasons:

- Over the past 10 years, advances in science have shown that early-life exposures to air toxics contribute to an increased lifetime risk of developing cancer or other adverse health effects, compared to exposures that occur in adulthood.
- Children are typically more sensitive than adults to chemicals, and this is true of air toxics; children's defenses are not as developed, they breathe faster, and they are far more active than adults. In addition, they have a longer lifetime ahead of them, during which delayed health effects may become apparent.
- Clear scientific consensus: exposure during childhood is more harmful than exposure as an adult.

The proposed OEHHA Guidance Manual will result in significantly different characterization of risks from sources that have already been evaluated. For many situations, use of the new Guidance Manual would result in higher estimated risks than would have been calculated with the existing risk methodology. In some cases, the new estimated risk would be only slightly higher than the estimate using the existing methodology; in other cases, the new estimated risk could be up to three times higher.

The District has no option but to use the new guidance and to apply the new methodology when the Guidance Manual is released by OEHHA in its final form (expected to occur in November of 2014). As mentioned, the full ramifications of the new methodology are still being evaluated by ARB and the air districts. ARB and CAPCOA are working together with OEHHA to determine the best approaches to advise the public and industry of the new methodology and potential outcomes, as well as how best to implement the new guidance.

The District is preparing a presentation on toxics for the August 14<sup>th</sup> board meeting that will include an update on the OEHHA Guidance Manual's draft release, and a more thorough discussion of the potential impacts of the new risk assessment methodology on businesses and residents of Placer County, and upon the District itself.

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

Description:	G/L #	BEGINNING BALANCE July 1, 2013	debit	credit	ENDING BALANCE May 31, 2014
<b>Assets:</b>					
CASH IN TREASURY	1000	2,115,837	4,643,127	4,548,493	2,210,472
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	-			-
<b>TOTAL ASSETS</b>		<b>2,479,539</b>			<b>2,570,772</b>
<b>Current Liabilities:</b>					
ACCOUNTS PAYABLE	2020	35,491	1,270,836	1,238,551	3,206
SALARIES & BENEFITS PAYABLE	2070	79,879		(79,879)	-
COMPENSATED ABSENCES PAYABLE	2080				-
DEFERRED REVENUE	2211	102,551			102,551
<b>Long Term Liabilities:</b>					
ENCUMBRANCES/OPERATION FUND	2410.01	88,624	76,767	83,300	95,157
ENCUMBRANCES FOR DMV FUND	2453.52	798,080	732,658	32,000	97,422
ENCUMBRANCES FOR MITIGATION FUND	2454.52	464,460	191,707	-	272,752
<b>Fund Balances:</b>					
IMPREST CASH FUND	2400	100		200	300
UNRESERVED/OPERATIONS FUND	2410/2455	174,593	1,497,502	1,492,547	169,638
DEPRECIATION FIXED ASSETS	2444				-
BUILDING - CAPITAL MAINTENANCE OUTLAY		50,000			50,000
RESERVE	2410	155,000			155,000
NON-TORT DEFENSE FUND	2455	90,000			90,000
DMV FUND	2453.51	169,575	1,162,369	1,872,485	879,691
MITIGATION FUND	2454.51	271,187	18,519	402,385	655,054
INVESTMENT IN FIXED ASSETS	2460				-
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>		<b>2,479,539</b>	<b>9,590,084</b>	<b>9,590,084</b>	<b>2,570,772</b>
					0

Total Encumbered Funds

\$ 465,331

Total Fund Balances

1,999,683

Increase/Decrease in Expenditures compared to Budget

-34.17%

Increase/Decrease in Revenues compared to Budget

11.54%

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 5/31/2014	APPROVED CONSOLIDATED BUDGET FY 2013-14
<b>REVENUE:</b>				
Permit Fees	836,942	836,942	805,739	820,900
Fines/Settlement Funds	35,000	65,000	58,367	49,000
Interest	70,000	70,000	41,790	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	111,026	87,276
State Vehicle Surcharge Fee (AB2766 & AB923)	2,040,000	2,054,000	1,970,400	2,080,348
Burn / Land / Other	32,134	32,134	36,207	33,247
Mitigation Fees	0	264,000	402,385	183,385
Per Capita Assessment	177,664	177,664	178,732	178,732
Miscellaneous	2,700	2,700	846	2,700
From Litigation Cost Recovery Fund				-
District Facility Rental Income	15,242	15,242	10,162	10,162
From Settlement Fund		40,000		-
Project Generated		60,000		20,000
<b>Total Revenue:</b>	<b>3,433,549</b>	<b>3,841,548</b>	<b>3,767,418</b>	<b>3,684,749</b>
<b>TOTAL FUND CARRY-OVER PREVIOUS FY</b>	<b>790,208</b>	<b>790,208</b>	<b>910,455</b>	<b>910,455</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>4,223,757</b>	<b>4,631,756</b>	<b>4,677,873</b>	<b>4,595,204</b>
<b>EXPENSE:</b>				
Salary & Benefits	2,189,600	2,189,600	1,961,922	2,237,439
Supplies & Services	742,034	832,034	602,569	992,449
Clean Air Grants and TAP	910,000	1,188,000		970,000
Building Purchase Payback	50,000			50,000
Building Improvement	-	90,000	-	
<b>Total Expense:</b>	<b>3,891,634</b>	<b>4,299,633</b>	<b>2,564,491</b>	<b>4,249,888</b>
<b>Ending Fund Balance:</b>	<b>332,123</b>	<b>332,123</b>	<b>2,113,382</b>	<b>345,317</b>
<b>Unencumbered (encumbered) Current</b>			<b>(113,700)</b>	
<b>TOTAL FUND BALANCE</b>	<b>332,123</b>	<b>332,123</b>	<b>1,999,682</b>	<b>345,317</b>
<b>Encumbered Funds (Funds already committed)</b>	<b>2,025,327</b>	<b>2,025,327</b>	<b>462,133</b>	<b>1,351,164</b>
<b>TOTAL FUND BALANCE</b>	<b>2,357,450</b>	<b>2,357,450</b>	<b>2,461,815</b>	<b>1,696,481</b>

\*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
<b>Ending Fund Balance Totals</b>		<b>\$</b>	<b>331,317</b>

\*\*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
<b>Encumbered Funds</b>	<b>\$</b>	<b>1,351,164</b>

\*\*\* Note that the Settlement Revenue from the SPI case (settlement was received on July 24, 2007) of \$2,742,500 has been removed to a separate sub-fund; likewise, the recovered litigation costs for the same case of \$700,000 has also been moved to a sub-fund in order to separate these funds from the District's Operational Budget. The funds for the purchase of the building were taken from the Settlement Fund (\$1,500,000) leaving \$1,242,500. 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.