

1. FY20-21 Proposed Preliminary Budget - Consolidated Fund Summary

Documents:

[PCAPCD FY 20-21 PROPOSED PRELIMINARY BUDGET.PDF](#)

2. Meeting 6-11-2020

Documents:

[6-11-20 AGENDA.PDF](#)

[6-11-20 BOARD PACKET.PDF](#)

[6-11-20 FY 20-21 PRELIMINARY BUDGET PACKET.PDF](#)

3. Summary Action 6/11/2020

Documents:

[6-11-20 SUMMARY ACTION.PDF](#)

4. Presentations 6/11/2020

Documents:

[6-11-20 PRESENTATION FY 20-21 PRELIMINARY BUDGET.PDF](#)

[6-11-20 PRESENTATION - APCO REPORT COVID-19 AIR QUALITY.PDF](#)

[6-11-20 PRESENTATION - RACT SIP 2020 ANALYSIS.PDF](#)

[6-11-20 PRESENTATION - RULE 102 AMENDMENT.PDF](#)

[6-11-20 PRESENTATION - APCO REPORT.PDF](#)

5. Resolutions 6/11/2020

Documents:

[6-11-20 RESOLUTION 20-02 ADVANCED BUDGET AUTHORIZATION.PDF](#)

[6-11-20 RESOLUTION 20-03 AMENDMENT OF RULE 102.PDF](#)

[6-11-20 RESOLUTION 20-04 MAY 2020 RACT SIP ANALYSIS REPORT AND NEG DEC.PDF](#)

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
FY 2020-21 BUDGET SUMMARY COMPARISON  
CONSOLIDATED FUND SUMMARY**

	<b>APPROVED CONSOLIDATED BUDGET FY 2019-20</b>	<b>REVISED CONSOLIDATED BUDGET FY 2019-20</b>	<b>ACTUAL CONSOLIDATED FUNDS FY 2019-20</b>	<b>PROPOSED CONSOLIDATED BUDGET FY 2020-21</b>
<b>REVENUE:</b>				
Permit Fees	961,243	961,243	1,122,125	961,243
Fines/Settlement Funds	30,000	30,000	50,215	30,000
Interest	50,000	50,000	124,684	50,000
State Subvention	109,000	109,000	109,741	106,000
Statewide PERP	45,390	45,390	47,329	45,390
State Vehicle Surcharge Fee (AB2766 & AB923)	2,145,000	2,145,000	2,177,415	2,145,000
Other Government Assistance	78,169	78,169	77,145	79,145
Burn / Land / Other	23,171	23,171	35,879	25,640
Mitigation Fees	-	11,924	178,668	367,476
Per Capita Assessment	198,345	198,345	198,346	201,856
Miscellaneous	1,000	1,000	30,029	1,000
Investment Income/Depreciation	-	-	0	-
District Facility Rental Income	35,890	35,890	35,890	35,890
Project Generated	1,818,289	1,818,289	1,933,774	1,857,412
<b>Total Revenue:</b>	<b>5,495,497</b>	<b>5,507,421</b>	<b>6,121,239</b>	<b>5,906,052</b>
<b>TOTAL FUND CARRY-OVER PREVIOUS FY</b>	<b>3,699,567</b>	<b>3,836,942</b>	<b>3,836,942</b>	<b>4,168,643</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>9,195,064</b>	<b>9,344,363</b>	<b>9,958,181</b>	<b>10,074,695</b>
<b>EXPENSE:</b>				
Salary & Benefits	2,939,684	3,439,684	2,604,987	3,441,629
Supplies & Services	789,414	789,414	502,251	891,136
Clean Air Grants and Woodstove Incentive and TAP	2,911,066	2,922,990	2,532,300	2,912,860
Building Purchase Payback	150,000	150,000	150,000	50,000
Contingency Reserve	500,000	500,000	-	500,000
<b>Total Expense:</b>	<b>7,290,164</b>	<b>7,802,088</b>	<b>5,789,538</b>	<b>7,795,625</b>
<b>Ending Fund Balance:</b>	<b>1,904,900</b>	<b>1,542,275</b>	<b>4,168,643</b>	<b>2,279,070</b>
<b>TOTAL FUND BALANCE</b>	<b>1,904,900</b>	<b>1,542,275</b>	<b>4,168,643</b>	<b>2,279,070</b>
<b>Encumbered Funds (Funds already committed) Prior FY's</b>	<b>1,666,686</b>	<b>1,666,686</b>	<b>193,871</b>	<b>2,314,522</b>
<b>TOTAL FUND BALANCE</b>	<b>3,571,586</b>	<b>3,208,961</b>	<b>4,362,514</b>	<b>4,593,592</b>

The Approved Budget for FY2019-20 has been revised one time since the original proposal by Resolution#19-20. The revision increased Mitigation revenue by \$11,924 with an equal increase to Mitigation Expense by \$11,924, a net zero change. There was also an increase to revenue to correct fund balance by \$137,375 and increase expense by \$500,000 for the PARS Contribution. This resulted in a net increase to expense of \$362,625.00.

\*The "Ending Fund Balance" for the proposed FY 2020-21 budget is the consolidated total for the following fund balances:

Operations Fund	\$	1,006,975
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 Ops + Reserved Ops =	\$	1,301,975
DMV (AB2766 & AB923) Fund		787,837
Mitigation Fund		189,258
Black Carbon Research		-
Wildfire Mitigation		-
Ending Fund Balance Totals	\$	2,279,070

\*\*The "Encumbered Funds" balance rolling into the proposed FY 2020-21 budget are consolidated from the following:

Operations Fund	147,330
DMV (AB2766 & AB923) Fund	2,046,629
Mitigation Fund	103,032
Black Carbon Research	3,751
Wildfire Mitigation	13,781
Encumbered Funds	\$ 2,314,522

\*\*\* Note that the Settlement Revenue from the SPI case (settlement was received on July 24, 2007) of \$2,742,500 has been moved 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; and the FARMER 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. The District has paid back \$315,000 to the Building Purchase which leaves a balance of \$1,667,500 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 2020-21. The FARMER Fund is a passthrough fund with balance of \$342,063 as May 31, 2020. The interest from this fund must go into the FARMER fund as required by the California Air Resources Board.



**AGENDA**  
**PCAPCD Board of Directors Meeting**  
**Thursday, June 11, 2020, at 2:30 PM**  
Via Zoom Webinar ID 987-1915-0787

---

**Public participation procedures due to COVID-19 concerns:**

Public participation is encouraged at this public hearing, but in order to protect public health and safety due to concerns regarding COVID-19, the Placer County Board of Supervisors Chambers will be closed to public attendance. In accordance with Governor Newsom's Executive Order N-29-20, citizens who wish to comment or listen to the meeting may do so via a dial in phone number or via remote computer access to a Zoom meeting. The public is also encouraged to submit comments prior to the meeting to the Clerk of the Board at [sharroun@placer.ca.gov](mailto:sharroun@placer.ca.gov). Comments will be distributed to all Board members.

Link to join the Zoom meeting:

<https://placer-ca-gov.zoom.us/j/98719150787>

Via telephone: (669) 900-6833 or (877) 853-5247 (Toll Free). Enter webinar ID: 987 1915 0787

**Call to Order**

**Flag Salute**

**Roll Call / Determination of a Quorum**

**Statement of Meeting Procedures**

Any person who wishes to address the Board regarding any item not on the agenda, but within the jurisdiction of this Board, may do so during the public comment period. However, the Board is not permitted to take action or engage in discussion on topics which are not on the agenda. All items on the agenda will be open for public comments before final action is taken. The Board requests public commenters state your name and association for the record before you speak. There is a 5 minute time limit per speaker, and a 15 minute total comment period per agenda item. The Chair has the discretion to limit the total discussion time on any item.

**Approval of Minutes:** February 13, 2020 Regular Meeting

**Public Comment**

**Public Hearing / No Action: Item 1**

- 1. Proposed Preliminary Budget FY 2020-21 Public Hearing.** *Conduct a Public Hearing for the District's Proposed Preliminary FY 2020-21 Budget 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 2020-21 for inclusion in the Final Proposed Budget, which will be presented to the District Board for adoption on August 13, 2020.*

**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.

2. **Hearing Board Members Term Expiration and Reappointments.** *Reappoint current District Hearing Board members, Mr. D. Steven Parks, Mr. Timothy Woodall, and Dr. Gabriele Windgasse. extending their terms of office an additional three years, to August 10, 2023.*
3. **Advance Budget Authorizations.** *Adopt Resolution #20-02, thereby authorizing the expenditure of up to a total of Two-Hundred Twelve Thousand Three-Hundred Dollars (\$212,300) for contracted technical support services; for the one-time payment of General Liability Insurance to the Special District Risk Management Authority (SDRMA); and continuation of payroll, operation and maintenance of the District building as outlined in the Preliminary Budget for Fiscal Year (FY) 2020-21. This authorization request is in advance of the adoption of the Final FY 2020-21 District Budget that is scheduled to be heard on August 13, 2020, in order to enable the services to continue uninterrupted after June 30, 2020.*

**Information: Item 4**

4. **Biennial Audit Report for Period Ended June 30, 2019.** *No action requested. This is an information item on the statutorily required audit of District records and accounts for two fiscal years that ended June 30, 2019. The Independent Auditor's Report is provided as an attachment to this Board item.*

**Public Hearing / Action: Items 5 and 6**

5. **Amendment of Rule 102, Definitions.** *Conduct a Public Hearing regarding the amendment of District Rule 102, Definitions, and adopt Resolution #20-03, thereby approving Rule 102, Definitions, as amended and as shown in Resolution Exhibit I.*
6. **Approval of the 2020 Reasonably Available Control Technology State Implementation Plan Analysis Staff Report.** *Conduct a Public Hearing for the 2020 Reasonably Available Control Technology State Implementation Plan Analysis and adopt Resolution #20-04, thereby 1) Approving the "2020 Reasonably Available Control Technology State Implementation Plan Analysis" Staff Report, dated May 2020; 2) Approving a "Negative Declaration" of "No Sources to Regulate for Volatile Organic Compounds" for the following source categories: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations; and 3) Approving the District's submittal as a revision to the State Implementation Plan.*

### **Air Pollution Control Officer Report**

- A. General APCO Updates
- B. COVID Impacts Update
- C. Incentive Program Update
- D. Bi-annual Woodstove Program Update
- E. Fiscal Update

### **Meeting Adjournment**

**Next regularly scheduled Board Meeting: August 13, 2020, at 2:30 PM**

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.

Materials related to this meeting which are provided to Board members are available for public inspection. Due to COVID-19 concerns, please make any requests for meeting materials by contacting the Board Clerk at [sharroun@placer.ca.gov](mailto:sharroun@placer.ca.gov), or by leaving a voice message at (530) 745-2330.



**AGENDA**  
**PCAPCD Board of Directors Meeting**  
**Thursday, June 11, 2020, at 2:30 PM**  
 Via Zoom Webinar ID 987-1915-0787

---

**Public participation procedures due to COVID-19 concerns:**

Public participation is encouraged at this public hearing, but in order to protect public health and safety due to concerns regarding COVID-19, the Placer County Board of Supervisors Chambers will be closed to public attendance. In accordance with Governor Newsom's Executive Order N-29-20, citizens who wish to comment or listen to the meeting may do so via a dial in phone number or via remote computer access to a Zoom meeting. The public is also encouraged to submit comments prior to the meeting to the Clerk of the Board at [sharroun@placer.ca.gov](mailto:sharroun@placer.ca.gov). Comments will be distributed to all Board members.

Link to join the Zoom meeting:

<https://placer-ca-gov.zoom.us/j/98719150787>

Via telephone: (669) 900-6833 or (877) 853-5247 (Toll Free). Enter webinar ID: 987 1915 0787

**Call to Order**

**Flag Salute**

**Roll Call / Determination of a Quorum**

**Statement of Meeting Procedures**

Any person who wishes to address the Board regarding any item not on the agenda, but within the jurisdiction of this Board, may do so during the public comment period. However, the Board is not permitted to take action or engage in discussion on topics which are not on the agenda. All items on the agenda will be open for public comments before final action is taken. The Board requests public commenters state your name and association for the record before you speak. There is a 5 minute time limit per speaker, and a 15 minute total comment period per agenda item. The Chair has the discretion to limit the total discussion time on any item.

Page 4 **Approval of Minutes:** February 13, 2020 Regular Meeting

**Public Comment**

**Public Hearing / No Action: Item 1**

Page 8 **1. Proposed Preliminary Budget FY 2020-21 Public Hearing.** *Conduct a Public Hearing for the District's Proposed Preliminary FY 2020-21 Budget 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 2020-21 for inclusion in the Final Proposed Budget, which will be presented to the District Board for adoption on August 13, 2020.*

Agenda: PCAPCD Board Meeting  
June 11, 2020  
Page 2 of 3

**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.

- Page 11 **2. Hearing Board Members Term Expiration and Reappointments.** *Reappoint current District Hearing Board members, Mr. D. Steven Parks, Mr. Timothy Woodall, and Dr. Gabriele Windgasse. extending their terms of office an additional three years, to August 10, 2023.*
- Page 12 **3. Advance Budget Authorizations.** *Adopt Resolution #20-02, thereby authorizing the expenditure of up to a total of Two-Hundred Twelve Thousand Three-Hundred Dollars (\$212,300) for contracted technical support services; for the one-time payment of General Liability Insurance to the Special District Risk Management Authority (SDRMA); and continuation of payroll, operation and maintenance of the District building as outlined in the Preliminary Budget for Fiscal Year (FY) 2020-21. This authorization request is in advance of the adoption of the Final FY 2020-21 District Budget that is scheduled to be heard on August 13, 2020, in order to enable the services to continue uninterrupted after June 30, 2020.*

**Information: Item 4**

- Page 17 **4. Biennial Audit Report for Period Ended June 30, 2019.** *No action requested. This is an information item on the statutorily required audit of District records and accounts for two fiscal years that ended June 30, 2019. The Independent Auditor's Report is provided as an attachment to this Board item.*

**Public Hearing / Action: Items 5 and 6**

- Page 75 **5. Amendment of Rule 102, Definitions.** *Conduct a Public Hearing regarding the amendment of District Rule 102, Definitions, and adopt Resolution #20-03, thereby approving Rule 102, Definitions, as amended and as shown in Resolution Exhibit I.*
- Page 94 **6. Approval of the 2020 Reasonably Available Control Technology State Implementation Plan Analysis Staff Report.** *Conduct a Public Hearing for the 2020 Reasonably Available Control Technology State Implementation Plan Analysis and adopt Resolution #20-04, thereby 1) Approving the "2020 Reasonably Available Control Technology State Implementation Plan Analysis" Staff Report, dated May 2020; 2) Approving a "Negative Declaration" of "No Sources to Regulate for Volatile Organic Compounds" for the following source categories: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations; and 3) Approving the District's submittal as a revision to the State Implementation Plan.*

Agenda: PCAPCD Board Meeting

June 11, 2020

Page 3 of 3

### **Air Pollution Control Officer Report**

- A. General APCO Updates
- B. COVID Impacts Update
- C. Incentive Program Update
- D. Bi-annual Woodstove Program Update
- E. Fiscal Update

### **Meeting Adjournment**

**Next regularly scheduled Board Meeting: August 13, 2020, at 2:30 PM**

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.

Materials related to this meeting which are provided to Board members are available for public inspection. Due to COVID-19 concerns, please make any requests for meeting materials by contacting the Board Clerk at [sharroun@placer.ca.gov](mailto:sharroun@placer.ca.gov), or by leaving a voice message at (530) 745-2330.



## MINUTES

**PCAPCD Board of Directors Meeting**  
**Thursday, February 13, 2020, at 2:30 PM**  
 Placer County Board of Supervisors' Chambers  
 175 Fulweiler Avenue, Auburn, California

---

The Board of Directors of the Placer County Air Pollution Control District met for a regular meeting at 2:30 PM, Thursday, February 13, 2020, at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, California.

The meeting was called to order by Chairperson, Trinity Burruss. Roll call was taken by the Clerk of the Board, with the following members in attendance: Scott Alvord, Trinity Burruss, Jeff Duncan, Jim Holmes, Alyssa Silhi, Kirk Uhler, and Robert Weygandt. A quorum was established.

Representing the District were: Erik White, Air Pollution Control Officer; Adam Baughman, Deputy Air Pollution Control Officer; Bruce Springsteen, Compliance and Enforcement/Permitting and Engineering Section Manager; Yushuo Chang, Planning and Monitoring Section Manager; Russell Moore, I.T. Technician; Shannon Harroun, Clerk of the Board, and Clark Moots, Moots Point—District Information Technology Consultant.

**Flag Salute: Led by Alyssa Silhi**

**Statement of Meeting Procedures**

**Approval of Minutes:** December 12, 2019 Regular Meeting

**Motion:** Holmes/Weygandt

**Action:** Approved 12/12/19 Minutes / Unanimous Vote 7:0

**Ayes:** Alvord/Burruss/Duncan/Holmes/Silhi/Uhler/Weygandt

**Public Comment:** No public comment

**Consent: Items 1 and 2**

1. **Authorization for Director Trinity Burruss to Participate in the 2020 Capital-to-Capital Program on behalf of the District.** *Adopted Resolution #20-01, thereby authorizing Placer County Air Pollution Control District Director Trinity Burruss to participate in the 2020 Capitol-to-Capitol (Cap-to-Cap) Program on behalf of the District, via participation on the Program's Air Quality Team.*
2. **Hearing Board Member Term Expiration and Reappointment.** *Reappointed current Hearing Board member, Ms. Diane Przepiorski, as a Public at Large Representative to the Placer County Air Pollution Control District Hearing Board, extending her term of office an additional three years, from February 29, 2020 to February 28, 2023.*

**Motion:** Alvord/Duncan

**Action:** Approved Consent Items 1 and 2 / Unanimous Vote 7:0

**Ayes:** Alvord/Burruss/Duncan/Holmes/Silhi/Uhler/Weygandt

PCAPCD Board Meeting Minutes

February 13, 2020

Page 2 of 4

**Information: Item 3**

- 3. Sacramento Regional Ozone State Implementation Plan Update.** *Provided an update regarding the current status of the Sacramento Regional Ozone State Implementation Plan (SIP) for the 2008 and 2015 federal 8-hour ozone standards.*

Mr. Yushuo Chang provided an update of the current status of the Sacramento Regional Ozone State Implementation Plan (SIP) for the 2008 and 2015 federal 8-hour ozone standards.

Mr. Chang explained that the Sacramento Federal Nonattainment Area (SFNA) adopted the Attainment and Reasonable Further Progress (RFP) Plan for the 2008 8-hour ozone standard in October 2017. The plan is pending final approval by U.S. Environmental Protection Agency (U.S. EPA). The SFNA air districts are working towards attaining this standard by the July 2025 attainment deadline. Due to a recent court decision, U.S. EPA has requested that all nonattainment areas submit a commitment with additional contingency measures that will automatically take effect upon failure to either, meet the RFP milestones set by the ozone SIP; or to attain the ozone standard by the attainment date. The regional commitment must be submitted to U.S. EPA in March 2020, and the SFNA air districts need to adopt the identified contingency measure(s) within a year after the commitment.

Mr. Chang then discussed the 2015 8-hour federal ozone standard. On June 4, 2018, U.S. EPA issued a final rule classifying the SFNA as a “moderate” classification for nonattainment of the 2015 8-hour ozone standard. With a “moderate” nonattainment classification, the SFNA must demonstrate attainment of the standard on or prior to August 4, 2024. However, the SFNA is unlikely to meet this deadline, which is a year earlier than the less stringent 2008 standard. The SFNA air districts have decided to request reclassification of the SFNA to a “serious” classification, which would extend the 2015 standard attainment deadline to August 2027. This reclassification request should be submitted to U.S. EPA in 2020. The revised ozone SIP for the 2015 ozone standard is due no later than August 3, 2022. The District is also required to prepare a Reasonably Available Control Technology (RACT) SIP analysis for volatile organic compounds and nitrogen oxides emissions control on stationary sources prior to the respective ozone SIP submittal. The RACT SIP analysis for the 2015 ozone standard is due on August 3, 2020.

**No Action – Information Item.**

**Closed Session: Item 4**

- 4. Closed session conference with legal counsel—anticipated litigation/administrative action.** *Held a closed session regarding significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One case; Topic: A potential delay in the attainment designation for the 1997 ozone standard may result in new air planning requirements and federal actions.*

**District Counsel, Christiana Darlington, reported that no votes were taken in closed session.**

**Information: Item 5****5. District's Program to Develop a Greenhouse Gas (GHG) "Offset Protocol" for Forest Fuel Treatment Projects.** *Provided an overview and update of the District's ongoing program to develop a greenhouse gas (GHG) "offset protocol" for forest fuel treatment projects.*

Mr. Bruce Springsteen presented an update of the District's program to develop a GHG offset protocol for forest fuel treatment projects. He explained that over one-half of our county is forested land at risk for catastrophic wildfire, due to heavy fuel loads from past fire suppression and harvesting, as well as from the recent tree mortality epidemic from drought and insect attack. Wildfires are a significant source of air pollution, including fine particulate matter, ozone forming precursors, and air toxics, as well as GHG's. He described the District's program, begun in April 2015, to develop a GHG offset protocol for forest "fuel treatment" projects (Protocol). Forest fuel treatments involve selective and strategic removal of small diameter trees, understory, and brush through mechanical means or prescribed fire. Treatments are critically needed to return our forests to a fire resilient condition through mitigating the size and severity of wildfire. Mr. Springsteen described the wide range of ecosystem service benefits from forest treatments, and that they also frequently provide GHG benefits. The Protocol work has been funded through contributions from the District, the U.S. Forest Service, CAL FIRE, Sacramento Municipal Utility District, Sierra Pacific Industries, and the Coalition of the Upper South Platte (a Colorado-based conservancy). Work is being conducted by a team led by Spatial Informatics Group, with collaboration from the University of San Francisco, University of California Berkeley, and TSS Consultants.

Mr. Springsteen explained that a first draft of the Protocol was completed in 2017. The Protocol was then used to demonstrate GHG benefits in a case-study evaluation of treatments in the neighboring Eldorado National Forest. The Protocol and case study were extensively vetted by a wide range of stakeholders, including forest scientists, regulatory agencies, conservation groups, offset registries, and land managers. In October 2018, the Protocol and case-study were submitted to the American Carbon Registry (ACR) for consideration to be adopted as a "voluntary" protocol. In October 2019, ACR made a decision not to move forward with the Protocol for various reasons which Mr. Springsteen detailed. In November 2019, we submitted an application requesting Protocol adoption into the Climate Action Reserve's (CAR) Climate Forward GHG Registry and Trading program. CAR is interested, and the District is working on determining funding requirements and a review/adoption schedule.

**No Action – Information Item.**

**Air Pollution Control Officer Report**

- A. General APCO updates
- B. Annual Report / Board of Directors Handbook Overview

Mr. Erik White provided an overview of the 2020 Board of Director's Handbook and Annual Report. He described the District's improved financial outlook and position, with the newly created cash reserve and CalPERS/PARS contribution; successful implementation of the Carl Moyer and incentive programs; continued focus on biomass

PCAPCD Board Meeting Minutes

February 13, 2020

Page 4 of 4

and forest resiliency; coordinated regional response with local health officials and schools during wildfire events; Public Safety Power Shutoff coordination; local land use planning support; and engagement in local, State and federal policy development and organizations. Mr. White summarized plans for 2020 that were included in the handbook, including updating forest resiliency and biomass policies; continuing to implement and grow the District’s incentive program; engagement on implementation of the State’s Community Air Protection Program (AB 617); development of effective policy on Public Safety Power Shutoff events; improvement of efficiency and modernization of operations; coordination with jurisdictions on land use projects; and engagement in State and federal policy.

C. Burn day Alexa voice search application update

Mr. White announced that the District’s new Alexa voice search application, designed to provide another avenue for public outreach for burn day status, launched in February. Mr. Clark Moots, the District’s Information Technology Consultant, demonstrated the application on an Alexa device. The application provides information on topics such as regional specific burn day information; what is allowed to be burned; non-residential burning; chipping vegetative wood-waste; composting; fire safety; how a burn day is determined; how to file a smoke complaint; and District contact information.

D. Incentive program update

Mr. White discussed the District’s incentive program, and stated that about \$2 million in Moyer and AB 923 funds are expected to be available for the next funding year, with a solicitation period planned for April 1-May 31. He explained that an AB617 workshop was planned for March in Roseville. Mr. White described the ongoing FARMER program, and the beginning stages of the FARMER grants tracking application development project.

E. Fiscal update – financial report provided at meeting

Mr. White stated that the District remains on budget, with expenditures below budget, and revenues trending above budget.

**Meeting Adjournment at 4:09 p.m.**

**Minutes prepared by:**

*Shannon Harroun*

Shannon Harroun, Clerk of the Board

**Minutes approved by Board of Directors:**

Attest: \_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date



## Board Agenda Item 1

### *Public Hearing / No Action*

**Agenda Date:** June 11, 2020

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

**Topic:** Proposed Preliminary Budget Fiscal Year (FY) 2020-21 Public Hearing

---

**Action Requested:** Conduct a Public Hearing for the District's Proposed Preliminary FY 2020-21 Budget 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 2020-21 for inclusion in the Final Proposed Budget, which will be presented to the District Board for adoption on August 13, 2020.

**Discussion:** The District Proposed Preliminary Budget for FY 2020-21 includes increases in mitigation revenue and fund balance carry over from grant funding, but in other respects remains 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 2019-20 projected revenue amount of \$6,121,239 is \$625,742 (12%) above the approved budget amount of \$5,495,497, while the FY 2019-20 projected expense of \$5,789,538 is \$1,500,626 (20%) below the approved budget amount of \$7,290,164. This difference was primarily the result of changes to the Clean Air Grant (CAG) program, Carl Moyer Grant program and additional grant monies that were recently received, but have not been encumbered at the time of the preliminary proposed budget for FY 2020-21. Once the final fund balance has been established, remaining grant monies will roll forward to provide for an increased grant program in FY 2020-21.

The District offers the following analysis of the differences between the Proposed Preliminary Budget for FY 2020-21 and the Approved Budget for FY 2019-20.

**Proposed Anticipated Revenue:** The proposed total anticipated revenue projected for FY 2020-21 is \$5,906,052 plus the projected fund carryover of \$4,168,643, providing a Total Funds Available amount of **\$10,074,695** which includes \$2,912,860 in anticipated funding for grants projects such as Carl Moyer and Mitigation Clean Air Grants. This is a \$879,631 net increase compared to the FY 2019-20 Approved Budget total revenue of \$5,495,497 plus the fund carryover of \$3,699,567, for a Total Funds Available amount of **\$9,195,064**.

**Proposed Expenditures:** The total proposed expenditure for FY 2020-21 of **\$7,795,625** is \$505,461 higher than the FY 2019-20 Approved Budget expense projection of **\$7,290,164**. In FY 2020-21, Salaries and Benefits are proposed to be \$501,945 higher due to the planned PARS contribution of \$500,000 (the previous PARS contribution of \$500,000 in FY 2019-20 came out of fund carryover). Supplies and Services are proposed to be increased by \$101,722, due to increases in A-87, County MIS charges as well as increases in General Liability Insurance and professional services (primarily legal services). Clean Air Grants (CAG) and

PCAPCD Board Agenda Item 1

June 11, 2020

Page 2 of 3

Technology Assessment Program (TAP) are proposed to be \$1,794 higher than the FY 2019-20 Approved Budget. The District may increase CAG funding prior to final budget once the actual fund balance is available. For FY 2020-21, there is a proposed Building Purchase Payback of \$50,000. This is in keeping with the commitment that the District made to the Board for building payback.

In this enclosed Proposed Preliminary Budget for FY 2020-21, on page 23, Staff has linked program and project resource expenditures to specific goals and objectives (pages 5-17) and the District's Mission Statement (pages 3-4).

As part of its Proposed Preliminary Budget for FY 2020-21, Staff recommends delaying, by one year, fee increases your Board approved in 2018. This would result in most District fees being held flat for FY 2020-21, with the exception for fees collected by the District that are subject to automatic statutory or regulatory CPI increases. As such, fee increases for FY 2020-21 would be limited to AB 2588 toxic hot spot fees, Hearing Board fees and Title V fees. A finalized FY 2020-21 District Fee Schedule will be proposed and presented by Staff on August 13, 2020, in conjunction with your Board's consideration of the Proposed Final Budget.

**Future FY Budgets:** In developing the Proposed Preliminary Budget for FY 2020-21, Staff have also evaluated potential impacts of the current economic climate on future year budgets. This includes potential changes in monies received from the State for operational and clean air incentive programs, as well as changes in permit and enforcement revenues. While it is difficult at this time to forecast the length and depth of the current economic crisis, and its exact impact in any given future Fiscal Year, Staff have conservatively evaluated budget scenarios that would reduce State revenues, as well as eliminate funding for clean air programs. Even under these potential future scenarios, Staff is confident that the District will be able to maintain fiscal solvency and continue to conduct its statutory and regulatory obligations. Staff intends to closely monitor State budget deliberations and appropriations, as well as monitor for changes in local revenue streams, to ensure any impacts are immediately identified. This will ensure Staff are prepared to quickly respond to changing budget environments, should they be necessary. Potential responses include identifying options for salary savings, cutting operational expenses, delaying planned investments (such as PARS contributions), and utilizing reserve funds. Staff will continue to regularly provide your Board information on the status of the District's budget, and if any changes are needed.

**Fiscal Impact:** The District Proposed Preliminary Budget for FY 2020-21 balances total revenues and total expenditures:

Anticipated revenue of \$5,906,052 for FY 2020-21, combined with the total projected Fund Carry-Over of \$4,168,643 from FY 2019-20; provides a Total Funds Available amount of **\$10,074,695**.

The total proposed Expenditures of \$7,795,625 for FY 2020-21, plus the projected Total Ending Fund Balance of \$2,279,070 for FY 2020-21, equal the Total Fund Usage of **\$10,074,695**.

PCAPCD Board Agenda Item 1

June 11, 2020

Page 3 of 3

The Proposed Preliminary Budget for FY 2020-21 covers the operational costs, maintains services and program delivery, and provides for selected critical resource needs. It also maintains an Operations Fund Balance of \$1,006,975, which is 13% of the total Proposed Operations Expense Budget of \$7,795,625.

**Recommendation:** It is recommended that the District Board provide direction to Staff regarding any changes to this Proposed Preliminary Budget for FY 2020-21, 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 13, 2020.

**Enclosure:** Proposed Preliminary Budget FY 2020-21



<p style="text-align: center;"><b>Board Agenda Item 2</b></p> <p style="text-align: center;"><i>Consent</i></p>
---

**Agenda Date:** June 11, 2020

**Prepared By:** Shannon Harroun, Clerk of the Board

**Topic:** Hearing Board Members Term Expiration and Reappointments

---

**Action Requested:** Reappoint current District Hearing Board members, Mr. D. Steven Parks, Mr. Timothy Woodall, and Dr. Gabriele Windgasse. extending their terms of office an additional three years, to August 10, 2023.

**Discussion:** Mr. D. Steven Parks, the District Hearing Board’s law practitioner representative; Mr. Timothy Woodall, alternate law practitioner representative, and Dr. Gabriele Windgasse, public at large representative, are all well qualified for their appointments, and have faithfully served on the District Hearing Board. The reappointment of hearing board members is necessary to provide a continued ability (as required by State statute) for the District Hearing Board to hear variance petitions from District Staff, the public and permitted industry. They have each indicated their willingness to serve another three-year term. The current term of office for each of their positions expires on August 10, 2020. Upon the District Board’s reappointment, their terms of office will be extended for another three-year term, to August 10, 2023.

**Recommendation:** Staff recommends the reappointment of Mr. D. Steven Parks, as the District Hearing Board’s law practitioner representative; Mr. Timothy Woodall, as the alternate law practitioner representative, and Dr. Gabriele Windgasse, as the public at large representative, to the Placer County Air Pollution Control District Hearing Board, through August 10, 2023



## Board Agenda Item 3

### *Consent*

**Agenda Date:** June 11, 2020

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

**Topic:** Advance Budget Authorization for General Liability Insurance from SDRMA and Contracted Technical Support Services from CLERE Inc., and Aqua Terra Aeris Law Group

**Action Requested:** Adopt Resolution #20-02 (Attachment #1), thereby authorizing the expenditure of up to a total of Two-Hundred Twelve Thousand Three-Hundred Dollars (\$212,300) for contracted technical support services; for the one-time payment of General Liability Insurance to the Special District Risk Management Authority (SDRMA); and continuation of payroll, operation and maintenance of the District building as outlined in the Preliminary Budget for Fiscal Year 2020-21. This authorization request is in advance of the adoption of the Final Fiscal Year (FY) 2020-21 District Budget that is scheduled to be heard on August 13, 2020, in order to enable the services to continue uninterrupted after June 30, 2020.

**Background:** The early authorization is requested for District services contracts with CLERE Inc., for legal services in the amount of \$50,000 in non-DMV funds and \$50,000 in DMV funds; and with Aqua Terra Aeris Law Group (ATA) in the amount of \$80,000 in non-DMV funds; and for SDRMA in the amount of \$32,300, as included within the Preliminary FY 2020-2021 Budget to be presented to your Board on June 11, 2020.

**Discussion:** The projected ending DMV and non-DMV balances for CLERE Inc. and ATA contracts and SDRMA general liability insurance are shown below, along with the additional funding proposed in the Preliminary FY 2020-21 Budget.

	<b>Addition Requested In FY 2020-21 Budget</b>	<b>Projected FY 2019-20 Ending Balance</b>
CLERE Inc. (non-DMV)	\$50,000	\$ 10,000
CLERE Inc. (DMV)	\$50,000	\$ 10,000
ATA (non-DMV)	\$80,000	\$ 5,000
SDRMA	\$32,300	N/A

DMV funds are from the Motor Vehicle Registration Air Quality Surcharge of \$4 per registered vehicle in Placer County (Assembly Bill 2766 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 existing contracts with CLERE Inc. for advocacy, contract and legal support services, and with ATA for enforcement legal support services. The District has a continuing need to maintain legal counsel for District business, including enforcement support and regulatory

PCAPCD Board Agenda Item 3

June 11, 2020

Page 2 of 2

advocacy. It is critical that the availability of legal support that may be required does not lapse due to the lack of approval of funding budgeted for the new fiscal year, beginning July 1, 2020.

The District maintains general liability insurance through SDRMA which is due July 15, 2020.

As mentioned, such services may be required after the end of the current fiscal year on June 30, 2020, but prior to the scheduled Final Budget hearing date of August 13, 2020. The Preliminary FY 2020-21 Budget includes the Two-Hundred Twelve Thousand Three-Hundred Dollars (\$212,300) in new funding for the three items above.

The District is requesting early approval for the expenditure of the additional funds under the existing contracts as well as continuation of payroll, operation and maintenance of the District building as outlined in the Preliminary Budget for Fiscal Year 2020-21 and in advance of the adoption of the Final FY 2020-21 Budget, to provide for continuation of services.

**Fiscal Impact:** Funding for the requested spending authorization are included within the Preliminary FY 2020-2021 Budget that will be discussed in a public hearing on June 11, 2020. Sufficient funds are allocated in the Preliminary FY 2020-21 Budget to cover the possible expenditures. If advance spending authorization is granted, the Final FY 2020-21 Budget scheduled to be heard on August 13, 2020, will include the necessary funds to cover these expenditures.

**Recommendation:** Staff recommends adoption of Resolution #20-02, thereby authorizing the following, as outlined in the Preliminary Budget for Fiscal Year 2020-21:

1. Authorizing the expenditure of funds for contracted legal support services from CLERE Inc., and increasing the authorized amount by One Hundred Thousand Dollars (\$100,000), effective July 1, 2020;
2. Authorizing the expenditure of funds for contracted legal support services from ATA and increasing the authorized amount by Eighty Thousand Dollars (\$80,000), effective July 1, 2020;
3. Authorizing the expenditure of funds for Annual General Liability Insurance due July 15, 2020 in the amount of \$32,300 effective July 1, 2020; and
4. Authorizing continuation of payroll, operation and maintenance of the District building, effective July 1, 2020.

**Attachment:** #1: Resolution #20-02

**ATTACHMENT # 1**

**SUBJECT:**

**Resolution #20-02**



Board Resolution:  
*Resolution # 20-02*

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

---

**In the Matter Of:** Authorization of the expenditure of funds in advance of the FY 2020-2021 Final Budget approval, effective July 1, 2020, for General Liability Insurance from SDRMA; Contracted Technical Support Services from CLERE Inc. and Aqua Terra Aeris Law Group (ATA); and for continuation of payroll, operation and maintenance of the District building.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors (District Board) at a regular meeting held on **June 11, 2020**, by the following vote:

Ayes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Burruss \_\_\_\_\_ Duncan \_\_\_\_\_ Holmes \_\_\_\_\_  
Janda \_\_\_\_\_ Silhi \_\_\_\_\_ Uhler \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Noes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Burruss \_\_\_\_\_ Duncan \_\_\_\_\_ Holmes \_\_\_\_\_  
Janda \_\_\_\_\_ Silhi \_\_\_\_\_ Uhler \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Abstain: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Burruss \_\_\_\_\_ Duncan \_\_\_\_\_ Holmes \_\_\_\_\_  
Janda \_\_\_\_\_ Silhi \_\_\_\_\_ Uhler \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Signed and approved by me after its passage:

\_\_\_\_\_ Chairperson

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

**WHEREAS**, on June 11, 2020, the Placer County Air Pollution Control District (District) will hold 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 will make available to the public at least 30 days prior to the August 13, 2020 public hearing, a summary of the proposed budget, as required by Health and Safety Code Section 40131(a)(1); and

**WHEREAS**, the District has provided public notice to persons subject to District fees in the preceding year, at least 30 days in advance of the scheduled public hearing on August 13, 2020, as required by Health and Safety Code Section 40131(a)(2); and

**WHEREAS**, the District has a need for a continuation of General Liability Insurance; contracted technical support services; and continuation of payroll, operation and maintenance of the District building, after the end of the current fiscal year on June 30, 2020, and before the Final FY 2020-21 Budget will be considered for approval on August 13, 2020; and

**WHEREAS**, the District Board's approval of expenditures of Two-Hundred Twelve Thousand Three-Hundred Dollars (\$212,300) for consultant services and liability insurance coverage, that are contained in the proposed Preliminary Budget for FY 2020-21, in advance of the Final Budget hearing, would enable the continuation of services and insurance coverage.

**NOW THEREFORE BE IT RESOLVED** that the District Board hereby authorizes the expenditure of funds in advance of the Final FY 2020-21 Final Budget approval, effective July 1, 2020, in accordance with the Preliminary Budget for Fiscal Year 2020-21, for Annual General Liability Insurance due July 15, 2020 in the amount of \$32,300; for contracted technical support services from CLERE Inc., increasing the authorized amount by \$100,000; for Aqua Terra Aeris Law Group, increasing the authorized amount by \$80,000; and for continuation of payroll, operation and maintenance of the District building.



## Board Agenda Item 4

### *Information*

**Agenda Date:** June 11, 2020

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

**Topic:** Biennial Audit Report for Period Ended June 30, 2019 (Information Only)

---

**Action Requested:** No action requested. This is an information item on the statutorily required audit of District records and accounts for two fiscal years that ended June 30, 2019. The Independent Auditor's Report is attached hereto as Attachment #1.

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

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

The current audit requirement is for the two-year period that ended June 30, 2019. Statute prescribes that the audit must be completed, and a report prepared within 12 months of the end of the fiscal year (i.e. by June 30, 2020).

The District had the necessary audit performed this year under an agreement between Placer County and Eide Bailly; with the cost of the audit by Eide Bailly charged to the District. The biennial audit of the District for the period beginning July 1, 2017, and ended June 30, 2019, was conducted during the month of January 2020. It is the opinion of the independent auditors that: "...in all material respects, the respective financial position of the governmental activities and the general fund of the District as of June 30, 2019, and the respective changes in financial position for the two-years then ended in accordance with accounting principles generally accepted in the United States of America." (Page 2 of the Independent Auditor's Reports for period ended June 30, 2019).

Concerning the subject of Internal Control Over Financial Reporting, found on page 44 of the report for the period ending June 30, 2019, it is the auditors' opinion that: "We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness."

PCAPCD Board Agenda Item 4

June 11, 2020

Page 2 of 2

Under Compliance and Other Matters (page 45 of the report for the period ending June 30, 2019, the auditors noted "...The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*."

Finding (page 46 of the report for the period ending June 30, 2019):

**Condition:**

*Material Weakness* -... "we proposed material audit adjustments to the District's recorded account balances."

**Recommendation:**

We recommend the District ensure that the financial records are complete and accurate prior to the audit process and contain all necessary adjustments, reclassifications, and related necessary closing entries.

**View of Responsible Officials and Planned Corrective Plan:**

The District acknowledges the findings and has incorporated the guidance provided within its accounting policies. The District will work closely with the Placer County Auditor-Controller's Office to ensure that the financial records are complete and accurate, and that all necessary adjustments are complete prior to the close of the fiscal year.

The audit shows that the District ended the June 30, 2019, fiscal period with an increase of \$3,831,155 to the Net Position (page 5 of the audit). All fund balances shown on page 5 of the audit are reflective of the fund balances as of June 30, 2019.

Under the new Government Auditing Standards Board (GASB) 68 Statement, the District is required to show the Net Pension Liability of \$4,043,784 resulting a net position of governmental activities of \$6,046,041 (page 10 of the report) for the period ending June 30, 2019.

**Fiscal Impact:** The budget for this audit was \$8,240.00, and the District will receive an invoice of \$8,240.00 for the services provided.

**Recommendation:** A copy of the Independent Auditor's Report is attached hereto. The findings have been addressed. No action is necessary.

**Attachment #1:** Placer County Air Pollution Control District Independent Auditor's Reports for the Two Fiscal Years Ended June 30, 2019.

**Attachment #1**

**SUBJECT:**

Placer County Air Pollution Control District  
Independent Auditor's Reports for the Two Fiscal Years Ended June 30, 2019.



March 11, 2020

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

We have audited the financial statements governmental activities and general fund of the Placer County Air Pollution Control District (District) as of and for the two years ended June 30, 2019, and have issued our report thereon dated March 11, 2020. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our letter dated November 12, 2019 our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a significant control deficiency during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated February 10, 2020.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note A to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the calculation of depreciation expense related to capital assets, amounts related to the net pension liability, including related deferred inflows of resources and outflows of resources, and amounts related to the net other post-employment benefits (OPEB) liability, included related deferred inflows of resources and outflows of resources.

Management's estimate of the depreciation is based on the estimated service lives of the underlying assets. Amounts related to the net pension liability and net OPEB liability were based on actuarial valuations for each plan. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting District's financial statements was:

As disclosed in Note G to the financial statements, the District's disclosure of the defined benefit pension plan, net pension liability and related deferred inflows of resources and deferred outflows of resources are particularly sensitive. As disclosed in Note G, a 1% increase or decrease in the discount rate has a material effect on the District's net pension liability.

As disclosed in Note H to the financial statements, the District's disclosure of the defined benefit other post-employment benefits plan, net OPEB liability, and related deferred inflows of resources and deferred outflows of resources are particularly sensitive. As disclosed in Note H, a 1% increase or decrease in the discount rate or the healthcare cost trend rate has a material effect on the District's net OPEB liability.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

Increase in accounts receivables and revenues in the amount of \$44,482 to correct the estimate of the department of Motor Vehicle Revenues expected to be received in July and August.

Increase in accounts payable and expenditures in the amount of \$855,886 to recognize payments to grant recipients who met the eligibility requirements prior to the year end.

There were no uncorrected misstatements reported.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated March 11, 2020.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California



Independent Auditor's Reports, Management's Discussion  
and Analysis, Basic Financial Statements, and Required  
Supplementary Information for the  
Two Fiscal Years Ended June 30, 2019

## Placer County Air Pollution Control District

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

*Table of Contents*

	<i>Page(s)</i>
<b>Independent Auditor’s Report</b> .....	1-2
<b>Management’s Discussion and Analysis (Required Supplementary Information)</b> .....	3-9
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	10
Statement of Activities .....	11
General Fund Financial Statements:	
Balance Sheet.....	12
Reconciliation of the Balance Sheet to the Statement of Net Position .....	13
Statement of Revenues, Expenditures and Changes in Fund Balance.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities .....	15
Notes to the Basic Financial Statements .....	16-36
<b>Required Supplementary Information:</b>	
Schedule of Revenue, Expenditures and Changes in Fund Balance – General Fund Budget and Actual .....	37-38
Schedule of the District’s Proportionate Share of the County’s Miscellaneous Plan Net Pension Liability .....	39
Schedule of the District’s Retirement Plan Contributions .....	40
Schedule of the District’s Proportionate Share of the County’s Net OPEB Liability .....	41
Schedule of the District’s OPEB Contributions .....	42
Notes to the Required Supplementary Information .....	43
<b>Other Report:</b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	44-45
Schedule of Findings and Responses.....	46-47



## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Placer County Air Pollution Control District (District) as of and for the two years ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District, as of June 30, 2019, and the respective changes in financial position for the two years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the District's proportionate share of the County's miscellaneous plan net pension liability, schedule of the District's retirement plan contribution, schedule of the District's proportionate share of the County's net OPEB liability, and schedule of the District's OPEB contribution, as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



Sacramento, California  
March 11, 2020

## PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019

As management of the Placer County Air Pollution Control District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the two fiscal years ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements commencing on page 10.

#### Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$6,046,041 (net position).
- As of the close of the current fiscal year, the District's general fund reported ending fund balance of \$8,835,646.
- The District had program and general revenues of \$16,213,940 and program expenses of \$12,382,786 for the two fiscal years ended June 30, 2019.

#### Overview of the Financial Statements

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

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The *statement of net position* presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources as of the end of the fiscal year, with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**FUND FINANCIAL STATEMENTS**

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

**Governmental Funds**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16 through 36 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,046,041 at the close of the most recent fiscal year. The District's condensed statement of net position on the next page consists of the following at June 30, 2019 and June 30, 2017:

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**District's Condensed Statement of Net Position**

	<u>June 30, 2019</u>	<u>June 30, 2017</u>
Current and other assets	\$ 10,045,628	\$ 4,592,047
Capital assets, net	<u>1,508,342</u>	<u>1,607,512</u>
Total assets	<u>11,553,970</u>	<u>6,199,559</u>
Deferred outflows related to pensions	976,444	755,808
Deferred outflows related to OPEB	<u>630,000</u>	<u>-</u>
Total deferred outflows of resources	<u>1,606,444</u>	<u>755,808</u>
Current and other liabilities	1,209,982	261,271
Long-term liabilities	<u>4,882,025</u>	<u>4,269,262</u>
Total liabilities	<u>6,092,007</u>	<u>4,530,533</u>
Deferred inflows related to pensions	368,366	70,297
Deferred inflows related to OPEB	<u>654,000</u>	<u>-</u>
Total deferred inflows of resources	<u>1,022,366</u>	<u>70,297</u>
Investment in capital assets	1,508,342	1,607,512
Restricted for grants	1,691,112	1,732,061
Unrestricted	<u>2,846,587</u>	<u>(985,036)</u>
Total net position	<u>\$ 6,046,041</u>	<u>\$ 2,354,537</u>

The District's current and other assets increased by \$5,453,581, deferred outflows of resources increased by \$850,636, long-term liabilities increased by \$612,763, deferred inflows of resources decreased by \$952,069 and unrestricted net position increased by \$3,831,623 as of June 30, 2019, compared to June 30, 2017. These changes are primarily a result of an increase in pass through grant contributions, the District's growing net pension liability and the implementation of Governmental Accounting Standards Board Statement No. 75 related to OPEB liability. The total net position increased by \$3,831,155 for the two fiscal years ended June 30, 2019.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

For the two fiscal years ending June 30, 2019 and June 30, 2017, the District's change in net position is as follows:

**District's Condensed Statement of Changes in Net Position**

	<u>2019</u>	<u>2017</u>
<b>Program Expenses</b>		
Air pollution control	\$ 12,382,786	\$ 8,111,312
<b>Program Revenue</b>		
Charges for services	3,553,651	3,038,597
Operating grants and contributions	12,322,184	5,164,326
Total program revenue	<u>15,875,835</u>	<u>8,202,923</u>
<b>Net Program Revenues</b>	<u>3,493,050</u>	<u>91,611</u>
<b>General Revenue</b>		
Investment earnings	285,535	89,967
Rental income	52,570	34,151
Total general revenue	<u>338,105</u>	<u>124,118</u>
Change in net position	3,831,155	202,655
Net position, beginning of year, as restated	<u>2,214,886</u>	<u>2,151,882</u>
Net position, end of year	<u>\$ 6,046,041</u>	<u>\$ 2,354,537</u>

Net position increased by \$3,831,155 for the two fiscal years ended June 30, 2019. Air Pollution's program revenues increased by \$7,672,912, mainly due to new California Air Resource Board (CARB) grant funds for Moyer, Moyer Reserve, CAPP23, MCAP06, NRM NOx Mitigation and FARMER, intergovernmental activity and a modest increase to permit fees. The grants are to reduce mobile source emissions and carry out clean air activities. Program expenses increased by \$4,271,474, primarily as a result of increased outgoing CARB grant funds, salaries and wages and mitigation activities. Investment earnings increased by \$195,568, primarily as a result of increasing annual interest rates and recording a positive fair market value in fiscal year 2019.

**Fund Financial Analysis**

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**GENERAL FUND**

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

As of the end of the current fiscal year, the District's general fund reported an ending fund balance of \$8,835,646. Revenues by source and expenditures by function in the general fund are as follows for the two fiscal years ending June 30, 2019 and June 30, 2017:

**Revenues by Source  
General Fund**

	FY 2019		FY 2017		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Licenses and permits	\$ 2,044,659	12.61%	\$ 1,836,187	22.05%	\$ 208,472	11.35%
Fines, forfeitures and penalties	300,228	1.85%	281,971	3.39%	18,257	6.47%
Investment earnings	285,535	1.76%	89,967	1.08%	195,568	217.38%
Rental income	52,570	0.32%	34,151	0.41%	18,419	53.93%
Intergovernmental	5,138,287	31.69%	4,965,782	59.63%	172,505	3.47%
Mitigation fees	776,204	4.79%	485,588	5.83%	290,616	59.85%
Charges for services	432,559	2.67%	434,851	5.22%	(2,292)	-0.53%
Contributions and donations	7,173,139	44.24%	151,350	1.82%	7,021,789	4639.44%
Miscellaneous	10,757	0.07%	47,194	0.57%	(36,437)	-77.21%
	<u>\$ 16,213,940</u>	<u>100.00%</u>	<u>\$ 8,327,041</u>	<u>100.00%</u>	<u>\$ 7,886,899</u>	<u>94.71%</u>

**Expenditures by Object  
General Fund**

	FY 2019		FY 2017		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Air pollution control:						
Salaries and benefits	\$ 4,807,389	41.06%	\$ 4,896,299	59.95%	\$ (88,910)	-1.82%
DMV projects	5,081,613	43.40%	1,375,558	16.84%	3,706,055	269.42%
Other professional services	820,130	7.00%	828,620	10.15%	(8,490)	-1.02%
Mitigation	633,197	5.41%	733,233	8.98%	(100,036)	-13.64%
Rents and leases	29,603	0.25%	27,827	0.34%	1,776	6.38%
Communications and postage	37,563	0.32%	19,812	0.24%	17,751	89.60%
Special department	13,339	0.11%	30,706	0.38%	(17,367)	-56.56%
Office supplies	20,540	0.18%	22,161	0.27%	(1,621)	-7.31%
Insurance	45,902	0.39%	36,139	0.44%	9,763	27.02%
Utilities	38,492	0.33%	38,463	0.47%	29	0.07%
Travel and transportation	41,782	0.36%	20,717	0.25%	21,065	101.68%
Maintenance	62,041	0.53%	61,692	0.76%	349	0.57%
Publications and legal notices	1,689	0.01%	5,576	0.07%	(3,887)	-69.71%
Vehicle	9,440	0.08%	19,128	0.23%	(9,688)	-50.65%
Membership dues and subscriptions	14,483	0.12%	13,237	0.16%	1,246	9.41%
Special training	4,453	0.04%	5,810	0.07%	(1,357)	-23.36%
Capital outlay	47,414	0.40%	31,967	0.39%	15,447	48.32%
Total	<u>\$ 11,709,070</u>	<u>100.00%</u>	<u>\$ 8,166,945</u>	<u>100.00%</u>	<u>\$ 3,542,125</u>	<u>43.37%</u>

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

The key factors to the revenue changes were as follows:

- An approximate \$208,472 increase in licenses and permits as a result of additional permits issued and a modest increase to permit fees.
- An approximate \$195,568 increase due to an increase in annual interest rates.
- An approximate \$172,505 increase due to increased intergovernmental support pass through grant funding.
- An approximate \$290,616 increase in mitigation fees as a result of more requests for the District to mitigate offsets for businesses and projects.
- An approximate \$7,021,789 increase in pass through grants and contributions. Primarily new California Air Resource Board (CARB) grants: Moyer, Moyer Reserve, CAPP23, MCAP06, NRM NOx Mitigation and FARMER.

The key factors to the expenditure changes were as follows:

- Services and supplies increased approximately \$3,706,055 as a result of more requests for reimbursements of clean air grants, DMV project costs, mitigation activities and outgoing CARB grant funds listed above.
- Capital outlay increased approximately \$15,447 as a result of purchasing a new hybrid electric vehicle and monitoring van.

**BUDGETARY HIGHLIGHTS**

Differences between the final budget and the actual expenditures for the fiscal year ended June 30, 2018 resulted in a \$560,656 increase in fund balance. The FY 17/18 budget included \$882,319 in increased revenue mainly due to increased intergovernmental pass through grant contributions and more mitigation fees collected and \$1,942,955 in decreased expenditures primarily related to fewer DMV and mitigation projects being awarded and a reduction in purchased professional services. For FY 17/18 three budgetary revisions were made in November 2017, February 2018 and June 2018 for increased revenues and expenditures for mitigation activities and grant contributions.

Differences between the final budget and the actual expenditures for the fiscal year ended June 30, 2019 resulted in a \$3,944,214 increase in fund balance. The FY 18/19 budget included \$6,456,512 in increased revenue mainly due to intergovernmental pass through grant contributions and a reduction of expenditures of \$538,682 primarily related to a reduction in County professional services and other professional services purchased and a decrease in mitigation activity. For FY 18/19 a budgetary revision was made in May 2019 for the purchase of monitoring lab equipment and maintenance.

**CAPITAL ASSETS**

The District's investment in capital assets is \$1,508,342, net of accumulated depreciation comprised of land, equipment, and building and improvements. Refer to Note C for additional details on capital assets.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following factors were considered in preparing the District's budget for the 2019-20 fiscal year:

- Planned Clean Air Grants to worthy projects are to be continued at \$2,911,066 from the DMV AB2766, AB923 and various AB617 grant funds as well as the approved mitigation plan funds. As mitigation plans are approved, the funds from these plans will be available to increase the amount granted to those worthy projects. These Clean Air Grants are to be issued to entities that have projects that lower the emission of air pollutants in Placer County.
- Significant professional services agreements (PSA's) of \$192,000 will continue to be funded to provide support to the District in accomplishing and completing the existing projects.
- On April 12, 2018 the District Board adopted an amendment to District Rule 601, Permit Fees which allows for modest increases to District permit fees from FY 2018-2019 through FY 2021-2022.
- The District hired a Deputy Air Pollution Control Officer after the retirement of the incumbent. No additional hiring of permanent staff is planned unless additional the funding becomes available. The District instead uses extra-help part time positions to support the existing permanent staff. Extra-help can be utilized as needed at the discretion of the District Air Pollution Control Officer. The Air Pollution Control Officer cannot utilize extra-help personnel beyond the funding approved by the Board of Directors for that purpose.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2019**

<b>Assets</b>	
Cash and investments	\$ 7,958,532
Restricted cash and investments	1,691,112
Due from other governments	382,241
Interest receivable	13,743
Capital assets, net of accumulated depreciation	1,508,342
Total assets	11,553,970
 <b>Deferred outflows of resources</b>	
Deferred outflows related to pensions	976,444
Deferred outflows related to OPEB	630,000
Total deferred outflows of resources	1,606,444
 <b>Liabilities</b>	
Accounts payable and accrued expenses	1,058,849
Unearned revenue	151,133
Long-term liabilities:	
Due within one year	21,679
Due in more than one year	195,112
Net pension liability	4,382,234
Net OPEB liability	283,000
Total liabilities	6,092,007
 <b>Deferred inflows of resources</b>	
Deferred inflows related to pensions	368,366
Deferred inflows related to OPEB	654,000
Total deferred inflows of resources	1,022,366
 <b>Net Position</b>	
Investment in capital assets	1,508,342
Restricted for grants	1,691,112
Unrestricted	2,846,587
	\$ 6,046,041

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



**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**BALANCE SHEET - GENERAL FUND  
JUNE 30, 2019**

**Assets**

Cash and investments	\$ 7,958,532
Restricted cash and investments	1,691,112
Due from other governments	382,241
Interest receivable	13,743
Total assets	<u>\$ 10,045,628</u>

**Liabilities and Fund Balance**

## Liabilities:

Accounts payable	\$ 1,017,615
Accrued salaries and benefits payable	41,234
Unearned revenue	151,133
Total liabilities	<u>1,209,982</u>

## Fund Balance:

Restricted for grants	1,691,112
Unassigned	7,144,534
Total fund balance	<u>8,835,646</u>

Total liabilities and fund balance	<u>\$ 10,045,628</u>
------------------------------------	----------------------

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**RECONCILIATION OF THE GENERAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

Fund balance	\$	8,835,646
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. These assets consist of:		
Capital assets		2,264,332
Accumulated depreciation		(755,990)
Net capital assets		1,508,342
Deferred outflows of resources related to pensions		976,444
Deferred outflows of resources related to OPEB		630,000
Deferred inflows of resources related to pensions		(368,366)
Deferred inflows of resources related to OPEB		(654,000)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.		
Compensated absences		(216,791)
Net pension liability		(4,382,234)
Net OPEB liability		(283,000)
<b>Net position of governmental activities</b>	<b>\$</b>	<b>6,046,041</b>

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GENERAL FUND  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**Revenues:**

Licenses and permits	\$ 2,044,659
Fines, forfeitures and penalties	300,228
Investment earnings	285,535
Rental income	52,570
Intergovernmental	5,138,287
Mitigation fees	776,204
Charges for services	432,559
Contributions and donations	7,173,139
Miscellaneous	10,757
Total revenues	<u>16,213,940</u>

**Expenditures:**

## Current:

Air Pollution Control:	
Salaries and benefits	4,807,389
DMV projects	5,081,613
Other professional services	820,130
Mitigation	633,197
Rents and leases	29,603
Communications and postage	37,563
Special department	13,339
Office supplies	20,540
Insurance	45,902
Utilities	38,492
Travel and transportation	41,782
Maintenance	62,041
Publications and legal notices	1,689
Vehicle	9,440
Membership dues and subscriptions	14,483
Special training	4,453
Capital outlay	47,414
Total expenditures	<u>11,709,070</u>

Net change in fund balance	4,504,870
Fund balance - July 1, 2017	<u>4,330,776</u>
Fund balance - June 30, 2019	<u>\$ 8,835,646</u>

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND  
TO THE STATEMENT OF ACTIVITIES  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

Net change in fund balance \$ 4,504,870

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

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

Capital outlay	47,414
Loss on transfer of assets	(4,775)
Depreciation expense	(141,810)

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

Change in compensated absences	8,687
Change in net pension liability and related deferral accounts	(714,230)
Change in OPEB liability and related deferral accounts	131,000
	131,000

Change in net position of governmental activities \$ 3,831,155

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization and Reporting Entity

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

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

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

Accounting Policies

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

Government-Wide and Fund Financial Statements

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

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Capital Assets

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

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

Compensated Absences

The District reports a liability for compensated absences attributable to services already rendered as of June 30, 2019, and which are not contingent on a specific event that is outside the control of the District, such as employee illness. This liability is based on the probability that the District will eventually compensate the employees for the benefits through paid time off or some other means, such as annual leave cash-outs, payment of future health insurance premiums, or cash payments at termination or retirement. The liability is calculated based on pay rates in effect at June 30, 2019, in addition to those salary-related payments that are directly and incrementally associated with payments made for compensated absences on termination, such as Social Security and Medicare taxes. The District reports a liability for the compensated absences attributable to the District's staff.

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

- *Placer Public Employees Organization General Unit (PPEO)* – On May 24, 2011, the Board of Supervisors approved the following change effective July 2, 2011: upon retirement, the first 1,500 unused sick leave hours will be set aside for payment of retiree's share of health insurance premiums not to exceed 8 hours per month; any hours in excess of 1,500 are converted to CalPERS Service Credit. As of September 22, 2012, PPEO represented active employees can accrue no more than 750 sick leave hours. Employees with balances in excess of 750 hours will no longer accrue sick leave hours until their balance falls below 750 hours. Effective August 19, 2017, PPEO represented employees can accrue no more than 850 sick leave hours. Effective June 9, 2018, PPEO represented employees can accrue no more than 1,000 sick leave hours
- *Management and Confidential Employees* – Guidelines for use of sick leave at termination are the same as described above for PPEO represented employees. However, on May 24, 2011, the Board of Supervisors approved the following change: upon retirement, Management and Confidential employees will have 100% of unused sick leave hours set aside for payment of retiree's share of health insurance premiums. There is no sick leave cap for this group.

Due from Other Governments

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

Unearned Revenue

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

Use of Estimates

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislations of other governments that relate to specific projects of the District. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

***Investment in capital assets*** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation reduces the net position balance.

***Restricted net position*** –The District's restricted net position has been externally restricted by law or regulation of other governments for the reduction of air pollution from motor vehicles and to provide incentive funds to reduce air pollutant emissions from sources that are not required by law to reduce their emissions.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an expense/expenditure until then. The District reports deferred outflows of resources related to pensions and OPEB.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to pensions and OPEB.

Pensions

For purposes of measuring the net pension liability and deferred inflows/outflows of resources related to pensions, and pensions expense, information about the fiduciary net position of the County of Placer, California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are at fair value.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Other Postemployment Benefits OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balance

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

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

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

Fair Value Measurement

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs. The District is a participant in the Placer County Treasurer's Pool (County Pool). The County Pool is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The Placer County Treasurer's Review Panel conducts County Pool oversight. Cash on deposit in the County Pool at June 30, 2019, is stated at fair value. The County Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the County Pool, refer to the County of Placer Comprehensive Annual Financial Report.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Current Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement is effective for periods beginning after June 15, 2017. The District early implemented this statement as of July 1, 2017.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The District has determined that this statement did not have a material effect on the financial statements.

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2018. The District has determined that this statement did not have a material effect on the financial statements.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District has early implemented this standard and has determined that this statement did not have a material effect on the financial statements.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus*. The objective of this Statement is to address practice issues that have been identified during implementation of application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District implemented this statement as of July 1, 2017.

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District has determined that this statement did not have a material effect on the financial statements.

GASB Statement No. 88 – In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This statement is effective for periods beginning after June 15, 2018. The District has determined that this statement did not have a material effect on the financial statements.

Future Governmental Accounting Standard Board (GASB) Pronouncements

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019. The District has not determined the effect, if any, on the financial statements.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This statement is effective for periods beginning after December 15, 2019. The District has not determined the effect, if any, on the financial statements.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

GASB Statement No. 90 – In September 2018, the GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018. The District has not determined the effect, if any, on the financial statements.

GASB Statement No. 91 – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Statement is effective for reporting periods beginning after December 15, 2020. The District has not determined the effect, if any, on the financial statements.

**NOTE B – CASH AND INVESTMENTS**

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. However, the value of the pool shares in the County, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

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

Restricted cash and investments represent funds that were encumbered in prior fiscal years for professional service contracts and clean air grant contracts.

As identified on the Statement of Net Position, the District reports restricted cash and investments of \$1,691,112 as of June 30, 2019 which represents funds received from the State related to AB923 for the reduction of mobile source emissions and carry out California Clean Air Act activities such as air monitoring and air quality planning, and represents funds received from developers derived from mitigation plans approved at the discretion of Land Use Authorities and are only used for the specific purposes outlined in the individual mitigation plans.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE B – CASH AND INVESTMENTS (Continued)**

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2017, the District held no individual investments. All funds were invested in the County Pool. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Deposits and withdrawals from the County Pool are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share of investments in the County Pool at June 30, 2019 of \$9,649,644 is an unclassified input not defined as a Level 1, Level 2, or Level 3 input of which \$1,691,112 is restricted for grants.

The County Treasurer's cash and investment pool is not registered with the SEC. The County's Treasury Review Panel is charged with overseeing activity in the pool for compliance and code requirements.

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. The weighted average maturity of the County's external investment pool as of June 30, 2019 was 897 days.

Credit Risk

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE B – CASH AND INVESTMENTS (Continued)**

Custodial Credit Risk

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

**NOTE C – CAPITAL ASSETS**

Capital asset activity for the two fiscal years ended June 30, 2019 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2019</u>
Capital assets, not being depreciated:					
Land	\$ 275,000	\$ -	\$ -	\$ -	\$ 275,000
Capital assets, being depreciated:					
Building and improvements	1,562,892	-	-	-	1,562,892
Equipment	401,945	47,414	-	(22,920)	426,439
Total capital assets, being depreciated	<u>1,964,837</u>	<u>47,414</u>	<u>-</u>	<u>(22,920)</u>	<u>1,989,331</u>
Less accumulated depreciation for:					
Building and improvements	(320,385)	(106,576)	-	-	426,961
Equipment	(311,940)	(35,233)	-	18,145	329,028
Total accumulated depreciation	<u>(632,325)</u>	<u>(141,809)</u>	<u>-</u>	<u>18,145</u>	<u>755,989</u>
Total capital assets being depreciated, net	<u>1,332,512</u>	<u>(94,395)</u>	<u>-</u>	<u>(4,775)</u>	<u>1,233,342</u>
Capital assets - net	<u>\$ 1,607,512</u>	<u>\$ (94,395)</u>	<u>\$ -</u>	<u>\$ (4,775)</u>	<u>\$ 1,508,342</u>

A video teleconferencing system was transferred to County Surplus to be sold. The asset was not fully depreciated at the time of transfer and had not been sold as of June 30, 2019.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE D – LONG-TERM LIABILITIES**

Changes in long-term liabilities during the two fiscal years ended June 30, 2019 were as follows:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 225,478	\$ 183,321	\$ (192,008)	\$ 216,791	\$ 21,679

**NOTE E – SELF-INSURANCE**

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

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

**NOTE F – RELATED PARTY TRANSACTIONS**

The County of Placer provides and charges for a variety of services to the District including accounting and legal services, which are derived from the County of Placer Countywide Cost Allocation Plan and are included in the financial statements as other professional services. For the two fiscal years ended June 30, 2019, the total amount charged was \$261,343.

In accordance with the Memorandum of Understanding (MOU) between the County and the District, the District's staff are County employees working for the District as ex-officio employees and officers. For the two fiscal years ended June 30, 2019, the total amount of salaries and benefits were \$4,807,389.

**NOTE G – EMPLOYEES' RETIREMENT PLAN**

*Plan Description*

The District participates and contributes to the County's Miscellaneous Plan in the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. The County's Miscellaneous Plan is part of the Public Agency portion of CalPERS. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law (PERL). CalPERS issues a publicly available financial report that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at <http://calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE G – EMPLOYEES’ RETIREMENT PLAN (Continued)**

All full and part-time permanent the District’s employees and certain extra help employees who have worked over 1,000 hours in a fiscal year are eligible to participate in CalPERS. Elected officials may also participate at their option. Per diem employees and extra help employees working less than 1,000 hours in a fiscal year are not eligible. Benefits vest after five years of service. To be eligible for retirement an employee must be at least 50 years of age and have five years of CalPERS credited service. Effective January 1, 2013, new CalPERS members are subject to the Public Employees’ Pension Reform Act (PEPRA) and to be eligible for retirement, an employee must be at least 52 years of age and have five years of CalPERS credited service.

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The basic death benefit, the 1957 survivor benefit, or the optional settlement 2W death benefit. The cost of living adjustments for each plan are applied as specified by the PERL.

*Benefits Provided*

The benefits in effect as of June 30, 2019 are summarized as follows:

	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
	<b>Miscellaneous</b>		
	<b>Hired on or before March 12, 2011</b>	<b>Hired on or after March 13, 2011</b>	<b>Hired on or after Jan. 1, 2013</b>
Benefit formula	2.5% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	1.43% - 2.42%	1.0% - 2.58%

The Placer Public Employee Organization’s represented employees pay 100% of their employee pension contribution of 7% or 8%.

*Contributions*

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both plans are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal year ended June 30, 2019, the average active employee contribution rate was 7.384% of annual pay for the Miscellaneous Plan. For the fiscal year ended June 30, 2019, the employer’s contribution rate was 17.719% of annual payroll for the Miscellaneous Plan. Employer contributions to the Miscellaneous Plan for the two years ended June 30, 2019 totaled \$368,923.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE G – EMPLOYEES’ RETIREMENT PLAN (Continued)**

*Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions*

As of June 30, 2019, the District reported a net pension liability of \$4,382,234 for its proportionate share of the County’s Miscellaneous Plan’s net pension liability. The District’s net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. The District’s proportionate share of the County’s Miscellaneous Plan’s net pension liability measured as of June 30, 2019 was .860% which was a decrease of .043% from the 2017 measurement date and a decrease of .166% from the 2016 measurement date.

For the two years ended June 30, 2019, the District recognized pension expense of \$714,230. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer pension contributions paid by the District subsequent to measurement date	\$ 368,923	\$ -
Changes of assumptions	242,605	(72,907)
Differences between actual and expected experiences	38,312	(11,437)
Net differences between projected and actual earnings on pension plan investments	326,604	(284,022)
Total	<u>\$ 976,444</u>	<u>\$ (368,366)</u>

The amount of \$368,923 reported as deferred outflows of resources related to pensions, resulting from the District’s contributions to the County’s Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Years ending June 30,</u>	
2020	\$ 308,832
2021	50,494
2022	(95,019)
2023	<u>(25,152)</u>
Total	<u>239,155</u>

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE G – EMPLOYEES’ RETIREMENT PLAN (Continued)**

Actuarial assumptions – The total pension liability in the Miscellaneous Plan’s June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

<b>Miscellaneous Plan</b>	
Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry age normal cost method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	3.00%
Projected salary increase	Varies by entry age and service
Mortality	Derived using CalPERS' membership data for all funds

Changes of assumptions – In measurement year ended June 30, 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a 2014 CalPERS Experience Study for the period from 1997 to 2011, including updates to salary increases, mortality rates and retirement ages. The Experience Study reports can be obtained at CalPERS’ website under Forms and Publications.

In determining the long-term expected rate of return, CalPERS considered both short and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE G – EMPLOYEES’ RETIREMENT PLAN (Continued)**

The expected real rates of return by class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10<sup>(1)</sup></u>	<u>Real Return Years 11+<sup>(2)</sup></u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.92%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>		

(1) An expected inflation of 2.00% used for this period

(2) An expected inflation of 2.92% used for this period

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, CalPERS plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the County’s Miscellaneous Plan’s Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the County’s net pension liability as of June 30, 2019, calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the County’s net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate.

<b><u>District's Proportionate Share of the Net Pension Liability</u></b>	
1% Decrease	6.15%
Net Pension Liability	\$ 6,058,369
Current Discount Rate	7.15%
Net Pension Liability	4,382,234
1% Increase	8.15%
Net Pension Liability	2,986,869

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE G – EMPLOYEES’ RETIREMENT PLAN (Continued)**

Pension plan fiduciary net position – Detailed information about the County’s collective net pension liability is available in the County’s separately issued CAFR. The County’s CAFR may be obtained by contacting the Placer County Auditor-Controller’s Office at 2970 Richardson Drive, Auburn, California 95603.

Detailed information about the pension plans’ fiduciary net position is available in the separately issued CalPERS financial reports.

**NOTE H – OTHER POST-EMPLOYMENT BENEFITS**

Plan Description

The District contributes to the postretirement healthcare benefits provided by the County to its retirees under its Retiree Healthcare Plan in accordance with various labor agreements. The County contributes to the California Employers’ Retiree Benefit Trust (CERBT), an agent multiple employer plan administered by CalPERS. CalPERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information. Copies of CalPERS’ annual financial report may be obtained from their Executive Office, 400 Q Street, P.O. Box 942701, Sacramento, California 94229.

For financial reporting purposes, the District reports a proportionate share of the County’s net OPEB liability, OPEB expense, and deferred inflows/outflows. Accordingly, the disclosures and RSI have been reported for the District as a cost-sharing OPEB plan.

Benefits Provided

In accordance with California Government Code, all employees electing a CalPERS retirement date within 120 days of retiring from the County are eligible to receive healthcare benefits for life. The County provides postretirement medical and dental benefits to employees who retire after the age of 50 and with five years of service and ten years of CalPERS service if hired after January 1, 2005. Eligible retirees can continue participation in the medical and dental plans, with the District contributing up to a cap, which varies by bargaining unit.

Contributions

The County Board of Supervisors is granted the authority to establish and amend contribution requirements of the County, employees and retirees. The Board establishes rates based on an actuarially determined rate based on annual actuarial valuation reports. For the fiscal year ended June 30, 2019, the annual required contribution rate was \$5 per employee (excluding extra help) and to prefund as determined annually through the County budget process. The District’s contribution to the plan for fiscal year ended June 30, 2019 was \$219,000, and \$175,000 for the fiscal year ended June 30, 2018.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE H – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

OPEB Liability, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District reported a liability of \$283,000 for its proportionate share of the County's net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the number of full-time equivalents of eligible employees employed by the District in relation to the total number of eligible employees as of the measurement date. The District's proportionate share of the County's net OPEB liability as of June 30, 2019, was 0.677% which was a decrease of .013% from the 2017 measurement date.

For the fiscal year ended June 30, 2019, the District recognized an OPEB credit of (\$117,000). As of June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
OPEB contributions subsequent to measurement date	\$ 219,000	\$ -
Changes of assumptions	217,000	(475,000)
Differences between expected and actual experience	194,000	(116,000)
Net differences between projected and actual earnings on OPEB plan investments	-	(63,000)
Total	<u>\$ 630,000</u>	<u>\$ (654,000)</u>

\$219,000 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as shown on the next page:

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE H – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

<u>Years ending June 30,</u>		
2020	\$	(48,950)
2021		(48,951)
2022		(48,964)
2023		(49,994)
2024		(46,141)
Total	\$	<u>(243,000)</u>

Actuarial assumptions

The District's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

Valuation date	June 30, 2018
Measurement date	June 30, 2018
Contribution policy	Pre-funded through CERBT asset allocation Strategy 1
Actuarial assumptions:	
Discount rate	7.00%
Inflation	2.50%
Investment rate of return	7.00% (1)
Mortality, retirement, disability, termination	Based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS
Mortality improvement	Mortality projected fully generational with Scale MP-16
Healthcare Cost Trend Rate	6.90% for FY2019, gradually decreasing to an ultimate rate of 4.00% in FY2076 and later years. In addition, the medical trend rates above were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on high-cost health insurance plans. The additional trend rate adjustments vary by year, but average 0.37% beginning calendar year 2026 for plans other than Medicare plans.
Healthcare participation for future retirees	100% if currently covered; 90% if not currently covered
(1) Same as discount rate. Plan assets projected to be sufficient to pay all benefits from trust	

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE H – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	59.0%	4.82%
Fixed Income	25.0%	1.47%
TIPS	5.0%	1.29%
Commodities	3.0%	0.84%
REITs	8.0%	3.76%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates

The table on the next page presents the District's proportionate share of the County's net OPEB liability, as well as what the District's proportionate share of the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE H – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

	<b>District's Proportionate Share of the Net OPEB Liability</b>	
1% Decrease		6.00%
Net OPEB Liability	\$	318,942
Current Discount Rate		7.00%
Net OPEB Liability		283,000
1% Increase		8.00%
Net OPEB Liability		253,050

The following table presents the District's proportionate share of the County's net OPEB liability as well as what the District's proportionate share of the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current rates:

	<b>District's Proportionate Share of the Net OPEB Liability</b>	
1% Decrease (5.9% decreasing to 1.9%)	\$	249,216
Net OPEB Liability		
Healthcare Cost Trend (6.9% decreasing to 2.9%)		283,000
Net OPEB Liability		
1% Increase (7.9% decreasing to 3.9%)		324,401
Net OPEB Liability		

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE H – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

OPEB plan fiduciary net position

Detailed information about each pension plans' fiduciary net position is available in the separately issued CalPERS financial reports and detailed information about the County's collective net OPEB liability is available in the County's separate issued CAFR. The county's CAFR may be obtained by contacting the Placer County Auditor-Controller's Office at 2970 Richardson Drive, Auburn, California, 95603.

**NOTE I – PRIOR PERIOD ADJUSTMENT**

The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the District restated the net position as of July 1, 2017 to reflect the prior period adjustment related to the recognition of the net OPEB liability. During the 2018 fiscal year, the District's pension contributions were incorrectly recorded. As a result, the District restated the net position to reflect the prior period adjustment related to the recognition of pension contributions. This restatement is summarized as follows:

	<u>Previously Presented</u>	<u>Restatement</u>	<u>Restated</u>
Net OPEB liability	\$ -	\$ (621,000)	\$ (621,000)
Deferred outflows of resources related to OPEB	-	183,000	183,000
Deferred outflows of resources related to pension	-	298,349	298,349
Net position, beginning of year	<u>\$ 2,354,537</u>	<u>\$ (139,651)</u>	<u>\$ 2,214,886</u>

**NOTE J – SUBSEQUENT EVENT**

Effective August 8, 2019 the Placer County Air Pollution Control District Board of Directors authorized the District to participate in the Public Agency Retirement Services (PARS) Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or Other Post Employment (OPEB) obligations. The Placer County Air Pollution Control District is eligible to participate in the tax-exempt trust performing an essential government function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California.



**REQUIRED SUPPLEMENTARY INFORMATION**

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GENERAL FUND BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 935,626	\$ 935,626	\$ 1,102,523	\$ 166,897
Fines, forfeitures and penalties	30,000	30,000	195,961	165,961
Investment earnings	50,000	50,000	258,552	208,552
Rental income	35,452	35,452	34,903	(549)
Intergovernmental	2,327,169	2,327,169	2,622,255	295,086
Mitigation fees	-	-	154,710	154,710
Charges for services	209,780	209,780	217,401	7,621
Contributions and donations	1,211,956	1,246,956	6,698,365	5,451,409
Miscellaneous	1,000	1,000	7,822	6,822
	<u>4,800,983</u>	<u>4,835,983</u>	<u>11,292,495</u>	<u>6,456,512</u>
Total revenue				
<b>Expenditures:</b>				
Current:				
County professional services	2,925,615	2,925,615	2,486,291	439,324
DMV projects	2,590,296	2,590,296	4,239,394	(1,649,098)
Other professional services	646,211	646,211	420,861	225,350
Mitigation	348,000	348,000	12,437	335,563
Rents and leases	22,941	22,941	4,663	18,278
Communications and postage	24,500	24,500	31,669	(7,169)
Special department	27,560	27,560	1,145	26,415
Office supplies	21,500	21,500	11,592	9,908
Insurance	23,126	23,126	23,276	(150)
Utilities	24,000	24,000	17,949	6,051
Travel and transportation	38,000	38,000	25,997	12,003
Maintenance	40,000	62,026	18,959	43,067
Membership dues and subscriptions	7,850	7,850	6,634	1,216
Capital outlay	35,000	47,974	47,414	560
	<u>6,774,599</u>	<u>6,809,599</u>	<u>7,348,281</u>	<u>(538,682)</u>
Total expenditures				
Net change in fund balance	<u>\$ (1,973,616)</u>	<u>\$ (1,973,616)</u>	<u>\$ 3,944,214</u>	<u>\$ 6,995,194</u>

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GENERAL FUND BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Licenses and permits	\$ 821,669	\$ 821,669	\$ 942,136	\$ 120,467
Fines, forfeitures and penalties	67,400	67,400	104,267	36,867
Investment earnings	50,000	50,000	26,982	(23,018)
Rental income	17,667	17,667	17,667	-
Intergovernmental	2,344,165	2,344,165	2,516,032	171,867
Mitigation fees	-	429,275	621,494	192,219
Charges for services	210,933	210,933	215,158	4,225
Contributions and donations	20,000	97,017	474,774	377,757
Miscellaneous	1,000	1,000	2,935	1,935
	<u>3,532,834</u>	<u>4,039,126</u>	<u>4,921,445</u>	<u>882,319</u>
Total revenue				
<b>Expenditures:</b>				
Current:				
County professional services	2,575,455	2,575,455	2,321,098	254,357
DMV projects	1,722,750	1,722,750	842,219	880,531
Other professional services	760,905	760,905	399,269	361,636
Mitigation	524,743	1,016,110	620,760	395,350
Rents and leases	18,529	18,529	24,940	(6,411)
Communications and postage	10,500	10,500	5,894	4,606
Special department	18,162	18,162	12,194	5,968
Office supplies	11,500	11,725	8,948	2,777
Insurance	21,627	21,627	22,626	(999)
Utilities	24,000	24,000	20,543	3,457
Travel and transportation	22,000	22,000	15,785	6,215
Maintenance	60,800	75,500	43,082	32,418
Publications and legal notices	4,000	4,000	1,689	2,311
Vehicle	10,200	10,200	9,440	760
Membership dues and subscriptions	7,781	7,781	7,849	(68)
Special training	4,500	4,500	4,453	47
	<u>5,797,452</u>	<u>6,303,744</u>	<u>4,360,789</u>	<u>1,942,955</u>
Total expenditures				
Net change in fund balance	<u>\$ (2,264,618)</u>	<u>\$ (2,264,618)</u>	<u>\$ 560,656</u>	<u>\$ (1,060,636)</u>

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

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS <sup>(1)</sup>**

**Schedule of Air Pollution Control District's Proportionate Share of the Net Pension Liability  
(Miscellaneous Plan)**

	2015	2016	2017	2018	2019
District's proportion of the County's net pension liability	1.04%	1.039%	1.026%	0.903%	0.860%
District's proportionate share of the County's net pension liability	\$ 3,241,845	\$ 3,466,452	\$ 4,043,784	\$ 4,448,258	\$ 4,382,234
Covered payroll	1,540,700	1,502,764	1,564,099	1,479,996	1,457,540
District's proportionate share of the County's net pension liability as a percentage of covered payroll	210.41%	230.67%	258.54%	300.56%	300.66%
Miscellaneous Plan fiduciary net position as a percentage of the total pension liability	70.74%	69.27%	65.47%	64.94%	66.55%
Measurement Date	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018

(1) Fiscal year 2015 was the first year of implementation. Therefore, only five years are shown.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS <sup>(1)</sup>**

**Schedule of Pension Contributions**

	2015	2016	2017	2018	2019
Actuarially determined contributions	\$ 333,130	\$ 328,006	\$ 350,252	\$ 357,551	\$ 368,923
Contributions in relation to the actuarially determined contribution	333,130	328,006	350,252	357,551	368,923
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,502,764	\$ 1,564,099	\$ 1,479,996	\$ 1,457,540	\$ 1,509,569
Contribution as a percentage of covered-employee payroll	22.17%	20.97%	23.67%	24.53%	24.44%

(1) Fiscal year 2015 was the first year of implementation. Therefore, only five years are shown.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS <sup>(1)</sup>**

**Schedule of Air Pollution Control District's Proportionate Share of the County's Net OPEB Liability**

	2018	2019
District's proportion of the County's net OPEB liability	0.690%	0.677%
District's proportionate share of the County's net OPEB liability	\$ 675,000	\$ 283,000
Covered payroll	1,479,996	1,457,540
District's proportionate share of the County's net OPEB liability as a percentage of covered payroll	45.61%	19.42%
Plan fiduciary net position as a percentage of the total OPEB liability	76.6%	91.2%
Measurement Date	6/30/2017	6/30/2018

(1) The District implemented GASB 75 as of July 1, 2017. Therefore, only two years are shown.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS <sup>(1)</sup>**

**Schedule of OPEB Contributions**

	<u>2018</u>	<u>2019</u>
Actuarially determined contributions	\$ 175,000	\$ 219,000
Contributions in relation to the actuarially determined contribution	<u>175,000</u>	<u>219,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,457,540	\$ 1,509,569
Contribution as a percentage of covered payroll	12.01%	14.51%

(1) The District implemented GASB 75 as of July 1, 2017. Therefore, only two years are shown.

**PLACER COUNTY AIR POLLUTION  
CONTROL DISTRICT**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2019**

**NOTE A – BUDGETS AND BUDGETARY ACCOUNTING**

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

**NOTE B – RECONCILIATION OF BUDGET TO ACTUAL SCHEDULES TO STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GENERAL FUND**

	<u><b>FY 2019</b></u>	<u><b>FY 2018</b></u>	<u><b>Total</b></u>
Total revenues	\$ 11,292,495	\$ 4,921,445	\$ 16,213,940
Total expenditures	<u>(7,348,281)</u>	<u>(4,360,789)</u>	<u>(11,709,070)</u>
Net change in fund balance	<u>\$ 3,944,214</u>	<u>\$ 560,656</u>	4,504,870
Fund balance, July 1, 2017			<u>4,330,776</u>
Fund balance, June 30, 2019			<u>\$ 8,835,646</u>



**OTHER REPORT**



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the Placer County Air Pollution Control District (District), as of and for the two years then ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 11, 2020.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2019-001 that we consider to be a material weakness.

**Compliance and Other Matters**

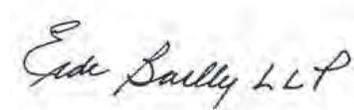
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Example Entity's Response to Findings**

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



Sacramento, California  
March 11, 2020

**Air Pollution Control District  
Schedule of Findings and Responses  
June 30, 2019**

**Finding 2019-001**

**FINANCIAL REPORTING**

**Criteria:**

Management is responsible for the preparation and fair presentation of the financial statements.

**Condition:**

*Material Weakness* – During the course of our engagement, we proposed material audit adjustments to the District’s recorded account balances in the areas of receivables and revenues, and payables and expenditures, which if not recorded, would have resulted in a material misstatement of the District’s financial statements. The need for these adjustments indicates that the District’s interim financial information is not materially correct, which may affect management decisions made during the course of the year.

Increase in accounts receivables and revenues in the amount of \$44,482 to correct the estimate of the Department of Motor Vehicle Revenues expected to be received in July and August.

Increase in accounts payable and project costs in the amount of \$855,886 to recognize payments to grant recipients who met the eligibility requirements prior to the year end.

**Context:**

The District’s financial statements required audit adjustments to comply with generally accepted accounting principles including the above-mentioned adjustments.

**Cause:**

Management’s policies and procedures did not detect material misstatements in the financial statements. The District should perform a pre-audit review or close of the financial records and ensure that all necessary or required adjustments are posted prior to the audit process. This includes reviewing subsequent receipts and disbursements and reviewing the District’s revenue recognition policies.

**Effect:**

The result of the condition above resulted in audit adjustments. The impacts of not performing a pre-audit review and ensuring that the trial balances are complete and accurate will likely result in potential material misstatements and errors that may need to be corrected on an annual basis through the audit process.

**Recommendation:**

**Air Pollution Control District  
Schedule of Findings and Responses  
June 30, 2019**

We recommend the District ensure that the financial records are complete and accurate prior to the audit process and contain all necessary adjustments, reclassifications, and related necessary closing entries.

**View of Responsible Officials and Planned Corrective Plan:**

The District acknowledges these findings and will incorporate the guidance provided within its accounting policies. The District will work closely with the Placer County Auditor-Controller's Office to ensure that the financial records are complete and accurate, and that all necessary adjustments are complete prior to the close of the fiscal year.



<p style="text-align: center;"><b>Board Agenda Item 5</b></p> <p style="text-align: center;"><i>Public Hearing/Action</i></p>
---

**Agenda Date:** June 11, 2020

**Prepared By:** Bruce Springsteen, Compliance and Enforcement Manager

**Topic:** Amendment of Rule 102, Definitions

---

**Action Requested:** Conduct a Public Hearing regarding the amendment of District Rule 102, Definitions, and adopt Resolution #20-03 (Attachment #1), thereby approving Rule 102, Definitions, as amended and as shown in Resolution Exhibit I.

**Background and Discussion:** The District is proposing to amend the definition of “Exempt Compounds” contained in Rule 102, Definitions. Exempt compounds are organic species which are not included as regulated volatile organics because they are determined by the United States Environmental Protection Agency (U.S. EPA) to have low photochemical reactivity and do not significantly contribute to the formation of ground-level ozone. The proposed definition will reference the list maintained by U.S. EPA. Table 1 in the Staff report (Attachment #2) compares the U.S. EPA list with the current District list. The current definition has a fixed list of compounds that does not include all compounds on the U.S. EPA list. The proposed change, as recommended and supported by industry trade-groups and stakeholders, will allow the District to remain current with the latest scientific advances and avoid having to make future definition amendments.

The public hearing was noticed on May 9, 2020, in a newspaper of general circulation. The proposed rule amendment was posted on the District’s webpage. No written public comment has been received.

**Fiscal Impact:** The Rule 102 amendment will reduce the economic impact of thirteen District rules which control volatile organic compounds, by allowing additional compliance options for volatile organic compound-containing products.

**Recommendation:**

Staff recommends the Board of Directors adopt Resolution #20-03, thereby approving Rule 102, Definitions, as amended and as shown in Exhibit I of the Resolution.

**Attachments:** #1: Resolution #20-03

#2: Rule 102 Amendment Staff Report

**ATTACHMENT #1**

**SUBJECT:**

**Resolution #20-03**



Board Resolution:  
Resolution # 20-03

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

**In the Matter Of:** The adoption of Rule 102, Definitions, as amended and as shown in Exhibit I.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **June 11, 2020**, by the following vote:

Ayes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Noes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Abstain: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Signed and approved by me after its passage:

\_\_\_\_\_ Chairperson

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

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

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

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

**WHEREAS**, the District Board has determined that a need exists to amend the definition of “Exempt Compounds” in Rule 102, Definitions, by reference to the United States Environmental Protection Agency list contained in Title 40, Part 51, Subpart F of the Code of Federal Regulations, to remain current with the latest science advancements; and

**WHEREAS**, the District Board has determined that the meaning of the amended Rule 102 can be easily understood by the persons directly affected by it (Health and Safety Code Section 40727(b)(3)); and

**WHEREAS**, the District Board has determined that the amended Rule 102 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations (Health and Safety Code Section 40727(b)(4)); and

**WHEREAS**, the District Board has maintained records of the rulemaking proceedings (Health and Safety Code Section 40728); and

**WHEREAS**, the District Board has made the findings pursuant to Health and Safety Code Section 40727, of necessity, authority, clarity, consistency, non-duplication, and reference in regard to the proposed amended rule; and,

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

**WHEREAS**, the District finds that the proposed amended Rule 102 is exempt from the California Environmental Quality Act (CEQA) because (1) it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment (CEQA Guidelines §15061(b)(3)) and (2) it is as an action by a regulatory agency for protection of the environment (Class 8 Categorical Exemption, CEQA Guidelines §15308); and

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

**NOW, THEREFORE BE IT RESOLVED** that the District Board adopts the amendment to Rule 102, Definitions, as shown in Exhibit I.

**BE IT RESOLVED AND ORDERED** that the Air Pollution Control Officer is hereby authorized and directed to submit this adopted rule in the form required by CARB, on behalf of the District, and to request that CARB adopt this rule into the California State Implementation Plan (SIP) and that CARB submit this rule to the United States Environmental Protection Agency for approval of this rule as a revision to the SIP, and to perform such acts as are necessary to carry out the purpose of this resolution.

Exhibit: I: Rule 102, Definitions (as amended)

**Exhibit I**

**Rule 102, Definitions, as amended**

## RULE 102 DEFINITIONS

Adopted 11-12-74

(Amended 5-24-77, 12-19-78, 6-19-79, 5-20-85, 2-04-92, 10-19-93, 8-08-96, 6-19-97, 10-12-00, 8-12-10, 02-10-11, 02-09-12, 06-11-2020)

### CONTENTS

#### 100 GENERAL

101 PURPOSE

#### 200 DEFINITIONS

201 AGRICULTURAL BURNING  
202 AGRICULTURAL OPERATION  
203 AGRICULTURAL WASTES  
204 AIR CONTAMINANT  
205 AIR POLLUTION CONTROL OFFICER (APCO)  
206 AIR QUALITY  
207 ALLOWABLE COMBUSTIBLES  
208 ALTERATION  
209 APPROVED IGNITION DEVICES  
210 ARB  
211 BOARD  
212 BRUSH TREATMENT  
213 BULK PLANT  
214 BURN BARREL  
215 CITRUS HEATER  
216 COMBUSTIBLE  
217 COMBUSTIBLE WASTE OR SUBSTANCES  
218 COMBUSTION CONTAMINANT  
219 CONDENSED FUMES  
220 CONSTRUCTION-DEMOLITION DEBRIS  
221 DAILY  
222 DESIGNATED AGENCY  
223 DISALLOWED COMBUSTIBLES  
224 DISTRICT  
225 DUST  
226 EMISSION  
227 EMISSION POINT  
228 EXEMPT COMPOUNDS  
229 FIRE PROTECTION AGENCY  
230 FLAMMABLE WASTE  
231 FLUE  
232 FOREST MANAGEMENT BURNING  
233 FOSSIL FUEL  
234 FOSSIL FUEL-FIRED STEAM GENERATOR  
235 HEARING BOARD  
236 HYDROCARBON  
237 IMMINENT AND SUBSTANTIAL ECONOMIC LOSS

- 238 INCINERATION
- 239 INCINERATOR
- 240 INSTALLATION
- 241 LAKE TAHOE AIR BASIN
- 242 MOUNTAIN COUNTIES AIR BASIN
- 243 NO-BURN DAY
- 244 OPEN BURNING OR OPEN OUTDOOR FIRE
- 245 OPERATOR
- 246 ORCHARD HEATER
- 247 OWNER
- 248 PARTICULATE MATTER
- 249 PERMISSIVE BURN DAY OR BURN DAY
- 250 PERSON
- 251 POLLUTANT
- 252 PROCESS WEIGHT PER HOUR
- 253 PUBLIC RECORD
- 254 QUARTERLY
- 255 RANGE IMPROVEMENT BURNING
- 256 RECORD
- 257 RESIDENCE
- 258 RESIDENTIAL ALLOWABLE BURN MATERIALS
- 259 SACRAMENTO VALLEY AIR BASIN
- 260 SECTION
- 261 SILVICULTURAL PRACTICES
- 262 SOLID PARTICULATE MATTER
- 263 STANDARD CONDITIONS
- 264 STANDARD CUBIC FOOT OF GAS
- 265 TIMBER OPERATIONS
- 266 VOLATILE ORGANIC COMPOUND (VOC)
- 267 WOOD-FIRED BOILER
- 268 YEARLY

**300 STANDARDS**

(NOT INCLUDED)

**400 ADMINISTRATIVE REQUIREMENTS**

(NOT INCLUDED)

**500 MONITORING AND RECORDS**

(NOT INCLUDED)

**100 GENERAL**

**101 PURPOSE:** To provide definitions of specific terms used in the Placer County Air Pollution Control District Rules and Regulations.

**200 DEFINITIONS**

**PROVISO:** Except as otherwise specifically provided in these Rules, and except where the context otherwise indicates, words used in these Rules are used in exactly the same sense as the same words are used in the Health and Safety Code of the State of California.

**201 AGRICULTURAL BURNING:** Open outdoor fires used in agricultural operations in the growing of crops or raising of fowl or animals or open outdoor fires used in forest management, range improvement, or the improvement of land for wildlife and game habitat or disease or pest prevention or the use of open outdoor fires used in the operation or the maintenance of a system for the delivery of water and wildland vegetation management burning.

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

**203 AGRICULTURAL WASTES:** The following materials:

203.1 The unwanted or unsalable materials produced wholly from agricultural operations and materials not produced from agricultural operations, but which are intimately related to the growing or harvesting of crops.

Materials not produced wholly from agricultural operations, but which are intimately related to the growing or harvesting of crops and which are used in the fields. This includes materials such as fertilizer and pesticide paper sacks or paper containers, where the sacks or containers are emptied in the fields. This does not include, such items as shop wastes, demolition materials, garbage, oil filters, tires, plastic pesticide containers (except for paper pesticide containers), broken boxes, pallets, or other similar material, or orchard or vineyard wastes removed for land use conversion to non-agricultural purposes.

**204 AIR CONTAMINANT:** Any discharge, release or other propagation directly into the atmosphere. It includes, but is not limited to, smoke, dust, charred paper, soot, grime, carbon, noxious acids, fumes, gases, odors, particulate matter, or any combination thereof.

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

**206 AIR QUALITY:** The characteristics of the ambient air as indicated by state ambient air quality standards which have been adopted by the ARB pursuant to

Section 39606 of the Health and Safety Code and by National Ambient Air Quality Standards which have been established pursuant to Sections 108 and 109 of the federal Clean Air Act pertaining to criteria pollutants and Section 169A of the federal Clean Air Act pertaining to visibility.

- 207 ALLOWABLE COMBUSTIBLES:** Vegetation originating on the premises and reasonably free of dirt, soil, and visible surface moisture.
- 208 ALTERATION:** Any addition to, enlargement of, replacement of, or any major modification or change of the design, capacity, process, or arrangement, or any increase in the connected loading of equipment or control apparatus, which will increase or affect the kind and/or amount of air contaminants emitted.
- 209 APPROVED IGNITION DEVICES:** Those instruments or materials that will ignite open outdoor fires without the production of black smoke by the ignition device. This would include such items as liquid petroleum gas, butane, propane, or diesel oil burners, flares, or other similar material as approved by the Air Pollution Control Officer. This does not include tires, tar, tar paper, oil and other similar materials.
- 210 ARB:** The California State Air Resources Board or any person authorized to act on its behalf.
- 211 BOARD:** The Board of Directors of the Placer County Air Pollution Control District.
- 212 BRUSH TREATMENT:** Vegetation which has been felled crushed or up-rooted with mechanical equipment or which has been desiccated with herbicides.
- 213 BULK PLANT:** A distribution plant which receives organic liquids; stores them in stationary tanks; and loads them into tank trucks for delivery to other bulk plants, service stations or storage tanks.
- 214 BURN BARREL:** A metal container used outdoors for the purpose of disposal.
- 215 CITRUS HEATER:** Any article, machine, equipment, or other contrivance, burning any type of fuel or material capable of emitting air contaminants, used or capable of being used for the purpose of giving protection from frost damage.
- 216 COMBUSTIBLE:** Any substance capable of burning or any substance that will readily burn.
- 217 COMBUSTIBLE WASTE OR SUBSTANCES:** Any garbage, rubbish, trash, rags, paper, boxes, crates, excelsior, ashes, offal, carcass of a dead animal, petroleum product waste or any other combustible or flammable refuse material.
- 218 COMBUSTION CONTAMINANT:** Any particulate matter discharged into the atmosphere from the burning of any material which contains carbon in either the free or the combined state.
- 219 CONDENSED FUMES:** Minute solid particles generated by the condensation of vapors from solid matter after volatilization from the molten state, or may be

generated by sublimation, distillation, calcination, or chemical reaction, when these processes create airborne particles.

- 220 CONSTRUCTION-DEMOLITION DEBRIS:** Any material associated with the construction or demolition of any building, dwelling, or other man-made structure, including but not limited to lumber, tar paper, roofing material, wiring, flooring material, insulation, and plywood.
- 221 DAILY:** A 24-hour period beginning at 12:00 AM local time.
- 222 DESIGNATED AGENCY:** Any agency designated by the ARB and Placer County Air Pollution Control District as having authority to issue Agricultural Burn Permits.
- 223 DISALLOWED COMBUSTIBLES:** Any waste or manufactured material, including but not limited to petroleum products and petroleum wastes; construction and demolition debris; coated wire; putrescible (rotten wastes) and non-putrescible solid, semisolid and liquid materials or wastes; tires; tar; tarpaper; non-natural wood waste; processed or treated wood and wood products; metals; motor vehicle bodies and parts; rubber; synthetics; plastics, including plastic film, twine and pipe; fiberglass; styrofoam; garbage; trash; refuse; rubbish; disposable diapers; ashes; glass; industrial wastes; manufactured products; equipment; instruments; utensils; appliances; furniture; cloth; rags; paper or paper products; cardboard; boxes; crates; excelsior; offal; swill; carcass of a dead animal; manure; human or animal parts or wastes, including blood; and fecal- and food-contaminated material.
- 224 DISTRICT:** The Placer County Air Pollution Control District.
- 225 DUST:** The minute solid particles released into the air by natural forces or by mechanical processes such as crushing, grinding, milling, drilling, demolishing, shoveling, conveying, covering, bagging, sweeping, or other similar process.
- 226 EMISSION:** The act of releasing or discharging air contaminants into the atmosphere from any source.
- 227 EMISSION POINT:** The place, located in a horizontal plane and vertical elevation, at which an emission enters the atmosphere.
- 228 EXEMPT COMPOUNDS:** Organic compounds which are exempt from the definition of Volatile Organic Compounds (VOC) include: carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and all compounds included in Title 40, Part 51, Subpart F of the Code of Federal Regulations (40 CFR 51.100, Definitions) which have been determined to have negligible photochemical reactivity.
- 229 FIRE PROTECTION AGENCY:** Any agency with the responsibility and authority to protect people, property, and the environment from fire, and having jurisdiction within the District.
- 230 FLAMMABLE WASTE:** Any garbage, rubbish, trash, rags, paper, boxes, crates, excelsior, ashes, offal, carcass of a dead animal, petroleum product waste or any other combustible or flammable refuse material.

- 231 FLUE:** Any duct or passage for air or other gases, including but not limited to a stack or a chimney.
- 232 FOREST MANAGEMENT BURNING:** The use of open outdoor fires, as part of a forest management practice, to remove forest debris. Forest management practices include timber operations, silvicultural practices and forest production practices.
- 233 FOSSIL FUEL:** Natural gas, petroleum, coal and any form of solid, liquid, or gaseous fuel derived from such materials.
- 234 FOSSIL FUEL-FIRED STEAM GENERATOR:** A furnace or boiler used in the process of burning fossil fuel for the primary purpose of producing steam by heat transfer.
- 235 HEARING BOARD:** The Hearing Board of the Air Pollution Control District of Placer County.
- 236 HYDROCARBON:** Any compound of carbon containing hydrogen.
- 237 IMMINENT AND SUBSTANTIAL ECONOMIC LOSS:** The loss of a planting season or irreparable harm to a crop.
- 238 INCINERATION:** An operation in which combustion is carried on for the principal purpose, or with the principal result of oxidizing a waste material to reduce its bulk or facilitate its disposal.
- 239 INCINERATOR:** Any furnace or other closed fire chamber used to dispose of combustible waste by burning, and from which the products of combustion are directed through a flue or chimney.
- 240 INSTALLATION:** The placement, assemblage, or construction of equipment or control apparatus at the premises where the equipment or control apparatus will be used, including all preparatory work at such premises.
- 241 LAKE TAHOE AIR BASIN:** That area as defined by Section 60113, Title 17, California Administrative Code.
- 242 MOUNTAIN COUNTIES AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60111 (I), the Mountain Counties Air Basin includes all of Placer County except that portion included in the Lake Tahoe Air Basin, defined by 17 CCR 60113(b), and that portion included in the Sacramento Valley Air Basin, defined by 17 CCR 60106(k).
- 243 NO BURN DAY:** Any day on which agricultural burning including prescribed burning, is prohibited by the ARB or the APCO.

- 244 OPEN BURNING OR OPEN OUTDOOR FIRE:** Burning of any combustibles of any type, outdoors in the open air, where the products of combustion are not directed through a flue.
- 245 OPERATOR:** Person, who owns, operates, controls or supervises an affected facility, or a stationary source of which an affected facility is a part.
- 246 ORCHARD HEATER:** Any article, machine, equipment, or other contrivance, burning any type of fuel or material capable of emitting air contaminants, used or capable of being used for the purpose of giving protection from frost damage.
- 247 OWNER:** Person who owns, operates, controls or supervises an affected facility, or a stationary source of which an affected facility is a part.
- 248 PARTICULATE MATTER (PM):** Any material except uncombined water, which can exist in a finely divided form as a liquid or solid at standard conditions.
- 249 PERMISSIVE BURN DAY OR BURN DAY:** Any day in which agricultural burning including prescribed burning, is not prohibited by the ARB and/or the APCO.
- 250 PERSON:** Any person, firm, association, organization, partnership, business trust, corporation, company, contractor, supplier, installer, operator, user, owner, any government agency, public district or any officer or employee thereof.
- 251 POLLUTANT:** Any discharge, release or other propagation directly into the atmosphere. It includes, but is not limited to, smoke, dust, charred paper, soot, grime, carbon, noxious acids, fumes, gases, odors, particulate matter, or any combination thereof.
- 252 PROCESS WEIGHT PER HOUR:** The total weight, including contained moisture, of all materials introduced into any specific process, which process may cause any discharge into the atmosphere. Solid fuels charged will be considered as part of the process weight, but liquid and gaseous fuels and combustion air will not. (The process weight per hour will be derived by dividing the total process weight introduced, by the number of hours in one complete operation, from the beginning of any given process to the completion thereof, excluding any time during which the equipment is idle.)
- 253 PUBLIC RECORD:** Any record made available to the public by law, containing information relating to the conduct of the public's business that is prepared, owned, used or retained by the District, except trade secrets as provided for in Section 6254.7 of the California Government Code and relevant sections of the California Administrative Code.
- 254 QUARTERLY:** Calendar quarter beginning January 1, April 1, July 1, and October 1.
- 255 RANGE IMPROVEMENT BURNING:** The use of open outdoor fires to remove vegetation for a wildlife, game or livestock habitat, or for the initial establishment of an agricultural practice on previously uncultivated land.

- 256 RECORD:** Handwriting, typewriting, printing, photocopying, photographing, and every other means of recording upon any form of communication or representation, including letters, words, pictures, sounds, or symbols, or any combination thereof, and all papers, maps, magnetic or paper tapes, photographed films and prints, magnetic or punched cards, magnetic disks, drums, and other documents.
- 257 RESIDENCE:** A single or two-family dwelling unit and the land and ancillary (non-residential) structures.
- 258 SACRAMENTO VALLEY AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60106(k), the basin includes that portion of Placer County which lies west of Range 9 east, Mount Diablo Base and Meridian (M.D.B. & M.).
- 259 SECTION:** A Section of the Health and Safety Code of the State of California, unless some other statute is specifically mentioned.
- 260 SILVICULTURAL PRACTICES:** The establishment, development, care and reproduction of stands of timber.
- 261 SOLID PARTICULATE MATTER:** Any material except uncombined water, which can exist in a finely divided form as a solid at standard conditions.
- 262 STANDARD CONDITIONS:** A gas temperature of 60 degrees Fahrenheit and a gas pressure of 14.7 pounds per square inch absolute. Results of all analyses and tests shall be calculated and reported at this gas temperature and pressure.
- 263 STANDARD CUBIC FOOT OF GAS:** The amount of gas that would occupy a volume of one (1) cubic foot, if free of water vapor, at standard conditions.
- 264 TIMBER OPERATIONS:** Cutting or removal of timber or other forest vegetation.
- 265 VOLATILE ORGANIC COMPOUND (VOC):** Any chemical compound containing at least one atom of carbon except for those listed as "Exempt Compounds"
- 266 WOOD-FIRED BOILER:** Any boiler used for steam generation, from which the products of combustion are directed through a flue or chimney and which derives at least 80 percent of its fuel input heat content from wood, or APCO approved wood-associated waste.
- 267 YEARLY:** A calendar year beginning on January 1 at 12:00 AM.

**ATTACHMENT #2**

**SUBJECT:**

**Rule 102 Amendment Staff Report**

**PLACER COUNTY  
AIR POLLUTION CONTROL DISTRICT**

**STAFF REPORT**

**PROPOSED RULE AMENDMENT TO  
RULE 102, DEFINITIONS**

**February 29, 2020**

Staff Report: Proposed Revision to Rule 102, Definitions  
 February 29, 2020  
 Page 2

## **BACKGROUND**

Placer County Air Pollution Control District (District) Rule 102, Definitions, establishes consistent meanings of select terms used throughout the District rule book. Rule 102 was last amended by the District on February 9, 2012.

The District is proposing to change Rule 102, Section 228, which defines “Exempt Compounds”. Exempt compounds are those organic species which are not included as volatile organic compounds (VOCs) because they have negligible photochemical reactivity and contribution to ozone formation and have low toxicity to human health and the environment. The exempt compound term is referenced in District rules that control VOCs, including Rule 212, Storage of Organic Liquids, Rule 216, Organic Solvent Cleaning and Degreasing Operations, Rule 218, Architectural Coatings, Rule 234, Automotive Refinishing, Rule 235, Adhesives, Rule 223, Metal Container Coating, Rule 236, Wood Products Coating, Rule 238, Factory Coating of Flat Wood Paneling, Rule 239, Graphic Arts, Rule 240, Surface Preparation and Cleanup, Rule 243, Polyester Resin Operations, 245, Surface Coating of Metal Parts, and 249, Surface Coating of Plastic Parts. Exempt compounds are referred to those defined in Rule 102 for all rules except Rule 223, Metal Container Coating.

The District is proposing to define exempt compounds by reference to the United States Environmental Protection Agency (U.S. EPA) list of exempt compounds contained in Title 40, Part 51, Subpart F of the Code of Federal Regulations (40 CFR 51.100, Definitions). Currently, the Rule 102 exempt compound definition has a fixed list of compounds that does not include all compounds on the U.S. EPA list. We are proposing the change to:

- Remain current with the latest advances and progress in ozone formation dynamics and associated atmospheric chemistry science and research that is represented by the dynamic U.S. EPA list.
- Avoid having to amend Rule 201 each time a new exempt compound is added or subtracted from the U.S. EPA list.

Numerous other Air Districts directly reference the U.S. EPA list (including Bay Area, San Luis Obispo, Monterey, San Diego, and Mohave) or have exempted compounds identical to the U.S. EPA list (Ventura).

## **DISCUSSION**

Table 1 compares the U.S. EPA list with the current District list.

The U.S. EPA exempt compound list contains all of those in the current Rule 102 except for:

Carbon monoxide  
 Carbon dioxide  
 Carbonic acid  
 Metallic carbides or carbonates  
 Ammonium carbonate

The U.S. EPA exempt compound list contains the following additional organic species that are not in the current rule 102:

3,3-dichloro-1,1,1,2,2-pentafluoropropane (HCFC-225ca)  
 1,3-dichloro-1,1,2,2,3-pentafluoropropane (HCFC-225cb)  
 1,1,1,2,3,4,4,5,5,5-decafluoropentane (HFC 43-10mee)  
 difluoromethane (HFC-32)

Staff Report: Proposed Revision to Rule 102, Definitions

February 29, 2020

Page 3

ethylfluoride (HFC-161)  
 1,1,1,3,3,3-hexafluoropropane (HFC-236fa)  
 1,1,2,2,3-pentafluoropropane (HFC-245ca)  
 1,1,2,3,3-pentafluoropropane (HFC-245ea)  
 1,1,1,2,3-pentafluoropropane (HFC-245eb)  
 1,1,1,3,3-pentafluoropropane (HFC-245fa)  
 1,1,1,2,3,3-hexafluoropropane (HFC-236ea)  
 1,1,1,3,3-pentafluorobutane (HFC-365mfc)  
 chlorofluoromethane (HCFC-31)  
 1 chloro-1-fluoroethane (HCFC-151a)  
 1,2-dichloro-1,1,2-trifluoroethane (HCFC-123a)  
 1,1,1,2,2,3,3,4,4-nonafluoro-4-methoxy-butane (C4F9OCH3 or HFE-7100)  
 2-(difluoromethoxymethyl)-1,1,1,2,3,3,3-heptafluoropropane ((CF3)2CF2OCH3)  
 1,1,1,2,2,3,3-heptafluoro-3-methoxy-propane (n-C3F7OCH3, HFE-7000)  
 3-ethoxy- 1,1,1,2,3,4,4,5,5,6,6,6-dodecafluoro-2-(trifluoromethyl) hexane (HFE-7500)  
 1,1,1,2,3,3,3-heptafluoropropane (HFC 227ea)  
 methyl formate (HCOOCH3)  
 1,1,1,2,2,3,4,5,5,5-decafluoro-3-methoxy-4-trifluoromethyl-pentane (HFE-7300)  
 trans-1,3,3,3-tetrafluoropropene  
 HCF2OCF2H (HFE-134)  
 HCF2OCF2OCF2H (HFE-236cal2)  
 HCF2OCF2CF2OCF2H (HFE-338pcc13)  
 HCF2OCF2OCF2CF2OCF2H (H-Galden 1040x or H-Galden ZT 130 (or 150 or 180))  
 trans 1-chloro-3,3,3-trifluoroprop-1-ene  
 2,3,3,3-tetrafluoropropene  
 2-amino-2-methyl-1-propanol  
 1,1,2,2- Tetrafluoro -1-(2,2,2-trifluoroethoxy) ethane  
 cis-1,1,1,4,4,4-hexafluorobut-2-ene (HFO-1336mzz-Z)

Thus, the new Rule 102, Section 228, exempt compound definition is proposed as:

**“EXEMPT COMPOUNDS:** Organic compounds which are exempt from the definition of Volatile Organic Compounds (VOC) include: carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and all compounds included in Title 40, Part 51, Subpart F of the Code of Federal Regulations (40 CFR 51.100, Definitions) which have been determined to have negligible photochemical reactivity.”

## ANALYSIS

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

### 1. **Cost-Effectiveness of a Control Measure**

California Health and Safety Code Section 40703 requires a District to consider and make public “the cost-effectiveness of a control measure”. The proposed use of the U.S. EPA list of exempt compounds will improve the cost effectiveness of existing District rules that control VOCs because it will provide additional compliance options for coating formulations.

### 2. **Socioeconomic Impact**

California Health and Safety Code Section 40728, in relevant part, requires the Board to consider the socioeconomic impact of any new or amended rule if air quality or emission

limits are significantly affected. The proposed use of the U.S. EPA list of exempt compounds will lower compliance costs without causing adverse environmental impacts.

### 3. **Environmental Review and Compliance**

California Public Resources Code Section 21159 requires an environmental analysis of the reasonably foreseeable methods of compliance should be conducted. There will be no adverse environmental impacts caused by compliance with the proposed rule amendment.

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

## **FINDINGS**

- A. **Necessity:** The adoption of proposed amended Rule 102 satisfies the Districts objective to reduce VOCs to achieve attainment with ambient air standards for ozone.
- B. **Authority:** California Health and Safety Code, Sections 40000, 40001, 40701, 40702, 40716, 41010, and 41013, are provisions of law that provide the District with the authority to adopt this proposed amended Rule.
- C. **Clarity:** There is no indication, at this time, that the proposed amended Rule is written in such a manner that persons affected by the Rule cannot easily understand them.
- D. **Consistency:** The proposed amended Rule is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.
- E. **Non-duplication:** The proposed amended Rule does not impose the same requirements as an existing state or federal regulation.
- F. **Reference:** All statutes, court decisions, and other provisions of law used by the District in interpreting this proposed amended Rule are incorporated into this analysis and this finding by reference.

## **SUMMARY**

The District proposes to amend Rule 102, Definitions, Section 228, to define exempt compounds by reference to the U.S. EPA list of exempt compounds contained in Title 40, Part 51, Subpart F of the Code of Federal Regulations (40 CFR 51.100, Definitions). This is to remain current with the latest science advancements and to avoid multiple future rule amendments. There will be a small cost reduction to compliance with District VOC rules and no adverse air quality impacts.



## Board Agenda Item 6

### *Public Hearing/Action*

**Agenda Date:** June 11, 2020

**Prepared By:** Bruce Springsteen, Compliance and Enforcement Manager

**Topic:** Approval of the “2020 Reasonably Available Control Technology State Implementation Plan Analysis” Staff Report, dated May 2020

#### **Action Requested:**

Conduct a Public Hearing for the 2020 Reasonably Available Control Technology State Implementation Plan Analysis, and adopt Resolution #20-04 (Attachment #1), thereby:

- 1) Approving the “2020 Reasonably Available Control Technology State Implementation Plan Analysis” Staff Report, dated May 2020;
- 2) Approving a “Negative Declaration” of “No Sources to Regulate for Volatile Organic Compounds” for the following source categories: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations; and
- 3) Approving the District’s submittal as a revision to the State Implementation Plan.

**Background:** The District is classified as “moderate” non-attainment for the Federal 2015 eight-hour ozone ambient air quality standard, and classified as non-attainment for the California ozone standard. The District is required by the United States Environmental Protection Agency (U.S. EPA) to demonstrate that our State Implementation Plan (SIP) rules fulfill Reasonably Available Control Technology (RACT) requirements for ozone precursors of volatile organic compounds and nitrogen oxides. RACT is defined as “the lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering technological and economic feasibility” (44 FR 53762; September 17, 1979). RACT requires that District rules cover both: (1) source categories for which there is RACT guidance and for which there are affected sources that operate in the District, and (2) major sources in the District. The analysis involved a thorough comparison of all RACT guidance documents with existing District rules and sources that operate in the District, as well as more stringent control measures adopted by other regional air districts. The RACT SIP analysis evaluates whether the District has adopted necessary rules that meet RACT and whether sources exist in Placer County that exceed guidance thresholds.

**Discussion:** The District’s RACT SIP findings are contained in the “2020 Reasonably Available Control Technology State Implementation Plan Analysis” Staff Report, dated May 2020, included as Attachment #2. The analysis determined our existing rules sufficiently meet the RACT requirements, with the exception of Rule 216, Organic Solvents. The change to Rule

216 would entail the elimination of an exemption which is not currently applicable to any operating source in the District. Otherwise, no new District rules are required, and conforming amendments to Rule 216 will be proposed in the coming year to meet RACT.

The District also prepared a negative declaration for the following source categories for which there is an applicable Federal Control Techniques Guidelines (CTG) document, but for which there are no operating sources in the District subject to the CTGs: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations.

Staff has determined that the 2020 RACT SIP Analysis is an action by a regulatory agency for the protection of the environment. Therefore, the findings are categorically exempt from California Environmental Quality Act (CEQA) pursuant to Title 14, California Administrative Code, Section 15308.

Public notification and outreach to impacted stakeholders for the RACT analysis findings and Board action was prepared and released in a local newspaper of general circulation on May 9, 2020, and the notice and supporting documents were made available on the District website. Notice was also provided to U.S. EPA, California Air Resources Board, and to other air districts in the Sacramento region.

**Fiscal Impact:** No economic impact is anticipated because the RACT findings require an inconsequential amendment to Rule 216. The fiscal impact of any new rules and rule revisions that are recommended as part of the RACT SIP analysis will be evaluated in detail with each separate future rulemaking action. The fiscal impact will be provided to the Board for evaluation and approval prior to any potential future rulemaking adoptions recommended in the RACT SIP analysis.

**Recommendation:** Staff recommends adoption of Resolution #20-04 in a public hearing, thereby: (1) approving the findings of the “2020 Reasonably Available Control Technology State Implementation Plan Analysis” Staff Report, dated May 2020; and (2) approving the “Negative Declaration” that there are “No Sources to Regulate for Volatile Organic Compounds (VOC)” in the District for the above listed source categories.

**Attachments:** #1: Resolution #20-04

#2: “2020 Reasonably Available Control Technology State Implementation Plan Analysis Report” Staff Report, dated May 2020.

**Attachment #1**

**SUBJECT:**

Resolution #20-04



Board Resolution:  
*Resolution # 20-04*

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

---

**In the Matter Of:** 2020 Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Analysis, dated May 2020; and the “Negative Declaration” certifying there are no sources within the District’s jurisdiction that are subject to certain Control Techniques Guidelines documents, and no major stationary sources of VOC

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **June 11, 2020**, by the following vote:

Ayes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Noes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Abstain: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Signed and approved by me after its passage:

\_\_\_\_\_ Chairperson

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

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

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

**WHEREAS**, portions of the District have been designated as “moderate” non-attainment areas for the federal 2015 8-hour ozone standard pursuant to the Federal Clean Air Act Amendments of 1990 (FCAA); and

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

**WHEREAS**, the Placer County Air Pollution Control District Board of Directors (District Board) has determined that adopting the findings of 2020 RACT SIP analysis are necessary to comply with requirements of California Health and Safety Code Sections 40001 and 40910, and with Sections 110(a)(2), 182(f) and 182(b)(2) of the FCAA; and

**WHEREAS**, the District Board has determined in the 2020 RACT SIP Analysis that there are either no sources that operate in the District, or no sources exceed Control Technique Guideline (CTG) RACT Guidance emissions thresholds, for the source categories of: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations; and has no major stationary sources of VOCs; and

**WHEREAS**, the District Board has determined that the adoption of a “Negative Declaration” for the above identified source categories is necessary to comply with requirements of California Health and Safety Code Sections 40001 and 40910, and with Title 1, Part D, Subpart 2, Section 182(b)(2), of the 1990 Federal Clean Air Act Amendments for the submittal of Reasonable Available Control Technology rules; and

**WHEREAS**, the 2020 RACT SIP Analysis’ and “Negative Declaration” findings are categorically exempt from California Environmental Quality Act (CEQA) pursuant to Title 14, California Administrative Code, Section 15308, as an action by a regulatory agency for the protection of the environment; and

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

**NOW, THEREFORE, BE IT RESOLVED**, that the District Board approves and adopts the findings of the 2020 Reasonably Available Control Technology State Implementation Plan (RACT

SIP) Analysis, dated May 2020, and directs the District to implement the RACT SIP Analysis Report's recommendations; and

**BE IT FURTHER RESOLVED**, that the District Board approves and adopts the "Negative Declaration" certifying that in the District there are either no sources or no sources that exceed CTG RACT guidance emission thresholds for the source categories of: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations; and has no major stationary sources of VOC; and therefore the "Negative Declaration" is made that, for these source categories, the requirements of Section 182(b)(2) of the CAAA are not presently applicable to the District; and

**BE IT FURTHER RESOLVED**, that the Air Pollution Control Officer is hereby authorized and directed to submit this 2020 RACT SIP Analysis and "Negative Declaration" as a requested revision to the State Implementation Plan, in the form required by the California Air Resources Board and the United States Environmental Protection Agency, on behalf of the District; and

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

**Attachment #2**

**SUBJECT:**

“2020 Reasonably Available Control Technology  
State Implementation Plan Analysis” Staff Report, dated May 2020

**PLACER COUNTY  
AIR POLLUTION CONTROL DISTRICT**

**STAFF REPORT**

**2020 Reasonably Available Control Technology  
State Implementation Plan Analysis**

**Compliance with the Federal 2015 Eight-Hour Ozone NAAQS**

**May 2020**

## Contents

Background  
Methodology  
RACT Evaluation  
Analysis  
Findings  
Summary

### Tables

1. Federal RACT Guidance Documents (CTGs)
2. Existing District Rules that Control NOx or VOCs
3. Negative Declarations
4. Every Feasible Measure

Attachment 1. RACT Evaluating of Existing District Rules

## **BACKGROUND**

### **Purpose**

The Placer County Air Pollution Control District (District) is required to update the Reasonably Available Control Technology State Implementation Plan (“RACT SIP”) analysis. This is a result of the District’s classification as “moderate” non-attainment with the Federal 2015 eight-hour ozone National Ambient Air Quality Standard (NAAQS) of 0.070 ppmv.

### **District Air Quality Attainment Status**

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

The portions of Placer County in the SVAB and MCAB are included in the Sacramento Federal Ozone Non-Attainment Area (SFONA). The SFONA has been classified as “moderate” non-attainment for the Federal 2015 eight-hour ozone NAAQS of 0.070 ppmv, with an attainment deadline of August 4, 2024 (83 FR 25776).

The SFONA’s attainment deadline for the less stringent (0.075 ppmv) 2008 Ozone NAAQS is July 7, 2025. The SFONA Districts are therefore voluntarily requesting a reclassification of the federal 2015 Ozone NAAQS nonattainment status to “serious” to allow for a new attainment deadline of August 4, 2027.

### **Federal RACT SIP Requirement**

The U.S. Environmental Protection Agency’s (U.S. EPA) Phase 2 Ozone Rule (40 CFR 51.912 and 70 FR 71612), and more recent Ozone Implementation Rule for the 2015 Ozone Standard (83 FR 62998), require that areas classified as moderate non-attainment or higher demonstrate in a State Implementation Plan (SIP) that District rules fulfill Reasonably Available Control Technology (RACT) requirements for ozone precursors of volatile organic compounds (VOC) and nitrogen oxides (NOx). This is in accordance with Federal Clean Air Act Amendments of 1990 (CAAA), Sections 182(b)(2) and 182(f).

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

- Rules covering source categories with RACT guidance documents -- including Control Techniques Guideline (CTG) -- issued by U.S. EPA, for which there are sources in the District with VOC emission levels triggering RACT guidance document thresholds. CTG guidance must be adopted in District rules, and RACT SIP revisions, generally within one year of the CTG issuance date.
- Rules consider the controls implemented by other regional and local air districts.
- Rules covering all major sources of NOx or VOC in the District.

## State of California Ozone Reduction Requirements

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

Additionally, the District requires the use of Best Available Retrofit Control Technology (BARCT) for VOC and NO<sub>x</sub> as required under State of California Health and Safety Code Section 40919.

## District Planning History

The District has adopted numerous air quality attainment plans since 1991 to move toward attainment of the ozone NAAQS. Over 100 new rules and amendments have been adopted to meet the commitments in these attainment plans. The District will work cooperatively with other air districts in the SFONA to prepare an “Eight-Hour Ozone Attainment Plan” for achieving the Federal 2015 eight-hour ozone NAAQS of 0.070 ppm.

Title	Board Adoption
1991 Placer County Air Quality Attainment Plan	March 1992
1994 Ozone Attainment Demonstration Plan	December 1994
1997 Triennial Progress Report	July 1998
1999 Sacramento Area Regional Milestone Report	April 2000
2000 Triennial Progress Report	April 2001
2002 Sacramento Area Regional Milestone Report	May 2003
2003 Triennial Progress Report	October 2005
Sacramento Regional Non-Attainment Area Eight-Hour Ozone Rate-of-Progress Plan	February 2006
Sacramento Regional Non-Attainment Area Eight-Hour Ozone and Reasonable Further Progress Plan	February 2009
2009 Triennial Progress Report	August 2010
2012 Triennial Progress Report	October 2013
Sacramento Regional PM <sub>2.5</sub> Implementation/Maintenance Plan and Re-Designation Request	February 2014
2014 RACT SIP for Federal 2008 Eight-Hour Ozone Standard	April 2014
2019 RACT SIP for Oil and Natural gas Industry Source Category	December 2019

## District RACT SIP History

The District’s last thorough RACT SIP analysis was accomplished in 2014. This analysis was required when the SFONA was classified as “severe-15” for the Federal 2008 eight-hour ozone NAAQS. The RACT SIP was approved by the District Board on April 14, 2014; and subsequently approved by the U.S. EPA on September 14, 2017 (82 FR 38604). The 2014 RACT SIP determined no new District rules or existing District rule amendments were required.

Since then, on October 27, 2016, U.S. EPA released a CTG for the Oil and Natural Gas Industry (EPA-453/B-16-001). The District has reviewed its permit files and emission inventory and has determined that there are no such stationary sources or emitting facilities in the nonattainment area under the District’s jurisdiction. Therefore, there is no requirement to adopt a rule for those sources. The District Board approved a negative declaration for the CTG for the Oil and Natural Gas Industry

source category on December 12, 2019. The negative declaration was submitted to U.S. EPA on January 21, 2020 for final approval.

## **METHODOLOGY**

### **RACT SIP**

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

- **Source Category Identification:** Identify all source categories in the District that require RACT. These include:
  - Source categories which have applicable RACT guidance (U.S. EPA issued CTGs), and for which any sources (either minor or major) operate in the District.
  - Source categories for which major sources of NO<sub>x</sub> or VOC operate in the District.
- **RACT Determination:** For each source category that requires RACT, identify if there is a District rule. If there is no rule, then a new District rule that meets RACT must be developed and promulgated. If there is an existing District rule, then a determination must be made if the existing District rule reflects RACT. This is based on an analysis of the applicable District rule with guidance and regulations used to establish RACT:
  - **Federal U.S. EPA:** Control Techniques Guidelines (CTG) for VOC control and Alternative Control Techniques (ACT) for NO<sub>x</sub> control.
 

This might also consider other rules as appropriate that control VOC and NO<sub>x</sub>, potentially including Maximum Achievable Control Technology (MACT) and National Emissions Standards for Hazardous Air Pollutants (NESHAP) Standards, and New Source Performance Standards (NSPS).
  - **State:** California Air Resources Board (CARB) Suggested Control Measures, and State RACT guidance.
  - **Local:** Rules from local air districts in the Sacramento region.

The RACT determination will identify for each source category:

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

To determine if there are any facilities operating within the District with a source category with RACT guidance, the following checks are conducted:

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

## Every Feasible Measure

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

## RACT EVALUATION

### Identification of Source Categories

Source categories considered for the RACT SIP analysis include:

#### Federal RACT Guidance Documents

Table 1 lists source categories affected by Federal RACT guidance documents -- all U.S. EPA issued CTGs.

There has been only one new CTG (Oil and Natural Gas Industry, EPA-453/B-16-001) published since our last previous RACT SIP analysis of April 2014. For this source category (Oil and Natural Gas Industry) the District does not have any applicable sources per a Negative Declaration approved by the District Board on December 12, 2019.

#### District VOC and NOx Rules

Table 2 lists the District prohibitory rules (21) that limit NOx or VOC at existing District sources.

This is the same list as the previous RACT SIP analysis of April 2014.

#### Major Sources of NOx and VOC

District Rule 502, New Source Review, defines major sources as those with permitted potential to emit (PTE) greater than 25 tons per year of NOx or VOC. There are three major sources of NOx in the District:

- Rio Bravo Rocklin. Biomass electricity boiler with the PTE of 131 tons/yr NOx.
- Sierra Pacific Industries. Biomass cogeneration boiler with PTE of 164 tons/yr NOx.
- Roseville Electric Energy Park. Natural gas turbines with PTE of 31 tons/yr NOx.

These sources represent two source categories with existing District rules that control NOx: Rule 233, Biomass Boilers, and Rule 250, Stationary Gas Turbines.

The District does not have any sources with permitted VOCs that exceed the major source threshold (i.e., sources that emit or have the potential to emit at least 25 tons per year).

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

Confined animal feeding lots in the District have estimated VOC emissions an order of magnitude below the major source threshold.

PABCO/Gladding McBean is a major source for CO emissions only. Thus, a RACT rule is not required for this source.

There are no new major sources of emissions in the District since the previous RACT SIP Analysis in April 2014, and these are the same major sources analyzed in that RACT SIP.

## **RACT Determination**

### Federal RACT Guidance Documents

Table 1 lists each of the currently available Federal CTGs. For each CTG source category, it identifies whether there are sources that operate in the District in the category, and if so, the District prohibitory rule for that category.

There are 20 CTGs for which there are District sources and for which the CTG is applicable; and 2 for which we have sources but none of them meet the CTG applicability threshold. For each of the 20 CTGs for which there are applicable District sources, the District has an existing prohibitory rule. As discussed below, each of these rules meet RACT except for Rule 216, Organic Solvent and Degreasing, which the District commits to amend in the coming year.

### Existing District Rules Determined to Meet RACT

Table 2 lists all (21) of the District prohibitory rules that control NO<sub>x</sub> or VOCs. We have determined they all meet RACT requirements except for Rule 216. These include:

- 15 rules that cover CTGs.
- 4 rules that cover minor sources of NO<sub>x</sub> or VOC.
- 2 rules that cover major sources of NO<sub>x</sub>.

Table 2 contains the following information:

- Source category title.
- Applicable federal guidance title, report number, and date; existing District rule number, title, and date of last rule amendment, if any.
- Status and size class of operating sources in the District.
- SIP approval status of the most recent District rule amendment, including Federal Register citation and publication date.
- Basis for the determination that the rule meets RACT.

There have been no amendments made to any SIP-approved rule. These rules, except for Rule 216, have been determined to meet RACT requirements because they have been reviewed and approved by CARB and U.S. EPA, and there has not been more-recent RACT guidance issued for the source category since the rules were SIP approved by U.S. EPA. Also, the rules have been determined to be consistent with state rules and the rules of other districts in the region.

Determination that District rules meet applicable RACT guidance documents is made through a detailed comparison of the rule with RACT compliance requirements, including control measures through recommended limits on the VOC content of coatings and other products, control device efficiency limitations, NO<sub>x</sub> limits from fuel combustion sources, recordkeeping and reporting, and test methods.

Determination that District rules are consistent with rules of other air districts in the region is made through a survey and contact with Sacramento, El Dorado, Feather River and Yolo-Solano Air Districts.

Attachment 1 includes the RACT evaluation of District rules and concludes all existing District rules meet RACT -- except for Rule 216 which the District commits to amend in the coming year.

#### Existing District Rules to be Amended

Existing District Rule 216 will be amended in the coming year to meet RACT, as described in detail in Attachment 1.

#### New District Rules

District rules meet RACT for each source category for which U.S. EPA has prepared a CTG or ACT document, for all sources that exceed RACT guidance thresholds, or for any major source of NO<sub>x</sub> or VOC – except for District Rule 216 which will be amended in the coming year. No new rules are required to meet RACT.

#### Negative Declarations

Table 3 lists the 19 source categories for which there is Federal RACT guidance (CTG), but for which the District has determined there are no sources in the category, or if any sources were found, the source's potential VOC and NO<sub>x</sub> emissions are below the RACT guidance applicability threshold.

New sources are subject to the requirements of District Rule 502, New Source Review, which are significantly more stringent than RACT.

Table 3 also lists 14 source categories for which there is ACT guidance, but for which the District does not have any such sources.

The District has determined there are no major sources<sup>1</sup> of VOC emissions under permit.

#### **Every Feasible Measure**

Table 4 lists all source categories for which the state has identified the requirement of an evaluation for the need of Every Feasible Measure. Existing District rules satisfy EFM requirements, as documented in Table 4.

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

The District has no current outstanding and unfulfilled commitments for new rules as part of the latest “Sacramento Regional 8-Hour Ozone Attainment and Reasonable Further Progress Plan” (Regional Attainment Plan) for the 2008 8-hour ozone standard, which was adopted by the Board Directors on October 12, 2017.

Currently, the District is working cooperatively with our regional air district partners to develop a plan for upcoming compliance with the Federal 2015 eight-hour ozone standard. If any additional control strategy is identified, this will likely result in selection of new rulemakings for additional source categories.

---

<sup>1</sup> A major source is defined as a stationary source that emits or has the potential to emit at least 25 tons per year.

## **ANALYSIS**

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

### **1. Cost-Effectiveness of a Control Measure**

California Health and Safety Code Section 40703 requires the District to consider and make public the "cost-effectiveness" of District control measures. The cost effectiveness of the RACT SIP Analysis findings and recommendation -- the new rules and rule amendments needed to meet RACT -- will be assessed in detail when each of the separate rules are developed and adopted by the Board in the future to ensure that they are acceptable. There is no immediate cost impact of these RACT SIP Analysis recommendations as there are no new rules needed to meet RACT, and the identified amendment needed for Rule 216 will not have any impact on District source operations.

### **2. Socioeconomic Impact**

California Health and Safety Code Section 40728, in relevant part, requires the Board to consider the socioeconomic impact of any new or amended rule if air quality or emission limits are significantly affected. The expected socioeconomic impact of the RACT SIP Analysis (and new rules and rule amendments to meet RACT) will be assessed when the rules are adopted to ensure that they are acceptable. At this time, there are no new rules needed to meet RACT, and Rule 216 requires amendment.

### **3. Environmental Review and Compliance**

California Public Resources Code Section 21159 requires that an environmental analysis of the reasonably foreseeable methods of compliance should be conducted. The RACT SIP analysis (and new rules and rule amendments required to meet RACT) will reduce emissions from sources and will not cause any significant adverse effects on the environment. There are no adverse environmental impacts that will be caused by compliance with the new rules and rule amendments as there are no new rules, and one amendment to Rule 216, needed to meet RACT. Nonetheless, an environmental review will be conducted at the time each rule or rule amendment is proposed for adoption.

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

**FINDINGS**

- A. **Necessity:** The adoption of the RACT SIP Analysis satisfies the District's objective to reduce VOCs to achieve attainment with ambient air standards for ozone, and meets the District's requirements to implement Every Feasible Measure as required under California Health and Safety Code Sections 40919.
- B. **Authority:** California Health and Safety Code, Sections 40000, 40001, 40701, 40702, 40716, 41010, and 41013, are provisions of law that provide the District with the authority to adopt this RACT SIP Analysis.
- C. **Clarity:** There is no indication at this time that the RACT SIP Analysis is written in such a manner that persons affected by the analysis cannot easily understand them.
- D. **Consistency:** The RACT SIP Analysis is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.
- E. **Non-Duplication:** The RACT SIP Analysis does not impose the same requirements as an existing state or federal regulation.
- F. **Reference:** All statutes, court decisions, and other provisions of law used by the District in interpreting this RACT SIP Analysis are incorporated into this analysis and this finding by reference.

**SUMMARY**

The RACT SIP Analysis has determined that existing District rules are sufficient to satisfy the Federal RACT SIP requirement for the Federal 2015 Eight-hour Ozone NAAQS, with the exception of Rule 216. No new District rules are required. Rule 216 will be amended in the coming year to meet RACT.

The District will prepare a negative declaration for the following source categories for which there is an applicable Federal RACT guidance document (CTG) but for which there are no operating sources in the District that are subject to the CTGs (see Table 3 for a complete list of negative declarations):

- Aerospace Coatings
- Automobile and Light-duty Truck Assembly Coatings
- Dry Cleaning (Petroleum)
- Fiber Glass Boat Manufacturing
- Flexible Package Printing
- Large Appliances Surface Coatings
- Magnet Wire
- Metal Furniture Coatings
- Natural Gas/Gasoline Processing
- Oil and Natural Gas
- Paper and Fabric
- Paper, Film, and Foil Coatings
- Pharmaceutical Products
- Polyester Resins Manufacturing
- Refineries
- Rubber Tires
- Ships/Marine Coatings
- Synthetic Organic Chemicals Manufacturing
- Wood Furniture Manufacturing Operations

And a declaration that we do not have any major sources of permitted VOC emissions.

Table 1

Federal RACT Guidance CTG Source Categories

Table 1. Federal RACT Guidance (CTGs)

CTG #	Source Category/Title	PCAPCD Sources	PCAPCD Rule
EPA-450/R-75-102	Design Criteria for Stage I Vapor Control – Gasoline Service Stations	Yes	214
EPA-450/2-77-008	Surface Coating of Cans	Yes	223
EPA-450/2-77-008	Surface Coating of Coils	No	No
EPA-450/2-77-008	Surface Coating of Paper	No	No
EPA-450/2-77-008	Surface Coating of Fabric	No	No
EPA-450/2-77-008	Surface Coating of Automobiles and Light-Duty Trucks	No	No
EPA-450/2-77-022	Solvent Metal Cleaning	Yes	216 / 240
EPA-450/2-77-025	Refinery Vacuum Producing Systems, Wastewater Separators, and Process Unit Turnarounds	No	No
EPA-450/2-77-026	Tank Truck Gasoline Loading Terminals	Yes	215
EPA-450/2-77-032	Surface Coating of Metal Furniture	No	No
EPA-450/2-77-033	Surface Coating of Insulation of Magnet Wire	No	No
EPA-450/2-77-034	Surface Coating of Large Appliances	No	No
EPA-450/2-77-035	Bulk Gasoline Plants	Yes	215
EPA-450/2-77-036	Storage of Petroleum Liquids in Fixed-Roof Tanks	Yes	212
EPA-450/2-77-037	Cutback Asphalt	Yes	217
EPA-450/2-78-015	Surface Coating of Miscellaneous Metal Parts and Products	Yes	245
EPA-450/2-78-029	Manufacture of Synthesized Pharmaceutical Products	No	No
EPA-450/2-78-030	Manufacture of Pneumatic Rubber Tires	No	No
EPA-450/2-78-032	Factory Surface Coating of Flat Wood Paneling	Yes	238
EPA-450/2-78-033	Graphic Arts-Rotogravure and Flexography	Yes	239
EPA-450/2-78-036	Leaks from Petroleum Refinery Equipment	No	No
EPA-450/2-78-047	Petroleum Liquid Storage in External Floating Roof Tanks	Yes	212
EPA-450/2-78-051	Leaks from Gasoline Tank Trucks and Vapor Collection Systems	Yes	213
EPA-450/3-82-009	Large Petroleum Dry Cleaners	No <sup>1</sup>	No
EPA-450/3-83-006	Leaks from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment	No	No
EPA-450/3-83-007	Leaks from Natural Gas/Gasoline Processing Plants	No	No
EPA-450/3-83-008	Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins	No	243 <sup>2</sup>
EPA-450/3-84-015	Air Oxidation Processes in Synthetic Organic Chemical Manufacturing Industry	No	No
EPA-450/4-91-031	Reactor Processes and Distillation Operations in Synthetic Organic Chemical Manufacturing Industry	No	No
EPA-453/R-96-007	Wood Furniture Manufacturing Operations	No <sup>1</sup>	236
EPA-453/R-94-032 61 FR 44050; 8/27/96	ACT Surface Coating at Shipbuilding and Ship Repair Facilities Shipbuilding and Ship Repair Operations (Surface Coating)	No	No
EPA-453/R-97-004 59 FR 29216; 6/06/94	Aerospace MACT and Aerospace (CTG & MACT)	No <sup>1</sup>	No
EPA-453/R-06-001	Industrial Cleaning Solvents	Yes	216 / 240
EPA-453/R-06-002	Offset Lithographic Printing and Letterpress Printing	Yes	239
EPA-453/R-06-003	Flexible Package Printing	No	No
EPA-453/R-06-004	Flat Wood Paneling Coatings	Yes	238
EPA 453/R-07-003	Paper, Film, and Foil Coatings	No	No
EPA 453/R-07-004	Large Appliance Coatings	No	No
EPA 453/R-07-005	Metal Furniture Coatings	No	No
EPA 453/R-08-003	Miscellaneous Metal Parts Coatings -- Metal	Yes	245
EPA 453/R-08-003	Miscellaneous Plastic Parts Coatings -- Plastic Parts	Yes	249
EPA 453/R-08-003	Miscellaneous Plastic Parts Coatings -- Transportation and Business Machine Plastic Parts	No	249
EPA 453/R-08-003	Miscellaneous Plastic Parts Coatings -- Pleasure Craft Plastic Parts	No	249
EPA 453/R-08-003	Miscellaneous Plastic Parts Coatings -- Motor Vehicle	No	249
EPA 453/R-08-004	Fiberglass Boat Manufacturing Materials	No	No
EPA 453/R-08-005	Miscellaneous Industrial Adhesives	Yes	235
EPA 453/R-08-006	Automobile and Light-Duty Truck Assembly Coatings	No	No
EPA 453/B16-001	Oil and Natural Gas Industry	No	No

1: District has sources of this type, but none that meet the applicability threshold of the CTG

2: Rule 243 applies to operations that use polyester resin. The District does not have any sources that manufacture polyester resins.

Table 2

Existing District Rules that Control VOC and NOx

Table 2. Existing District Rules

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Adhesives	Control Technique Guidelines for Miscellaneous Industrial Adhesives (EPA 453/R-08-005, 09/08); NESHAP Subpart FFFF, Misc. Organic Chemical Production and Processes (MON) (11/10/03)	Rule 235, <u>Adhesives</u> (10/11/12)	Minor	78 FR 53680 08/30/13, effective 10/29/13 (10/11/12)	Meets CTG. Consistent with regional air district rules.
Architectural Coatings	National VOC Emission Standards for Architectural Coatings (40 CFR 59 Subpart D, 63 FR 176: 48848, 09/98)	Rule 218, <u>Architectural Coatings</u> (10/14/10)	Minor	76 FR 75795 12/05/11, effective 02/03/12 (10/14/10)	Meets Federal requirements. Meets California's Suggested Control Measure (2007). Consistent with regional air district rules.
Automotive Refinishing	Reduction of Volatile Organic Compound Emissions from Automobile Refinishing (EPA-450/3-88-009, 10/88); National VOC Emission Standards for Automobile Refinish Coatings (40 CFR 59 Subpart B, 09/98)	Rule 234, <u>Automotive Refinishing</u> (10/14/10)	Minor	76 FR 75795 12/05/11, effective 02/03/12 (10/14/10)	Meets Federal requirements. Meet California's Suggested Control Measure (2005). Consistent with regional air district rules.
Boilers, Biomass		Rule 233, <u>Biomass Boilers</u> (06/14/12)	Major	78 FR 53249 08/29/13 (06/14/12)	NOx limit of 115 ppm (on 3-hr average) is consistent with most cost-effective control (non-selective catalytic reduction). Consistent with regional air district rules. Two major sources have federal Title V permit limits of 91 ppmv.
Boilers, Water Heaters ≥ 5 million Btu/hr	NOx Emissions from Process Heaters (EPA-453/R-93-034, 09/93); NOx Emissions from Utility Boilers (EPA-453/R-94-023, 03/94); NOx Emissions from Industrial / Commercial / Institutional Boilers (EPA-453/R-94-022, 03/94)	Rule 231, <u>Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters</u> (10/09/97)	Minor	76 FR 67366 11/01/11, effective 01/03/12 (10/09/97)	Meets ACT.
Cutback Asphalt	Control of VOC from Use of Cutback Asphalt (EPA-450/2-77-037, 12/77)	Rule 217, <u>Cutback and Emulsified Asphalt Paving Materials</u> (10/19/93)	Minor	62 FR 23365 04/30/97 (10/19/93)	Meets CTG. Consistent with regional air district rules.

Table 2. Existing District Rules

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Flat Wood Paneling Coatings	Control of Volatile Organic Emissions from Existing Stationary Sources for Factory Surface Coating of Flat Wood Paneling (EPA-450/2-78-032, 06/78); Control of Volatile Organic Emissions from Existing Stationary Sources Control Technique Guidelines for Flat Wood Paneling Coatings (EPA-453/R-06-004, 09/06)	Rule 238, <u>Factory Coating of Flat Wood Paneling</u> (10/14/10)	Minor	76 FR 71886 11/21/11, effective 01/20/12 (10/14/10)	Meets CTG.
Gas Turbines	NOx Emissions from Stationary Gas Turbines (EPA-453/R-93-007, 01/93)	Rule 250, <u>Stationary Gas Turbines</u> (10/08/15)	Minor and Major (non-CTG source)	81 FR 50348 08/01/16 (10/08/15)	Meets ACT. One major source (Roseville Electric) has NOx and VOC federal permit condition limits that are Best Available Control Technology.
Gasoline Bulk Plants and Terminals	Control of Volatile Organic Emissions from Bulk Gasoline Plants (EPA-450/2-77-035, 12/77); Control of Hydrocarbons from Tank Truck Gasoline Loading Terminals (EPA-450/2-77-026, 12/77); NESHAP Subparts CCCCCC, Gasoline Dispensing Facilities (Area Sources) (1/10/08), R, Gasoline Distribution (Stage 1) (12/14/94), BBBBBB, Gasoline Distribution Bulk Terminals, Bulk Plants, and Pipeline Facilities (Area Sources) (01/10/08); Control of Volatile Organic Compound Leaks from Gasoline tank Trucks and Vapor Collection Systems (EPA-450/2-78-051)	Rule 215, <u>Transfer of Gasoline into Tank Trucks, Trailers, and Railroad Tank Cars at Loading Facilities</u> (06/19/97)	Minor	76 FR 5277 01/31/11 (06/19/97)	Meets CTG.
Gasoline Service Stations (Transfer to Vehicle)	Design Criteria for Stage I Vapor Control Systems -- Gasoline Service Stations (EPA-450/R-75-102, 11/75); Control of Volatile Organic Compound Equipment Leaks from Natural Gas/Gasoline Processing Plants (EPA-450/3-83-007, 12/83); Technical Guidance -- Stage II Vapor Recovery Systems for Control of Vehicle Refueling Emissions at Gasoline Dispensing Facilities (EPA-450/3-91-022a, 11/91); Control of VOC Leaks from Gasoline Tank Trucks and Vapor Collection Systems (EPA-450/2-78-051, 12/78)	Rule 214, <u>Transfer of Gasoline into Vehicle Fuel Tanks</u> (02/21/13)	Minor	80 FR 6345 02/10/15 (02/21/13)	Meets California Phase II Enhanced Vapor Recovery requirements.

Table 2. Existing District Rules

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Gasoline Service Stations (Storage Tanks)	Design Criteria for Stage I Vapor Control Systems – Gasoline Service Stations (11/75); Control of Volatile Organic Compound (VOC) Equipment Leaks from Natural Gas/Gasoline Processing Plants (EPA-450/3-83-007, 12/83); Technical Guidance – Stage II Vapor Recovery Systems for Control of Vehicle Refueling Emissions at Gasoline Dispensing Facilities (EPA-450/3-91-022a, 11/91); Control of VOC Leaks from Gasoline Tank Trucks and Vapor Collection Systems (EPA-450/2-78-051, 12/78)	Rule 213, <u>Gasoline Transfer into Stationary Storage Containers</u> (10/19/93)	Minor	62 FR 23365 04/30/97 (10/19/93)	Meets all current California Phase I Enhanced Vapor Recovery requirements.
Graphic Arts	Control of Volatile Organic Emissions from Existing Stationary Sources – Volume VIII: Graphic Arts-Rotogravure and Flexography (EPA-450/2-78-033, 12/78); Control Technology Guidelines for Offset Lithographic Printing and Letterpress Printing (EPA-453/R-06-002, 09/06)	Rule 239, <u>Graphic Arts Operations</u> (10/11/12)	Minor	79 FR 14178 03/13/14 (10/11/12)	Meets CTG. Consistent with regional air district rules.
Metal Coil, Container, and Closure	Control of Volatile Organic Emissions from Existing Stationary Sources – Volume II: Surface Coatings of Cans, Coils, Paper, Fabric, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/77)	Rule 223, <u>Metal Container Coating</u> (10/06/94)	Minor	60 FR 15241 03/23/95 (10/06/94)	Meets CTG. Consistent regional air district rules.
Metal Parts Coatings	Control of Volatile Organic Emissions from Existing Stationary Sources (EPA-450/2-78-015, 06/78); Control Technique Guidelines for Miscellaneous Metal and Plastic Parts Coatings (EPA 453/R-08-003, 09/08); NESHAP Subpart P, Plastic Parts (4/19/04)	Rule 245, <u>Surface Coating of Metal Parts and Products</u> (08/20/09)	Minor	76 FR 30025 05/24/11 (08/20/09)	Meets CTG. Consistent with regional air district rules.
Polyester Resin Operations	CARB Determination of RACT and Best Available Retrofit Control Technology (BARCT) for Polyester Resin Operations document (01/08/91); Control of VOC Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins (EPA-450/3-83-008, 11/83); NESHAP Subpart FFFF, Misc. Organic Chemical Production and Processes (MON) (11/10/03)	Rule 243, <u>Polyester Resin Operations</u> (04/10/03)	Minor	76 FR 61057 10/03/11, effective 12/02/11 (04/10/03)	Meets CARB RACT/BARCT guidance (01/08/91). The District has no sources subject to the two CTGs for resin manufacturing operations and has no fiberglass boat manufacturing operations.

Table 2. Existing District Rules

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Reciprocating Internal Combustion Engines	NOx Emissions from Stationary IC Engines (EPA-453/R-93-032, 07/93); NESHAP Subpart ZZZZ, Reciprocating Internal Combustion Engines (RICE) (6/15/04); CARB Determination of RACT and BARCT for Stationary Spark Ignited IC Engines document (11/01)	Rule 242, <u>Stationary Internal Combustion Engines</u> , (04/10/03)	Minor	76 FR 67366 11/01/11, effective 1/3/12 (04/10/03)	Meets ACT and Federal requirements for NOx.
Solvent Cleaning	Control of Volatile Organic Emissions from Solvent Metal Cleaning (EPA-450/2-77-022, 7/7/11); Control Techniques Guidelines for Industrial Cleaning Solvents (EPA-453/R-06-001, 09/06); Alternative Control Techniques Document – Industrial Cleaning Solvents (EPA-453/R-94-015, 1994/02); Halogenated Solvent Cleaners (EPA-450/3-89-030, 89/08); NESHAP Subpart T, Degreasing Organic Cleaners (12/2/94)	Rule 216, <u>Organic Solvent Cleaning and Degreasing</u> , (12/11/03)	Minor	75 FR 24406 05/05/10 (12/11/03)	Meets CTG -- but requires that exemption of Section 104.5 be removed (exemption improperly excludes solvent decreasing operations that are subject to 40 CFR Part 63 subpart T.
Solvent Cleaning	Control of Volatile Organic Emissions from Solvent Metal Cleaning (EPA-450/2-77-022, 7/7/11); Control Techniques Guidelines for Industrial Cleaning Solvents (EPA-453/R-06-001, 09/06); Alternative Control Techniques Document – Industrial Cleaning Solvents (EPA-453/R-94-015, 1994/02); Halogenated Solvent Cleaners (EPA-450/3-89-030, 89/08); NESHAP Subpart T, Degreasing Organic Cleaners (12/2/94)	Rule 240, <u>Surface Preparation and Cleanup</u> , (12/11/03)	Minor	79 FR 14178 03/13/14 (12/11/03)	Meets CTG.
Surface Coating of Plastic Parts and Products	Control Techniques Guidelines for Miscellaneous Metal and Plastic Parts Coatings" [EPA 453/R-08-003], September 2008.	Rule 249, <u>Surface Coating of Plastic Parts and Products</u> , (08/08/13)	Minor	80 FR 16289 03/27/15 (08/08/13)	Meets CTG. Consistent with regional air district rules.

Table 2. Existing District Rules

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Analysis Used to Determine that the Rule Meets RACT
Tanks	Control of Volatile Organic Emissions from Storage of Petroleum Liquids in Fixed Roof Tanks (EP-450/2-77-036, 12/77); Control of Volatile Organic Emissions from Petroleum Liquid Storage in External Floating Roof Tanks (EPA-450-2/78-047, 12/78); Alternative Control Techniques Document – Volatile Organic Liquid Storage in Floating and Fixed Roof Tanks (EPA-453/R-94-001, 01/94)	Rule 212, <u>Storage of Organic Liquids</u> (06/19/97)	Minor	74 FR 27714 06/11/09 (06/19/97)	Meets CTG. Consistent with most regional air districts.
Wood Furniture Coatings	Control of Volatile Organic Compound Emissions from Wood Furniture Manufacturing Operations (EPA-453/R-96-007, 04/96) ; NESHAP Subpart JJ, Wood Furniture (12/7/95)	Rule 236, <u>Wood Products Coating Operations</u> (10/14/10)	Minor	76 FR 71886 11/21/11, effective 01/20/12 (10/14/10)	Meets CTG. Consistent with regional air district rules. The District has no sources above the 25tpy VOC potential to emit applicability threshold of the Wood Furniture CTG.

Table 3  
Negative Declarations

Table 3. CTG/ACT Source Categories for Which a Negative Declaration is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
<b>Source Categories with CTGs</b>					
Aerospace Coatings	Control of Volatile Organic Compound (VOC) Emissions and MACT from Coating Operations at Aerospace Manufacturing and Rework Operations (EPA-453/R-97-004, 12/97); Aerospace MACT (59 FR-29216, 06/06/94); National Emission Standards for Hazardous Air Pollutants (NESHAP) Subpart GG, Aerospace Manufacturing and Rework Facilities (03/27/98)		No Major or Minor exceeding CTG thresholds or that require District Permit		Negative declaration to be adopted. The CTG applicability threshold is 25 tons/year for sources in moderate, serious, or severe non-attainment areas, and the potential VOC emissions from existing sources in the District are less than 25 tons/year.
Automobile and Light-duty Truck Assembly Coatings	Control Techniques Guidelines for Automobile and Light-Duty Truck Assembly Coatings (EPA 453/R-08-006, 09/08); Protocol for Determining the Daily Volatile Organic Compound Emission Rate of Automobile and Light-Duty Truck Primer-Surfacer and Topcoat Operations (EPA 453/R-08-002, 09/08). Also, Control of Volatile Organic Emissions from Existing Stationary Sources -- Volume II: Surface Coatings of Cans, Coils, Paper, Fabric, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/77)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Dry Cleaning (Petroleum)	Control of VOC Emissions from Large Petroleum Dry Cleaners (EPA-450/3-82-009, 09/82). New Source Performance Standards for Petroleum Dry Cleaners (40 CFR 60 Subpart JJJ, 10/00)	Rule 227, Petroleum Dry Cleaning Operations (02/05/91); rescinded 04/12/12	No Major or Minor exceeding CTG thresholds or that require District Permit		Negative declaration to be adopted. There are no sources for this category in the District. The previously existing Rule was rescinded. Rule 227 was not SIP approved and the District has no large petroleum dry cleaners that would be covered by the CTG for Large Petroleum Dry Cleaners, therefore the District does not need a RACT rule for this category. The NSPS for Petroleum Dry Cleaners, 40 CFR 60 Subpart JJJ exempts dry cleaners which have a capacity of less than 84 pounds per load. This 84 pound size is considered the definition of "large" relative to the CTG.
Fiberglass Boat Manufacturing	Control Technique Guidelines for Fiberglass Boat Manufacturing Materials (EPA 453/R-08-004, 09/08)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Flexible Package Printing	Control Technique Guidelines for Flexible Package Printing (EPA-453/R-06-003, 09/06)		None		Negative declaration to be adopted. There are no sources for this category in the District.

Table 3. CTG/ACT Source Categories for Which a Negative Declaration is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Large Appliances Surface Coatings	Control Technique Guidelines for Large Appliance Coatings (EPA 450/2-77-034, 12/77); Control Technique Guidelines for Large Appliance Coatings (EPA 453/R-07-004, 09/07); NESHAP Subpart NNNN, Large Appliances (7/23/02)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Magnet Wire	Control of Volatile Organic Emissions from Existing Stationary Sources, Volume IV: Surface Coating of Insulation of Magnet Wire (EPA-450/2-77-033, 12/77); Control of Volatile Organic Emissions from Existing Stationary Sources, Volume IV: Surface Coating of		None		Negative declaration to be adopted. There are no sources for this category in the District.
Metal Furniture Coatings	Control of Volatile Organic Emissions from Existing Stationary Sources (EPA-450/2-77-032, 12/77); Control Techniques Guidelines for Metal Furniture Coatings (EPA-453/R-07-005, 09/07); NESHAP Subpart RRRR, Metal Furniture (05/23/03)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Natural Gas / Gasoline Processing	Control of VOC Equipment Leaks from Natural Gas / Gasoline Processing Plants (EPA-450/3-83-007, 12/83)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Oil and Natural Gas	Control Technique Guidelines for the Oil and Gas Industry (EPA 453/B16-001, 10/16)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Paper and Fabric	Control of Volatile Organic Emissions from Existing Stationary Sources -- Volume II: Surface Coatings of Cans, Coils, Paper, Fabric, Automobiles, and Light-Duty Trucks (EPA-450/2-77-008, 05/77)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Paper, Film, and Foil Coatings	Control Techniques Guidelines for Paper, Film, and Foil Coatings (EPA-453/R-07-003, 09/07)	230, Plastic Products and Materials -- Paper Treating Operations (06/28/94); rescinded 4/12/12	None	59 FR 64336 (12/14/1994), for Rule 06/28/94.	Negative declaration to be adopted. Rule 230 was rescinded 4/12/12. The only source, Formica, is shutdown (06/29/07).
Pharmaceutical Products	Control of Volatile Organic Emissions from Manufacture of Synthesized Pharmaceutical Products (EPA-450/2-78-029, 12/78)		None		Negative declaration to be adopted. There are no sources for this category in the District.

Table 3. CTG/ACT Source Categories for Which a Negative Declaration is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Polyester Resins Manufacturing	Control of VOC Fugitive Emissions from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment (EPA-450/3-83-006, 03/84); Control of VOC Emissions from Manufacture of High-Density Polyethylene, Polypropylene, and Polystyrene Resins (EPA-450/3-83-008, 11/83); NESHAP Subpart FFFF, Misc. Organic Chemical Production and Processes (MON) (11/10/03)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Refineries	Control of Refinery Vacuum Producing Systems, Wastewater Separators, and Process Unit Turnarounds (EPA-450/2-77-025, 10/77); Control of VOC Leaks from Petroleum Refinery Equipment (EPA-450/2-78-036, 06/78)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Rubber Tire	Control of Volatile Organic Emissions from Manufacture of Pneumatic Rubber Tires (EPA-450/2-78-030, 12/78)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Ships/Marine Coating	Control Technique Guidelines for Shipbuilding and Ship Repair Operations (Surface Coating) (61 FR 44050, 08/27/96) ; Alternative Control Technology Document -- Surface Coating Operations at Shipbuilding and Ship Repair Facilities (EPA-453/R-94-032, 04/94); NESHAP Subpart II, Shipbuilding and Ship Repair (surface coating) (12/16/96)		None		Negative declaration to be adopted. There are no sources for this category in the District.
Synthetic Organic Chemicals	Control of VOC Emissions from Air Oxidation Processes in Synthetic Organic Chemical Manufacturing Industry (EPA-450/3-84-015, 12/84); Control of VOC Emissions from Reactor Processes and Distillation Operations in SOCM (EPA-450/4-91-031, 08/93); Control of VOC Fugitive Emissions from Synthetic Organic Chemical Polymer and Resin Manufacturing Equipment (EPA-450/3-83-006, 03/84);		None		Negative declaration to be adopted. There are no sources for this category in the District.
Wood Furniture Manufacturing Operations	Control of Volatile Organic Compound Emissions from Wood Furniture Manufacturing Operations (EPA-453/R-96-007, 04/1994)	Rule 236 Wood Products Coating Operations, adopted 11/3/94, last amended 10/14/2010.	No Major or Minor exceeding CTG thresholds		Negative declaration to be adopted. The CTG applicability threshold is 25 tons/year for sources in moderate, serious, or severe non-attainment areas, and the potential VOC emissions from existing sources in the District are less than 25 tons/year.
<b>Source Categories with ACT and Other RACT Guidance (not CTGs)</b>					
Bakery Ovens	Alternative Control Technology Document -- Bakery Ovens (EPA-453/R-92-017, 12/92)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.

Table 3. CTG/ACT Source Categories for Which a Negative Declaration is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Cement Kilns	NOx Emissions from Cement Manufacturing (EPA-453/R-94-004, 03/94)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Chemical Plants	Control Techniques for Fugitive VOC Emissions from Chemical Process Facilities (EPA-625/R-93-005, 03/94)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Ethylene Oxide	Alternative Control Technology Document -- Ethylene Oxide Sterilization / Fumigation Operations (EPA-450/3-89-007, 03/89)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Glass Furnaces	NOx Emissions from Glass Manufacturing (EPA-453-R-94-037, 01/93)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Ink and Paint Manufacture	Control of VOC Emissions from Ink and Paint Manufacturing Processes (EPA-450/3-92-013, 04/92)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Iron and Steel	NOx Emissions from Iron and Steel Mills (EPA-453/R-94-065, 09/94)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Leather and Tanning	Air Emissions and Control Technology for Leather Tanning and Finishing Operations (EPA-453/R-93-025, 06/93)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Nitric and Adipic Acid	NOx Emissions from Nitric and Adipic Acid Manufacturing (EPA-453/3-91-026, 12/91)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Organic Waste Process Vents	Alternative Control Technology Document - Organic Waste Process Vents (EPA-450/3-91-007, 1990/12)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Pesticides	Control of VOC Emissions from the Application of Agricultural Pesticides (EPA-453/R-92-011, 03/93)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Plywood Veneer Dryers	Control Techniques for Organic Emissions from Plywood Veneer Dryers (EPA-450/3-83-012)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Polymeric Foam Product Manufacturing	Control of VOC Emissions from Polystyrene Foam Manufacturing (EPA-450/3-90-020, 09/90)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.
Wastewater	Control of VOC Emissions from Industrial Wastewater (EPA-453/D-93-056, 09/92)		None		ACT or Other RACT Guidance. There are no sources for this category in the District.

Table 3. CTG/ACT Source Categories for Which a Negative Declaration is Required

Source Category	RACT Guidance Document -- Control Technique Guidelines (CTG), Alternative Control Technology (ACT), and Others	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet RACT
Major VOC sources	N/A		None		There are no major VOC sources in the District that emit or have the potential to emit at least 25 tpy.

Table 4  
Every Feasible Measure

Table 4. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Adhesives	SMAQMD Rule 460 (11/30/00); SJUAPCD Rule 4653 (09/16/10); BAAQMD Reg. 8, Rule 51 (12/02/09); SCAQMD Rule 1168 (01/07/05); SDCAPCD Rule 67.21 (05/14/08); YSAQMD Rule R2-33 (05/14/08); CARB-Reasonably Available Control Technology (RACT) (1998)	Rule 235, <u>Adhesives</u> (10/11/12)	Minor	Approved 78 FR 53711 8/30/13, effective 10/29/13	None. Comparable to rules of other districts in the region.
Aerospace Coatings	SCAQMD Rule 1124 (12/13/96); SDCAPCD Rule 67.9 0 (04/30/97)		No Major or Minor		All of these sources in the District in this subcategory are small. It is unlikely that a prohibitory rule would provide significant emission reductions and would likely be cost prohibitive.
Architectural Coatings	CARB Suggested Control Measure (SCM) (2007); SCAQMD Rule 1113 (07/13/07)	Rule 218, <u>Architectural Coatings</u> (10/14/10)	Minor	76 FR 75795 12/5/11, effective 2/3/12 (10/11/12)	None. Comparable to rules of other districts in the region.
Automotive Refinishing	CARB Suggested Control Measure (SCM) (10/05); SCAQMD Rule 1151 (12/02/05)	Rule 234, <u>Automotive Refinishing</u> (10/14/10)	Minor		None. Comparable to rules of other districts in the region.
Bakery Ovens	SMAQMD Rule 458 (09/05/96); SJUAPCD Rule 4693 (05/16/02); BAAQMD Reg. 8, Rule 42 (06/01/94); SCAQMD Rule 1153 (01/13/95); SDCAPCD Rule 67.24 (05/15/96)		None		There are no sources subject to this source category in the District.
Fugitive Emissions from Chemical Plants	BAAQMD Reg. 8, Rules 22 (06/01/94), 28 (06/15/94), 18 (01/07/98)		None		There are no sources subject to this source category in the District.

Table 4. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Fugitive Emissions from Oil and Gas Production	RACT Determination of Fugitive Emissions of Fugitive Emissions of VOCs from Oil and Gas Production and Processing; Facilities, Refineries, Chemical Plants, and Pipeline Transfer Stations (12/08/93)		None		There are no sources subject to this source category in the District.
Fugitive Emissions from Petroleum Refineries	BAAQMD Reg. 8, Rules 28 (06/15/94), 18 (01/07/98)		None		There are no sources subject to this source category in the District.
Gasoline Terminals and Bulk Plants	SMAQMD Rules 446 (11/16/93), 447 (04/02/98); SJUAPCD Rules 4621 (12/20/07), 4623 (05/19/05); BAAQMD Reg. 8, Rules 33 (4/15/09), 39 (04/15/09), 5 (10/12/06); SCAQMD Rules 462 (05/14/99), 463 (05/06/08); SDCAPCD Rules 61.1 (07/26/00), 61.2 (07/26/00), 61.3 (10/16/03), 61.3.1 (03/01/06), 61.8 (01/13/87), 1, 61.4.1 (03/26/08); YSAQMD Rules R2-13 (05/25/94), R2-21 (09/14/05)	Rule 215, <u>Transfer of Gasoline into Tank Trucks, Trailers, and Railroad Tank Cars at Loading Facilities</u> (06/19/97)	Minor	76 FR 5277 01/31/11 (06/19/97)	None. Comparable to rules of other districts in the region.
Graphic Arts, Lithographic and Letterpress Printing	SMAQMD Rule 450 (10/23/08); SJUAPCD Rule 4607 (12/08/08); BAAQMD Reg. 8, Rule 20 (11/19/08); SCAQMD Rules 1130 (10/8/99); SDCAPCD Rule 67.16 (05/15/96)	239, <u>Graphic Arts Operations</u> (10/11/12)	Minor	63 FR 63410 11/13/98 (02/13/97)	None. Comparable to rules of other districts in the region.

Table 4. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Industrial Boilers ≥ 5 million Btu/hr	SMAQMD Rule 411 (03/25/10); SJUAPCD Rules 4305 (08/21/03), 4306 (10/16/08); BAAQMD Reg. 9, Rule 7 (07/30/08); SDCAPCD Rules 69 (12/12/95), 69.2 (09/27/94); YSAQMD Rule R2-27 (08/14/96); CARB - RACT and Best Available Retrofit Control Technology (BARCT) for Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters (07/18/91)	Rule 231, <u>Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters</u> (10/09/97)	Minor	76 FR 67366 11/11/11, effective 1/3/12 (10/09/97)	None. Comparable to rules of other districts in the region.
Large Water Heaters and Small Boilers < 2 million Btu/hr	SCAQMD Rule 1146.1 (5/13/94) and 1146.2 (05/05/06); SMAQMD Rule 411 (8/23/07) and 414 (8/1/96); SJUAPCD Rule 4307 (5/19/11) and 4308 (12/17/09); BAAQMD Reg. 9, Rule 6 (11/7/07) and Rule 7 (9/16/92); YSAQMD Rule 2.37 (4/8/09)	Rule 246, <u>Natural Gas Fired Water Heaters</u> (06/19/97)	Minor	76 FR 67366 11/11/11, effective 1/3/12 (06/19/97)	Rule 246 applies to natural gas water heater < 750,000 Btu/hr and is consistent with the rules of other districts in the region.
Marine Coatings	SCAQMD Rule 1106 (01/13/95); NESHAP 60 FR 64330 (12/15/95)	Rule 247, <u>Natural Gas-Fired Water Heaters, Small Boilers, and Process Heaters</u> (10/10/13)	Minor		Rule 247 applies to new boilers and water heaters within the heat input range of 75,000 to 5 million Btu/hr, and is consistent with the rules of other districts in the region.
Metal Parts and Products (Non-Architectural)	SMAQMD Rule 451 (09/25/2008); SJUAPCD Rule 4603 (09/17/09); BAAQMD Reg. 8, Rule 19 (10/16/02); SCAQMD Rule 1107 (01/06/06); SDCAPCD Rule 67.3 (04/9/03); YSAQMD Rule R2-25 (05/14/08)	Rule 245, <u>Surface Coating of Metal Parts and Products</u> (08/20/09)	Minor		There are no sources subject to this source category in the District.
Pleasure Craft Coating Operations	SCAQMD Rule 1106.1 (02/12/99)		None		None. Comparable to rules of other districts in the region.
			None		There are no sources subject to this source category in the District.

Table 4. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Polyester Resin Operations	SMAQMD Rule 465 (09/25/08); SJUAPCD Rule 4684 (09/17/09); BAAQMD Reg. 8, Rule 50 (12/2/09); SCAQMD Rule 1162 (07/08/05); SDCAPCD Rule 67.12 (05/15/96); YSAQMD Rule R2-30 (05/14/08)	Rule 243, <u>Polyester Resin Operations</u> , (04/10/03)	Minor		None. Comparable to rules of other districts in the region.
Polymeric Foam Product Manufacturing	SJUAPCD Rule 4682 (09/20/07); SDCAPCD (05/15/96); SCAQMD Rule 1175 (09/07/07)		None		There are no sources subject to this source category in the District.
Portland Cement Kilns	SCAQMD Rule 1112 (06/06/86)		None		There are no sources subject to this source category in the District.
Refinery Boilers	SCAQMD 1109 (08/05/88) BAAQMD Reg. 9 Rule 10 (01/05/94)		None		There are no sources subject to this source category in the District.
Restaurants, Chain Driven Charbroilers	SJUAPCD Rule 4692 (9/17/09); SCAQMD Rule 1138 (11/14/97)		Minor		All of these sources in the District in this subcategory are small. It is unlikely that a prohibitory rule would provide significant emission reductions and would likely be cost prohibitive.
Semiconductor Manufacturing	BAAQMD Reg. 8, Rule 30 (6/15/94); SCAQMD Rule 1164 (1/13/95); VCAPCD Rule 74.21(4/6/93)	Rule 244, <u>Semiconductor Operations</u> , (02/09/95)	Minor	61 FR 38571 07/25/96 (02/09/95)	None. Comparable to rules of other districts in the region.
Small Industrial Boilers (1 million Btu/hr to 5 million Btu/hr)	SMAQMD Rule 414 (08/23/07); SJUAPCD Rules 4307(10/16/08); 4308 (12/17/09)	Rule 247, <u>Natural Gas-Fired Water Heaters, Small Boilers, and Process Heaters</u> , (10/10/13)	Minor		None. Addressed above.

Table 4. Every Feasible Measure (EFM)

Source Category	CARB -- Every Feasible Control Measure (EFM)	PCAPCD Rule (Date Last Amended)	PCAPCD Sources	Most Recent SIP Approval	Actions Required to Meet EFM
Solvent Cleaning	SMAQMD Rule 466 (09/25/08); SJUAPCD Rules 4663 (09/20/07), 4461 (09/20/07); BAAQMD Reg.8, Rule 16 (10/16/02); SCAQMD Rules 1122 (05/1/09), 1171 (05/1/09); SDCAPCD Rule 67.6.1 (05/23/07)	216, <u>Organic Solvent Cleaning and Degreasing</u> (12/11/03); 240, <u>Surface Preparation and Cleanup</u> (12/11/03)	Minor	75 FR 24406 05/05/10 (12/11/03)	None. The District rule VOC solvent limit of 50 g/L is higher than the 25 g/L limit of some other regional Districts, however, going to the more stringent limit has been determined to be not cost effective and provide very small emission reductions.
Surface Coating of Plastic Parts and Products	BAAQMD Reg. 8, Rule 31 (10/16/02); SCAQMD Rule 1145 (12/04/09)	Rule 249, <u>Surface Coating of Plastic Parts and Products</u> (08/08/13)	Minor		None. Comparable to rules of other districts in the region.

ATTACHMENT 1

RACT Evaluation of Existing District Rules

## Attachment 1

## RACT Evaluation of Existing District Rules

**Adhesives**

District Rule 235, Adhesives, was amended on 10/11/12 to meet the EPA's 2008 CTG and consideration of the rules of other districts in the region (Sacramento, Yolo-Solano, Feather River, and El Dorado). It was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 08/30/13. The CTG has not been updated since it was last amended. We have recently determined that its VOC limits are similar to those of current Sacramento Rule 460 and Yolo-Solano Rule 2.33, see comparison in Table 1-1.

**Boilers, Biomass**

District Rule 233, Biomass Boilers, was amended on 06/14/12 to meet more stringent NOx emission levels currently achieved in practice at existing biomass boilers using Selective Non-Catalytic Reduction (SNCR) for NOx control. Its NOx limit (115 ppmv NOx at 12% CO<sub>2</sub> on a three hour rolling average compliance period) is comparable to other regional District rules. San Joaquin Valley Rule 4352 and Yolo-Solano Rule 2.43. Both have limits of 90 ppmv at 3% O<sub>2</sub> on a twenty-four hour block average compliance period. These limits are lower, however, they are not directly comparable because they allow a much longer compliance averaging period of 24 hours and on 24 hour blocks, not rolling. PCAPCD District Rule 233 has a much shorter rolling averaging period of 3 hours updated after each new one hour. It effectively prevents short term emission spikes by requiring short and frequent compliance average checks. District Rule 233 is identical to El Dorado Rule 232.. It is much more stringent than EPA ACT guidance.

Rule 233's NOx limit is based on the use of SNCR -- involving injection of ammonia or urea into the post combustion exhaust gases at a temperature of 1,500F -- and has been determined to be cost effective. SNCR is in use at both of the major source biomass boilers operating in the District that are subject to this rule. The District has determined that potential improved NOx control using Selective Catalytic Reduction -- involving the reheating of exhaust gases following particulate matter control and use of ammonia over a precious metal reduction catalyst -- would be cost prohibitive and has not been comprehensively demonstrated on a long term basis in practice. The two major source biomass boilers operating in the District have lower (more stringent) federal title V permit NOx limits of 91 ppmv on a 3 hour average. District Rule 233 was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 08/29/13.

**Boilers, Water Heaters > 5 MMBtu/hr**

The District is not required to meet RACT for this source category because we do not have any major sources of this type category. Nonetheless, for ozone attainment SIP planning, District Rule 231, Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters, was originally adopted on 10/17/94, last amended on 10/09/97, and incorporated into the SIP on 11/01/11. It is more stringent than EPA ACT guidance. It is comparable to rules of some other districts in the region (Yolo-Solano, El Dorado, and Feather River). Sacramento Air Quality Management District Rule 411 has more stringent NOx limits for gas-fired boilers. We will consider including these lower limits in upcoming regional ozone attainment plan commitments.

**Cutback Asphalt**

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

The South Coast Air Quality Management District (SCAQMD) has since concluded that, based on the definitions in their cutback asphalt Rule 1108, replacement of cutback asphalt with emulsified asphalt would actually potentially increase VOC emissions. This is because cutback asphalt has a 0.5% organic compound limit, whereas emulsified asphalt has a 3% organic compound limit.

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

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

### **Flat Wood Paneling Coatings**

District Rule 238, Factory Coating of Flat Wood Paneling, was amended on 10/14/10 to meet EPA's 2006 CTG and consideration of the rules of other districts in the region. It was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 11/21/11. The CTG has not been amended since the last District rule amendment. The District has one facility, Pacific MDF, that operates under this source category.

### **Gas Turbines**

District Rule 250, Stationary Gas Turbines, was amended on 10/08/15 and SIP approved by EPA on 08/01/16. The amendment addressed EPA concerns during their 2014 RACT SIP review by adding startup and shutdown provisions and removing the % efficiency compliance options. The rule is consistent with the only other regional air district rule (Sacramento Rule 413) and EPA NSPS and ACT guidance for peaker and prime use turbines.

The rule is applicable to two District sources -- a limited low use peaker turbine and a base load combine cycle prime turbine plant:

- Roseville Electric operates two peaker simple cycle natural gas/fuel oil fired turbines, each at 25 MW capacity. Water injection is used for NOx control. Operations began in 1987. District permits limit combined turbine operating hours to less than 900 unit-hours per year and 25 unit-hours per day. District permits limit NOx emissions to 42 ppmv @ 15% O<sub>2</sub> on natural gas and 62 ppmv @ 15% O<sub>2</sub> on fuel oil. Actual measured NOx emissions are less than 30 ppmv. The turbines have never fired, and never will fire, fuel oil. Actual combined turbine operating time is consistently (always) less than 150 hours/year and usually less than 50 hours/year.
- Roseville Electric operates two combined cycle natural gas fired turbines (each at 60 MW, 80 MW maximum capacity with duct burners firing). Selective catalytic reduction and oxidation catalysts are used for NOx and CO control. Operations began in September 2007. They operate under an EPA reviewed and approved Title V permit. The federally enforceable Title V permit limits NOx emission to 2 ppmv @ 15% O<sub>2</sub> on a 1-hour average, VOC at 2 ppmv @ 15% O<sub>2</sub> on a 1-hour average, and CO at 4 ppmv @ 15% O<sub>2</sub> on a 3-hour average. These levels are representative of Best Available Control Technology, and are significantly more stringent than EPA ACT or rules of other districts in the region for existing sources. The operation uses (as required by District permit) Continuous Emissions Monitoring System (CEMS) to measure NOx and CO; and is required to conduct annual source testing to confirm NOx and CO plant emissions and relative accuracy of the CEMS.

### **Gasoline Bulk Plants and Terminals**

District Rule 215, Transfer of Gasoline into Tanks Trucks, Trailers, and Railroad Tanks Cars at Loading Facilities, was last amended on 06/19/97, and approved in the SIP by EPA on 01/31/11. It requires vapor control systems be certified by CARB. It meets EPA CTG and NESHAPs. Rule control requirements are consistent with the rules of other districts in the region, including Sacramento Rule 447 and Yolo-Solano Rule 221.

### **Gasoline Service Stations**

District Rule 213, Gasoline Transfer into Stationary Storage Containers, meets CARB Phase I Enhanced Vapor Recovery requirements (>98% VOC controls for underground tanks and >95% control for most aboveground tanks) and is fully consistent with EPA CTG and the rules of other districts in the region. It was included in the SIP by EPA on 04/30/97.

District Rule 214, Transfer of Gasoline into Vehicle Fuel Tanks, meets CARB Phase II Enhanced Vapor Recovery requirements (>95% VOC controls) and are fully consistent with EPA CTG and the rules of other districts in the region. It was amended on 02/21/13, and approved by CARB adopted into the SIP EPA on 02/10/15.

### **Graphic Arts**

District Rule 239, Graphic Arts, was amended on 10/11/12 to meet the EPA's 2006 CTG and consideration of the rules of other districts in the region (Sacramento, Yolo-Solano, Feather River, and El Dorado). It was reviewed and approved by CARB, and reviewed and approved by EPA into the SIP on 03/13/14. We have recently determined that its VOC limits are similar to those of current Sacramento Rule 450 and Yolo-Solano Rule 2.29, see comparison in Table 1-2. At this time, the District has chosen solvent cleaner VOC limits that are consistent with the CTG and not to go with lower limits of Sacramento and Yolo because there would be added compliance cost with very small associated emission reductions.

### **Internal Combustion Engines (Stationary)**

The District is not required to meet RACT for this source category because there are no major sources of this type. Nonetheless, for ozone attainment SIP planning, District Rule 242, Stationary Internal Combustion Engines, was adopted on 04/10/03, which limits NO<sub>x</sub> for stationary engines greater than 50 HP, and was approved into the SIP by EPA on 11/01/11. The District is not likely to adopt any more stringent prohibitory NO<sub>x</sub> limit for this source category in the near future because: (1) we have very few prime engines (engines that are not restricted to low-use or emergency use) and those few prime engines that do exist have NO<sub>x</sub> levels based on recent Best Available Control Technology requirements; and (2) emergency engines have very little use.

### **Metal Coil, Container, and Closure**

District Rule 223, Metal Container Coating, was last amended on 10/06/94 and SIP approved by EPA on 03/23/95. Rule 223 meets the EPA CTG. There is one District source that operates under this rule – Industrial Container Services (Capital Drum), which coats reconditioned drums. For the drum coating VOC limits, Rule 223 is consistent with those of San Joaquin Valley Rule 4604 and Sacramento Rule 452, see Table 1-3. EPA has commented that the VOC limit for the end-sealing compound category does not meet RACT. The District has confirmed that this product-type is not used at Industrial Container Services, or any other location in the District that we are aware of.

### **Metal Parts Coating**

District Rule 245, Surface Coating of Metal Parts and Products, was amended on 08/20/09 to meet the EPA's 2008 CTG and consideration of the rules of other districts in the region. It was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 05/24/11. We have recently determined that its VOC limits are similar to those of current Sacramento Rule 451 and Yolo-Solano Rule 2.25, see comparison in Table 1-4.

### **Plastic Parts Coating**

District Rule 249, Surface Coating of Plastic Parts and Products, was adopted on 08/08/13. It was based on EPA's 2008 CTG and considering the rules of other districts in the region. It has been reviewed and approved by CARB and SIP approved by EPA on 03/27/15. We have recently determined that its VOC limits are identical to those of current Sacramento Rule 468, see comparison in Table 1-5.

### **Polyester Resin Operations**

District Rule 243, Polyester Resin Operations, was adopted in 04/10/03, and incorporated into the SIP by EPA on 10/03/11. The rule applies to manufacturing of products from polyester resin gel coats. It does not apply to fiberglass boat manufacturing, which would be subject to the Fiberglass Boat Manufacturing Materials CTG, and does not apply to polyester resin manufacturing. This Rule, therefore, is not subject to RACT. The District does not have any fiberglass boat manufacturing facilities, and does not have any polyester resin manufacturing operation, and does not have any operations that use polyester resins that emit or have the potential to emit more than 25 tons/yr of VOCs. The Rule meets CARB BARCT guidance (01/08/91).

### **Solvent Cleaning**

District Rule 240, Surface Preparation and Cleanup, and District Rule 216, Organic Solvent Cleaning and Degreasing Operations, control VOCs from the use of solvents for cleaning, where not otherwise addressed in separate source category prohibitory rules. The District rules all meet the EPA 2006 CTG, with a VOC content limit of 50 g/L; and a number of the individual source category rules have a solvent cleaning VOC content limit of 25 g/L.

District Rule 240 was approved into the SIP by EPA on 03/13/14. Rule 216 was approved into the SIP by EPA on 05/05/10.

District Rule 240 and 216 limit solvent VOC limit to 50 g/L and do not meet the more stringent VOC limit of 25 g/L which have been recently adopted by other regional districts (Sacramento, Yolo-Solano, and Feather River) as part of their ozone attainment plan commitments. The District will consider moving to the 25 g/L limit as part of our upcoming regional ozone attainment planning. The District does not consider the general solvent cleaners VOC limit of 25 g/L to currently be cost effective or have a significant beneficial impact on reducing local ozone.

District Rule 216 Section 104.5 exempts solvent degreasing operations subject to CFR Part 63 Subpart T. The CTG does not allow this exemption. The District is not aware of any solvent decreasing operations that qualify for this exemption. None the less, the District commits to removing this section exemption in a rule amendment in the upcoming year.

### **Tanks, Storage Petroleum Liquids**

District Rule 212, Storage of Organic Liquids, was amended on 06/19/97, and incorporated into the SIP on 06/11/09. It meets all EPA CTG, NSPS, and ACTs. The control requirements and tank seal inspection and record keeping and report requirements are consistent with the rules of other districts in the region, including Sacramento Rule 446 and Yolo-Solano Rule 2.21. The District has one facility, a gasoline and transmix tank farm operated by Kinder Morgan SantaFe Pacific, under this source category.

### **Wood Furniture Coating**

District Rule 236, Wood Products Coating Operations, was amended on 10/14/10 to be consistent with the EPA CTG and consideration of the rules of other districts in the region. It was reviewed and approved by CARB, and reviewed and approved into the SIP by EPA on 11/21/11. We have recently determined that its VOC limits are similar to those of current Sacramento Rule 463, Yolo-Solano Rule 2.39, and Feather River Rule 3.20, see comparison in Table 1-6. Additionally, Placer does not have any source which exceed the 25 tpy CTG applicability threshold, therefore, the District intends to adopt a negative declaration for this source category. Wood coating operations in the District, with VOC emissions shown, include:

## Wood Coater VOC Emissions

Facility	VOC Emissions (tons/yr)		
	2017	2018	2019
Allen's Cabinets	0.00	0.00	0.00
Cabinet Mill	0.17	0.12	na
Color Custom Creations	1.64	1.82	na
Freedom Industrial Coatings	0.40	0.43	na
Furniture Menders	na	2.88	na
Highmark Digital	0.46	0.75	na
Jeld-Wen	5.97	8.05	na
Pacific MDF	6.99	8.11	6.80

na: Data not collected yet

### **EPA MACT/NESHAPS**

In our RACT analyses, the District has considered recent EPA Maximum Achievable Control Technology (MACT) rulemakings concerning the control of hazardous air pollutants (HAPs) from applicable District source categories. These include:

- Autobody Refinishing (Subpart HHHHHH)
- Dry Cleaning (Subpart M)
- Miscellaneous Metal Parts and Products (Subpart MMMM)
- Metal Can (Subpart KKKK), and Plastic Parts (Subpart PPPP)

Work practices appropriate for the control of both VOC and HAPs have been directly considered, and incorporated as possible. Because many HAPs are exempt VOCs for ozone regulation (i.e., are not photochemically reactive and do not produce ozone) and many VOCs are not HAPs, it is not possible to directly compare or utilize MACT HAP limits with RACT VOC limits. Further, MACT HAP limits are fully and directly evaluated and considered in case-by-case individual source permits.

Table 1-1. Adhesives

Coating Category	VOC Limit (g/L)		
	Placer Rule 235	Sac Metro Rule 460	Yolo-Solano Rule 2.33
Multipurpose Construction	200	200	200
Ceramic Tile	130	130	130
Cove Base	150	150	150
Dry Wall and/or Panel	50		
Flooring:			
Outdoor Floor Covering	250	250	250
Indoor Floor Covering	150	150	150
Ceramic Tile	130	130	130
Indoor Carpet or Carpet Pad	150		
Rubber Flooring	150		
Perimeter Bonded Sheet Vinyl Flooring	660	660	660
Subfloor	50		
VCT and Asphalt Tile	50		
Roofing:			
Single-Ply Roof Membrane	250	250	250
Non-Membrane Roof	300	300	300
Structural Glazing	100	100	100
Structural Wood Member Glazing	140		
Plastic Welding:			
ABS Welding	400	400	400
CPVC Welding	490	490	490
Plastic Cement Welding Primer	510	510	
Other Plastic Cement Welding Primer	400		450
Other Plastic Cement Welding	450	450	
Speciality:			
Contact Adhesive Including Speciality Substrate	200	250	250
Rubber Vulcanization Bonding	850		
Tire Retread	100	100	100
Motor Vehicle	250		
Motor Vehicle Weather Strip	750		
Top and Trim	540		540
Thin Metal Laminating	780	780	780
Computer Diskette Jacket Manufacturing	850	850	850
Metal to Urethane/Rubber Molding or Casting	250	250	250
Waterproof Resorcinol Glue	170	170	170
Adhesive Primers:			
Automotive Glass	700	700	700
Single Ply-Roof Membrane	250	250	250
Traffic Marking Tape	150	150	150
Other	250	250	250
Plastic Cement Welding			550
Sealants:			
Architectural	250	250	250
Marine Deck	760	760	760
Non-Membrane Roof	300	300	300
Roadway	250	250	250
Single-Ply Roof Membrane	450	450	450
Other	420	420	420
Sealant Primers:			
Architectural-Non-Porous	250	250	250
Architectural-Porous	775	775	775
Marine Deck	760	760	760
Other	750	750	750

VOC Content Limits for Adhesive Applications Onto Substrates			
Flexible Vinyl	250	250	250
Fiberglass	200	200	200
Metal to Urethane/Rubber Molding or Casting	30	30	30
Porous Material (Except Wood)	120	120	120
Plastic Foam	80		
Wood	30		
Reinforced Plastic Composite	200		
Rubber	250	250	
Other	250	250	250
VOC Content Limits for Aerosol Adhesives			
Adhesives--Aerosol:			
Mist Spray Adhesives	65%	65%	
Web Spray Adhesives	55%	55%	
Special Purpose Spray Adhesives:			
Mounting, Automotive Engine Compartment, and Flexible Vinyl Adhesives	70%	70%	
Polystyrene Foam and Automobile Headliner Adhesives	65%	65%	
Polyolefin and Laminate Repair/Edgebanding Adhesives	60%	60%	
VOC Content Limits for Surface Preparation, Cleanup and Stripper Solvents			
Substrate Preparation			Rule 2.31
Single Ply-Roof Membrane Installation/Repair	45 mm Hg	250	
Electrical Apparatus Components and Electronic Components	500	900	100
Medical Devices and Pharmaceuticals	800	900	800
Other Substrates	70	70	25
Product Cleaning During Manufacturing Process or Surface Preparation for Adhesive Application			
General			25
Surface Preparation Prior to Rubber Vulcanization Process			
Repair and Maintenance Cleaning			25
Cleanup			
Application Equipment:			
Spray Gun in an Enclosed Gun Cleaner	45 mm Hg	45	
Soaking in a Closed Container	9.5 mm Hg	9.5	
Other	70	70	25
Other (Not Application Equipment)	45 mm Hg		
Cleaning of Adhesive Application Equipment			
Solvent Stripping Activity			
Wood Substrates	350	350	
Other	9.5 mm Hg		

Table 1-2. Graphic arts

	Placer Rule 239	Sac Metro Rule 468	Yolo-Solano Rule 2.29
<b>VOC Content for Inks, Coatings, and Adhesives</b>			
<b>Material Type</b>	<b>VOC Limit (g/L)</b>		
<b>General:</b>			
Printing Ink	300	300	300
Adhesive	150	150	150
Coating	300	300	300
<b>Screen Printing:</b>			
Printing Ink	400	400	400
Adhesive	150	150	150
Coating	400	400	400
Electronic Circuit	800	800	
Extreme Performance Ink/Coating	400	800	400
Metallic Ink	400	400	400
Sign Ink/Coating	400	500	400
Mechanically Formed Products	800	800	
Overlays	800	800	
Web-Fed Wallpaper	300	300	
Water Slide Decals	800	800	
Resists			600
<b>VOC Content for Fountain Solution Materials</b>			
<b>Material Type</b>	<b>% By Weight</b>		
<b>Heatset Web Offset Lithographic:</b>			
<b>Containing Alcohol:</b>			
Chilled Using Refrigerator Chiller	3	3	3
Non-Chilled	1.6	1.6	1.6
Containing No Alcohol	5	5	5
Coldset Web Offset Lithographic	5	5	5
<b>Sheet-fed Offset Lithographic (w/max sheet size greater than 11x17"):</b>			
Containing Alcohol and Chilled Using Refrigerator Chiller	8.5	8.5	8.5
Other	5	5	5
<b>All Other Presses:</b>			
Chilled Using Refrigerator Chiller	10	10	10
Non-Chilled	8	8	8
<b>VOC Content of Solvent Cleaning Materials</b>			
<b>Material Type</b>	<b>VOC Limit (g/L)</b>		
General (e.g. maintenance, repair, solvent, wipe) Cleaning	72	25	25
<b>Application Equipment Cleaning:</b>			
General (not specifically listed below)	100	25	25
Lithographic and Letter Press Printing, Blanket and Roller Washes and Other On-Press Components	300	100	238
Lithographic and Letter Press Printing, Other Cleaning	300	100	
Screen Printing	300	300	100
Flexographic Printing	100	100	25
Specialty Flexographic Printing	670	100	100
Ultraviolet Inks (except Screen Printing)	670	100	100

Table 1-3. Metal containers coating

Material Type	VOC Limit (g/L as applied)		
	Placer Rule 223	Sac Metro Rule 452	San Joaquin Rule 4604
Sheet Basecoat (Interior and Exterior) and Over-varnish	225	225	225
Two Piece Can Exterior Basecoat and Over-varnish	250	250	250
Coil Coating	200		200
Interior Body Spray:			
Two Piece Can	420	420	420
Three Piece Can	360	360	360
Three Piece Can Side Seam Spray	660	660	660
End Sealing Compound:			
Food/Beverage	440	20	
Non-food/Non-beverage	0	0	
Exterior Body Spray	420		420
Two Piece Can Exterior End Coating		250	420
Reconditioned Drums, Pails, and Lids Coatings:			
Interior	510		420
Exterior	420		420
New Drums, Pails, and Lids Coatings:			
Exterior, Air Dried	340		340
Exterior, Baked	340		340
Interior	420		420
Inks	225		
Tab Press Lubricant	690		
Necker Lubricants	100		

Table 1-4. Metal parts and products coating

Coating or Material Type	Placer Rule 245		Sac Metro Rule 451		Yolo-Solano Rule 2.25	
	VOC Limit (g/L)					
	Baked	Air-Dried	Baked	Air-Dried	Baked	Air-Dried
General (One Component)	275	275				
General (Multi-Component)	275	340			275	240
Aluminum Coating for Window Frames and Door Frames			420	420		
Specialty Coatings						
Camouflage	360	420	360	420	360	420
Electric Insulating Varnish	420	420	275	340		
Etching Filler	420	420	420	420	420	420
Extreme Performance	360	420	420	420	420	420
Extreme High Gloss	360	340	360	420		
Heat Resistant	360	420	360	420	360	420
High Performance Architecture	420	420			420	420
High Temperature	420	420			420	420
Metallic and Iridescent Coating	360	420	420	420	360	420
Military Sepcification	274	340				
Mold Seal Coating	420	420			420	420
Pan Backing Coating	420	420			420	420
Pretreatment Wash Primer	275	340	420	420	420	420
Prefabricated Arichtectural	275	420	275	420		
Repair Coating	360	420				
Silicone Release Coating	420	420	420	420	420	420
Solar Absorbent Coating	360	420	360	420	360	420
Touch-Up Coating	360	420				
Vacuum Metalizing	420	420			420	420
All Other Coatings			275	340		
High Gloss					360	420

Table 1-5. Plastic parts coating

	Placer Rule 249	Sac Metro Rule 468
Material Type	VOC Limit (g/L)	
General One Component	275	
General Multi-Component	420	420
Specialty Coatings:		
Electric Dissipating and Shock-free	800	800
Extreme Performance (One-Component)		280
Extreme Performance (Two-Component)	420	420
Metallic	420	420
Military Specification (1 pack)	335	340
Military Specification (2 pack)	420	420
Mold Seal	755	760
Multi-colored	680	680
Optical	800	800
Vacuum Metalizing	800	800
All Other Coatings		280

Table 1-6. Wood products coating

Specific Material	VOC Limit (g/L)			
	Placer Rule 236	Feather River Rule 3.20	Sac Metro Rule 463	Yolo-Solano Rule 2.39
<b>New Wood Products</b>				
Clear Topcoats	275	275	275	275
Conversion Varnish	550	550	550	550
Filler	275	275	275	275
High-Solid Stain	350	350	350	350
Inks	500	500	500	500
Mold-Seal Coating	750	750	750	750
Multi-colored Coating	275	275	275	275
Pigmented Coating	275	275	275	275
Sealer	275	275	275	275
Low Solid Stains, Toners, and Washcoats	120	120	120	120
Surface Prep and Clean-up Solvents Containing VOC's	25	25	25	25
<b>Refinish, Repair Preserve or Restore</b>				
Clear Topcoats	680	680	680	680
Conversion Varnish	550	550	550	550
Filler	500	500	500	500
High-Solid Stain	700	700	700	700
Inks	500	500	500	500
Mold-Seal Coating	750	750	750	750
Multi-colored Coating	680	680	680	680
Pigmented Coating	600	600	600	600
Sealer	680	680	680	680
Low Solid Stains, Toners, and Washcoats	480	480	480	480
Surface Prep and Clean-up Solvents Containing VOC's	25	25	25	25



*Placer County*

**AIR POLLUTION CONTROL DISTRICT**

**PROPOSED PRELIMINARY BUDGET  
FISCAL YEAR 2020-21**

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
PROPOSED PRELIMINARY BUDGET FY 2020-21**

Erik C. White  
Air Pollution Control Officer

**Table of Contents**

	Page(s)
<b>District Overview</b>	
Directors and Staff .....	1
Organization Chart .....	2
District Mission Statement & Goals .....	3 – 4
Section Goals and Objectives .....	5 – 17
Planning & Monitoring Section	
Permitting & Engineering Section	
Compliance & Enforcement Section	
Administrative Services Section	
 <b>Budget Overview</b> .....	 18 - 20
 <b>FY 2020-21 Consolidated Budget Summary</b>	
FY 2020-21 Consolidated Fund Summary* .....	21 – 22
List of Programs, Projects and District Enhancements .....	23
 <b>FY 2020-21 Summary by Fund:</b>	
<b>Operations Fund Summary</b> .....	24 – 25
Non-Tort Defense Fund**	
Reserve (Contingency) Fund**	
Vehicle Replacement Fund**	
Building Capital Maintenance Fund**	
 <b>DMV Fund Summary</b> .....	 26 – 27
 <b>Mitigation Fund Summary</b> .....	 28 – 29
 <b>Black Carbon Fund / Wildfire Mitigation Fund Summaries</b> .....	 30
 <b>FY 2020-21 Budget Detail by Consolidated Fund*</b> .....	 31 – 39

\* The Consolidated Fund (an overview of all the revenue and expenditures) is the combination of all the Funds for the District.

\*\* The Non-Tort Defense Fund, the Reserve Fund, the Vehicle Replacement Fund, and the Building Capital Maintenance Fund are sub-funds of the Operations Fund.

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT**

---

**GOVERNING BOARD OF DIRECTORS:**

Robert M. Weygandt	Placer County Supervisor -- District II
Jim Holmes	Placer County Supervisor -- District III
Kirk Uhler	Placer County Supervisor -- District IV
Daniel Berlant	City of Auburn Councilmember
Trinity Burruss - Chair	City of Colfax Councilmember
Alyssa Silhi	City of Lincoln Councilmember
Jeff Duncan	Town of Loomis Councilmember
Greg Janda	City of Rocklin Vice Mayor
Scott Alvord	City of Roseville Councilmember

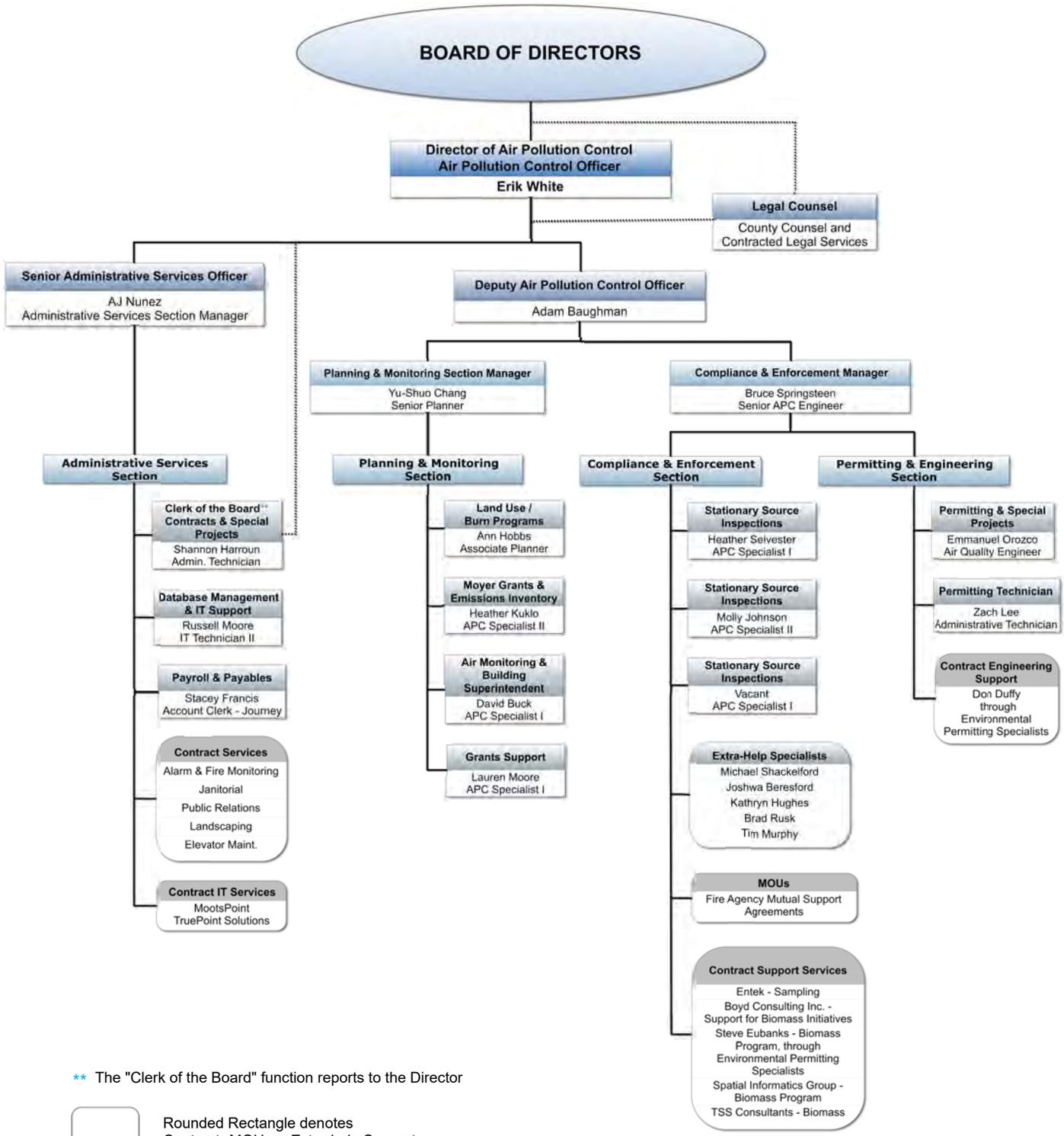
**DISTRICT STAFF:**

**POSITION**

**SECTION**

Erik White	Air Pollution Control Officer	Director, Air Pollution Control District
Adam Baughman	Deputy Air Pollution Control Officer	Deputy Director, Air Pollution Control District
A.J. Nunez	Senior Administrative Services Officer	Administrative Services Manager & Fiscal Officer
Stacey Francis	Account Clerk Journey	Administrative Services
Russell Moore	Information Technology Technician II	Administrative Services
Shannon Harroun	Administrative Technician & Board Clerk	Administrative Services
Bruce Springsteen	Senior Air Pollution Control Engineer	Compliance & Enforcement / Permitting & Engineering Sections Manager
Molly Johnson	Air Pollution Control Specialist II	Compliance & Enforcement
Heather Selvester	Air Pollution Control Specialist I	Compliance & Enforcement
Emmanuel Orozco	Air Quality Engineer	Permitting & Engineering
Zach Lee	Administrative Technician-Permitting	Permitting & Engineering
Yu-Shuo Chang	Senior Air Quality Planner	Planning & Monitoring Manager
Ann Hobbs	Associate Planner	Planning & Monitoring
Heather Kuklo	Air Pollution Control Specialist II	Planning & Monitoring
David Buck	Air Pollution Control Specialist I	Planning & Monitoring
Lauren Moore	Air Pollution Control Specialist I	Planning & Monitoring
<u>Extra-Help Staff:</u>		
Michael Shackelford	Air Pollution Control Specialist I	Extra Help - Compliance & Enforcement
Joshwa Beresford	Air Pollution Control Specialist I	Extra Help - Compliance & Enforcement
Kathryn Hughes	Air Pollution Control Specialist I	Extra Help - Compliance & Enforcement
Brad Rusk	Air Pollution Control Specialist I	Extra Help - Compliance & Enforcement
Tim Murphy	Air Pollution Control Specialist I	Extra Help - Compliance & Enforcement

# Placer County Air Pollution Control District Organization Chart



\*\* The "Clerk of the Board" function reports to the Director

Rounded Rectangle denotes Contract, MOU, or Extra-help Support

Effective February 10, 2020

# The Placer County Air Pollution Control District

*What we are all about...*

*Our vision is to achieve and maintain clean air standards throughout Placer County*



*We strive towards this end by managing the County's air quality in a manner to protect and promote public health by controlling and seeking reductions of air pollutants while recognizing and considering the economic and environmental impacts*



*We do this by focusing on nine specific goals and applying our resources toward accomplishing their associated objectives*



## **1. Regulate air pollutant emissions from stationary sources**

- a. Evaluate emissions, potential emissions, and establish permit limitations consistent with District rules and regulations and applicable air pollution control laws
- b. Develop and maintain a vigilant inspection program to ensure compliance of permitted terms and conditions
- c. Provide guidance on implementation of rules and regulations to regulated sources
- d. Establish partnerships with industry by providing both a technical and personal level of service to promote innovative reductions of emissions
- e. Adopt progressive, sensible, fact-based, and effective air pollution control rules and regulations as are necessary to further the goals of the District and to meet state and federal mandates

## **2. Seek quantitative reductions in amounts of air pollutants being released within the County**

- a. Identify and regulate new sources of emissions
- b. Alleviate toxic and nuisance emission impacts upon the public
- c. Provide economic incentives for emission reductions
- d. Deter emission violations through the enforcement of District rules, and air pollution control laws
- e. Increase resources applied to mitigation measures
- f. Provide public education about sources, effects, and methods of reduction
- g. Modify and/or incorporate new rules and regulations as appropriate to obtain reductions suited for the County
- h. Seek Greenhouse Gas (GHG) emission reductions in keeping with state and federal laws and regulations, and District policies

## **3. Respond to and investigate non-compliant events and sources of emissions in an efficient manner and impartially uphold and enforce air pollution laws and regulations**

- a. Initiate measures to allow sources to gain compliance by providing quality service within acceptable limits
- b. Establish a hierarchical enforcement system that yields appropriate sanctions for the violation of permit conditions, rules, regulations, and laws, and considering, among other relevant factors, the severity, frequency, and air quantity of pollution discharged to the atmosphere
- c. Partner with other agencies when feasible to assist in field response and inspections/investigations

4. *Mitigate effects of growth through quality planning measures*
  - a. Maintain and enhance a data and information collection system regarding emission inventory and air shed properties throughout the basins
  - b. Prepare and update air quality plans to effectively maintain or achieve attainment of air quality standards through measures best suited for the County
  - c. Review development plans for impacts on air quality and climate, and work toward mitigating those impacts through programs that reduce emissions
  - d. Develop and implement initiatives, and support local jurisdictions, to address the growth of the County with respect to maintaining and improving air quality
5. *Pool resources with other agencies, districts, jurisdictions, and stakeholders*
  - a. Partner with local municipalities in areas of mutual interest and where mandates cross jurisdictional boundaries
  - b. Form strategic alliances with other air districts, academia, stakeholders and agencies as appropriate to develop technical resources and gain needed assistance
  - c. Contract out for services/program management to areas where the cost/benefit of doing such is favorable
6. *Market and promote the positive impacts the District is making on the air quality in the County*
7. *Develop and support innovative and non-traditional emission reduction strategies and initiatives for all sources of emissions*
  - a. Support zero emission and alternative and renewable fuels technologies, and accompanying infrastructure, including waste to energy and biomass to energy initiatives, as well as cleaner burning fossil fuels.
  - b. Leverage District and local funding with State and Federal monies to maximize benefits to local jurisdictions.
  - c. Support economically self-sustaining forest management initiatives to restore our forests to a fire-resilient condition while reducing emissions from prescribed burning and wildfires – including hazardous fuel reduction thinning and use of biomass waste for energy, biochar, and wood products as an alternate to open pile burning
  - d. Assist in the implementation/funding of Transportation Control Measures (TCMs) called for in Air Quality Plans
8. *Improve District business processes and internal operations so as to provide cost effective and quality service to the citizens and industry of Placer County.*
  - a. Continually assess the ability of staff, funding, and contract resources, to meet District service level priorities, satisfaction of mandates, and achievement of mission objectives, and make necessary adjustments.
  - b. Identify means to streamline and enhance business processes to achieve gains in efficiency and effectiveness, reduce costs and align costs with revenue streams, and improve customer service and public transparency.
9. *Provide a financially stable, safe, and positive working environment for District staff, where staff are healthy and motivated, well prepared and qualified, respected by their peers, with high ethical and work standards, and where staff are encouraged to utilize their full potential.*

**ADOPTED BY THE DISTRICT BOARD FEBRUARY 9, 2017**

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Planning &amp; Monitoring Section:</b>	<b>Mission Goal/Objective</b>
The Planning & Monitoring Section is responsible for air quality planning required to guide local emission reduction efforts and to demonstrate that these efforts satisfy state and federal planning requirements. The Section also conducts assessments of land use projects with respect to their impact on air quality. Air quality planning efforts, and the determination of whether state and local emission control measures have been successful, are verified by the air monitors that measure ambient air quality in the District. The Section is also responsible for preparing inventories of emissions in the District, regulating open burning and burning from wood-fired appliances, and managing the Clean Air Grant and other incentive programs. Specific activities of the Section include:	
<ul style="list-style-type: none"> <li>• Working with federal, state, and other local agencies to develop regional planning documents to attain and maintain compliance with state and federal ambient air quality standards.</li> </ul>	4(b), 4(d), 5(a), 5(b)
<ul style="list-style-type: none"> <li>• Ensuring compliance with federal conformity requirements.</li> </ul>	7(b)
<ul style="list-style-type: none"> <li>• Developing emission inventories for air quality planning purposes and new or amended rules and regulations for District adoption.</li> </ul>	1(e), 2(g), 4(a), 4(b), 4(c)
<ul style="list-style-type: none"> <li>• Assisting in the development of land use plans, such as specific and general plans.</li> </ul>	4(c), 5(a), 7(b)
<ul style="list-style-type: none"> <li>• Reviewing land use projects and environmental documents submitted by lead agencies, in compliance with the California Environmental Quality Act (CEQA).</li> </ul>	4(c), 5(a), 7(b)
<ul style="list-style-type: none"> <li>• Preparing environmental documents when the District is the lead agency.</li> </ul>	2(a), 2(g), 4(c)
<ul style="list-style-type: none"> <li>• Inspecting new development projects to verify mitigation measures were implemented.</li> </ul>	1(b), 4(c), 4(d)
<ul style="list-style-type: none"> <li>• Administering the Clean Air Grant (reauthorized AB2766 and AB923 DMV air quality fees) and Offsite Mitigation Programs.</li> </ul>	1(d), 2(c), 2(e), 4(c), 4(d), 5(a),
<ul style="list-style-type: none"> <li>• Providing public outreach and information.</li> </ul>	1(c), 2(f)
<ul style="list-style-type: none"> <li>• Operating air quality monitoring equipment at six (6) stations, two of which are intended to acquire data for short-term research purposes.</li> </ul>	4(a), 8
<ul style="list-style-type: none"> <li>• Submitting air monitoring data to the State and Federal governments.</li> </ul>	4(a), 8
<ul style="list-style-type: none"> <li>• Analyzing air monitoring data to identify poor air quality episodes and recommend health alerts when warranted, to identify violations of air quality standards, and to evaluate trends for decision making with regard to air quality plans.</li> </ul>	4(a), 4(b)
<ul style="list-style-type: none"> <li>• Overseeing the District burn program to minimize smoke impacts, including residential burning, rice burning, and forest management prescribed burning—through smoke management plan approval, permitting, burn project authorization, and burn day declarations.</li> </ul>	1(a), 1(b), 2(f), 5(b)

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Planning &amp; Monitoring Section:</b>	<b>Mission Goal/Objective</b>
<ul style="list-style-type: none"> <li>• Collaborating with various emergency response agencies to deliver effective air quality data for the public and decision makers when an incident such as wildfire occurs and impacts the air quality within Placer County.</li> </ul>	1(a), 1(c), 2(f), 3(a), 3(c), 4(a), 6
<b>Section tasks and projects to be advanced in the 2020-2021 fiscal year are:</b>	
<ul style="list-style-type: none"> <li>□ <u>Air Quality Plans for Federal Standards:</u> Staff will work with California Air Resources Board (CARB) and other local air districts in the Sacramento Federal Nonattainment Area to: 1) implement the contingency measure commitment for the 2008 federal 8-hour ozone standard (0.075 ppm); 2) work with the other Sacramento air districts and CARB to develop a attainment demonstration plan for the 2015 federal 8-hour ozone standard (0.070 ppm); and 3) prepare an exceptional event demonstration report for 2018 winter PM2.5 data impacted by wildfires. These three actions are required for the federal ambient air quality standards for the Sacramento nonattainment area.  For the ozone standards, the Sacramento air districts commit to amend the existing architectural coating rules to satisfy the contingency measure requirement under Federal Clean Air Act. The District will accomplish this rule amendment within 12 months in order to fulfill the commitment. The Sacramento air districts also submitted a bump-up request for reclassifying the Sacramento ozone nonattainment area from moderate to serious. After EPA approves the request, the Sacramento air districts will start developing the ozone attainment plan to demonstrate the Sacramento nonattainment area to attain the 2015 8-hour ozone standard at the target year. For the PM2.5 standard, the exceptional event demonstration report will be used to exclude PM2.5 exceedances caused by wildfire smoke during the winter in 2018 in order to finalize the Attainment Implementation and Maintenance Plan for the 2006 24-hour PM2.5 standard (35 ug/m<sup>3</sup>). The timeline to finalize these three air quality plans will be determined later by five air districts in the region.</li> </ul>	1(a), 1(e), 2(f), 2(g), 4(a), 4(b), 4(d), 5(b)
<ul style="list-style-type: none"> <li>□ <u>Incentive Programs:</u> Staff continues managing various incentives programs in FY 2020-21. The major incentive program funding grants are from CARB's Carl Moyer program, DMV Surcharge (AB 923), and the Community Air Protection Program (CAPP). Approximately \$1.4 million of funding will be available for Placer public agencies and private businesses in FY 2020-21. Each incentive program has its own specific requirements for eligible project categories and cost-effectiveness limitation to meet the goals of funding sources. Staff will conduct combined project solicitations to request project applications for review and decide eligible projects for each incentive funding grant to achieve the best benefits for Placer residents.</li> </ul>	1(c), 1(d), 2(e), 2(g), 5(a), 5(c), 7

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Planning &amp; Monitoring Section:</b>	<b>Mission Goal/Objective</b>
<p>In addition, the District will continue administering the State’s Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program for local districts within the Shared Allocation Pool (SAP). The amount of the SAP funds is approximate \$2.6 million in FY 2020-21. To avoid any conflict of interest, staff proposes to forgo any Placer projects being funded through the FARMER program since the FY 2019-20 funding cycle. Staff will ensure eligible agricultural projects to be funded through other District’s incentive funding and that there is no loss in emissions reductions or funding opportunities for Placer’s farmers or fleets.</p>	
<p>❑ <u>Statewide Woodstove Replacement Program</u>: Senate Bill 865 appropriated \$3 million to CARB to conduct the statewide woodstove replacement program. The District contracted the El Dorado County Air Quality Management District (EDCAQMD) to implement the program on the District’s behalf for Placer County residents. The Program allocated \$125,210 to Placer County residents in FY 2019-20. Because of the successful arrangement between the two air districts, in December 2019 the District Board approved the amended agreement to continue the partnership with EDCAQMD to implement the statewide woodstove replacement program on the District’s behalf in FY 20-21.</p>	2(c), 2(f), 5(a), 5(c), 6
<p>❑ <u>AB197 Emission Inventory District Grant Program</u>: CARB has provided the District grant funding of \$9,583 to conduct a quality assurance review of data being uploaded into the California Emission Inventory Development and Reporting System (CEIDARS) database. The project will require the District to review, update, and submit quality assured criteria and toxic pollutant emissions data for calendar year 2019. The timeline to implement the project and prepare a final report to CARB is at or before the end of April 2021.</p>	1(e), 2(g), 4(a), 4(b), 4(c)
<p>❑ <u>Air Monitoring Network Operation</u>: As part of the CARB primary quality assurance organization (PQAO), the District participated in its Technical System Audits (TSA) in September 2018. The audit included a questionnaire and interviews covering various aspects of the air monitoring program including a district-specific assessment of network design, field operations, data handling procedures, and quality assurance/quality control. Staff has received the final TSA report from the U.S. EPA Region 9 Office and is working with CARB and U.S. EPA on the correction action plan for each finding identified in the TSA report. The correct action plan identifies the actions that District staff will implement to improve the internal quality control and quality assurance processes and enhance the overall quality of the District’s monitoring program.</p>	4(a), 8
<p>❑ <u>Smoke Management Program Grant</u>: In 2018, the Legislature passed, and the Governor signed, several bills to improve forest resiliency and to reduce the risk of wildfires in California. SB 865 appropriated \$2 million, through CARB, to assist local air districts in implementing local smoke management programs, enhancing air quality and smoke monitoring, and</p>	1(a), 1(d), 2(a), 2(f), 3(c), 5(b)

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Planning &amp; Monitoring Section:</b>	<b>Mission Goal/Objective</b>
<p>providing public awareness regarding prescribed burns.</p> <p>The District is participating in the program and CARB allocated approximately \$21,000 to Placer County to support direct costs associated with the operation of the District’s smoke management program. The funds have been budgeted in FY 2019-20. The District may receive additional funding if some air districts opt to not accept funding, and those funds are redirected to participating districts. In addition, the District can require additional funds, on a reimbursement basis through a contract with CAPCOA, to cover costs associated with training, travel, and deployment of air monitors in support of the use of prescribed fire by land managers.</p>	
<p>□ <u>Community Air Protection Program Implementation Grant: AB 617</u> established a Community Air Protection Program (CAPP) requiring local air districts, in conjunction with CARB and local communities, to identify communities which may be significantly impacted by local sources of criteria pollutants and toxic emissions. The Legislature appropriates funds, though the State annual budget cycle, to local air districts for CAPP implementation. The funds can be used to cover local air districts’ activities with specific tasks, including identifying locations for monitoring, deploying community air monitoring systems or fence-line monitoring, reporting emissions, developing a community emission reduction program, establishing requirements and adopting schedules for best available retrofit control technology (BART) implementation, and conducting local community meetings or public outreach. In FY 2020-21, the District has been allocated the amount of \$48,590 to cover CAPP implementation in Placer County.</p>	

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Permitting &amp; Engineering Section:</b>	<b>Mission Goal/Objective</b>
The Permitting & Engineering Section has the primary responsibility of permitting stationary sources of emissions, in accordance with applicable state and federal laws and District regulations. Specific responsibilities of the Section include:	
<ul style="list-style-type: none"> <li>• Evaluation of new Authority to Construct applications, annually reviewing Permits to Operate prior to renewal and invoicing, and Permit to Operate renewal.</li> </ul>	1(a), 1(c), 1(d)
<ul style="list-style-type: none"> <li>• Supporting the Hearing Board’s consideration of Variances and Abatement Orders.</li> </ul>	2(a), 2(d), 3(a), 3(b)
<ul style="list-style-type: none"> <li>• Administering the Emission Reduction Credit (ERC) banking program by issuing ERCs and tracking them in a Registry.</li> </ul>	1(a), 2(c)
<ul style="list-style-type: none"> <li>• Evaluating air toxic emissions from existing facilities through implementation of the AB 2588 Air Toxics Hot Spots program, and evaluation of air toxic emissions from new and modified facilities.</li> </ul>	2(a), 2(b)
<ul style="list-style-type: none"> <li>• Preparation and review of annual information requests sent to stationary sources, which gather information used to calculate emissions and determine compliance.</li> </ul>	1(a), 4(a)
<ul style="list-style-type: none"> <li>• Conducting comparison of state and federal control measure guidelines to adopted District rules and emission sources, to demonstrate compliance or identify rule deficiencies that will need to be corrected through new rules or rule amendments, and assisting in new or amended rule development.</li> </ul>	1(a), 1(e), 2(g)
<ul style="list-style-type: none"> <li>• Assisting in regulation compliance education and response to business inquiries and public information requests about sources.</li> </ul>	1(c), 2(f), 3(a)
<ul style="list-style-type: none"> <li>• Identifying business operations that should be permitted by the District through a permitting outreach effort (Harvest program), in conjunction with Compliance and Enforcement Section staff.</li> </ul>	1(a), 1(b), 1(c), 2(d), 2(f), 3(a), 3(b)
<b>Section tasks and projects to be advanced in the 2020-2021 fiscal year are:</b>	
<ul style="list-style-type: none"> <li>□ <u>New Database:</u> Staff will continue supporting the development of the new Accela database, with focus on development of the Citizen Access Portal public user interface to allow for streamlined and paperless permit application, permit renewal, and emission report submittals, invoices, and issuances.</li> </ul>	8(b)
<ul style="list-style-type: none"> <li>□ <u>Title V Permit Renewal:</u> Federal Title V permits are issued by the District for four Major Sources of air emissions (Roseville Electric, Gladding McBean, Sierra Pacific Industries, and Rio Bravo) and one specifically identified source (Western Regional Sanitary Landfill). Title V permits are issued for a five year period. We anticipate two two renewals and one significant modification will be completed this fiscal year.</li> </ul>	1(a), 2(d), 2(g)

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Permitting &amp; Engineering Section:</b>	<b>Mission Goal/Objective</b>
<ul style="list-style-type: none"> <li>❑ <u>Air Toxics Risk Assessments:</u> Staff will continue to evaluate and implement recently updated air toxic risk screening and assessment procedures for AB2588 compliance (including significant changes to risk factors for children and the elderly). Particular attention will be given to the prioritization of older diesel engine generators, existing industrial operations, and gasoline dispensing facility facilities.</li> </ul>	1(a), 1(c), 2(a), 2(b)
<ul style="list-style-type: none"> <li>❑ <u>Criteria and Toxics Emissions Reporting:</u> Staff will continue to work with CARB and local stakeholders during the development and phasing-in of the Criteria Pollutant and Toxics Emissions Reporting Regulation (CTR). We will meet evolving air toxic and criteria air pollutant inventory data reporting obligations from AB 617 and AB 197 legislation.</li> </ul>	1(a), 3(a)
<ul style="list-style-type: none"> <li>❑ <u>Emission Reduction Credits (ERC):</u> Opportunities to create ERCs, through permitted facility closures or use of enhanced controls not required by regulations, will continue to be considered.</li> </ul>	1(a), 2(c), 7
<ul style="list-style-type: none"> <li>❑ <u>U.S. EPA Rules:</u> Staff will continue to implement Federal U.S. EPA Maximum Achievable Control Technology and New Source Performance requirements for engines, wood fired boilers, landfills, clay processing operations, and automotive refinishing; and New Source Review “emission projection” and “common control” permitting considerations.</li> </ul>	1(a), 2(a), 2(b), 2(g)
<ul style="list-style-type: none"> <li>❑ <u>California Environmental Quality Act (CEQA) for Permitting:</u> Staff will continue to implement CEQA review requirements as part of the stationary source permitting process.</li> </ul>	1(a), 1(c), 2(f)
<ul style="list-style-type: none"> <li>❑ <u>Source Testing:</u> Staff will coordinate with Compliance and Enforcement staff in review and approval of source test plans, source test observations, and source test reports.</li> </ul>	1(b)
<ul style="list-style-type: none"> <li>❑ <u>Agricultural Engine Registration Program:</u> Staff will review the compliance status of engines that are registered in the District Agricultural Engine Registration Program. The District will also survey the County’s agricultural community to ensure existing engines are properly registered.</li> </ul>	1(a), 1(e)
<ul style="list-style-type: none"> <li>❑ <u>Composting:</u> Staff will continue to evaluate the need for permits or rulemaking to control compost emissions.</li> </ul>	1(a), 2(a), 2(b), 2(g)
<ul style="list-style-type: none"> <li>❑ <u>Public Safety Power Shutoff (PSPS) Events:</u> PSPS events are expected to be a frequent occurrence in our County. Staff are working with utilities and the State to develop appropriate permitting guidelines and policies which will provide the needed flexibility to operators of portable emergency generator engines while ensuring the engines do not adversely impact local community air quality.</li> </ul>	1(a), 2(b), 4(c)
<ul style="list-style-type: none"> <li>❑ <u>Air Curtain Burners:</u> Staff will coordinate anticipated permitting requests with other Air Districts and U.S. EPA in a continued effort to promote tools used to combat California wildfires.</li> </ul>	1(a), 2(a), 5(b), 7(c)

**Placer County Air Pollution Control District  
Fiscal Year 2020-2021 Section Goals**

<b>Permitting &amp; Engineering Section:</b>	<b>Mission Goal/Objective</b>
<input type="checkbox"/> <u>Staffing</u> : The District will continue to leave vacant an Associate Engineer position due to anticipated workload and resources. We will consider the addition of a part-time internship to assist with ministerial tasks.	8(a)

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Compliance and Enforcement Section:</b>	<b>Mission Goal/Objective</b>
The Compliance and Enforcement Section is responsible for ensuring compliance with permit conditions, District rules and regulations, and applicable state and federal air pollution laws. This is achieved through investigations and on-site inspections, and pursuing enforcement actions when violations are found. Specific responsibilities of the Section include:	
<ul style="list-style-type: none"> <li>• Inspecting permitted and unpermitted stationary sources of air pollution (i.e. facilities) for compliance with applicable rules and regulations. This includes portable engines and equipment that are registered with the state.</li> </ul>	1(a), 1(b), 1(c), 2(a), 2(b), 2(d), 3(a), 3(b), 3(c)
<ul style="list-style-type: none"> <li>• Investigating and resolving air pollution complaints from the public regarding odors, smoke, dust, or air pollutant emissions from any source.</li> </ul>	1(a), 1(b), 2(a), 2(b), 2(d), 2(f), 3(a), 3(b), 3(c)
<ul style="list-style-type: none"> <li>• Reviewing monitoring data and reports, and observing source tests, for compliance with applicable rules and regulations.</li> </ul>	1(a), 1(b)
<ul style="list-style-type: none"> <li>• Issuing Notices of Violation or Corrective Action Notices when violations are discovered.</li> </ul>	2(d), 3(a), 3(b)
<ul style="list-style-type: none"> <li>• Resolving enforcement cases for violations through, mutual civil settlement; orders of abatement through the District’s Hearing Board; small claims court adjudication; referral of cases to the District’s contract legal counsel for enforcement, the Placer County District Attorney’s Office, or the State Attorney General’s Office.</li> </ul>	3(b)
<ul style="list-style-type: none"> <li>• Educating the public and permitted sources on air pollution rules and regulations.</li> </ul>	1(c), 2(f)
<ul style="list-style-type: none"> <li>• Assisting with emission control measures and rule development.</li> </ul>	1(e), 2(g), 4(b)
<ul style="list-style-type: none"> <li>• Enforcing open burning regulations in cooperation with local fire agencies, through mutual support agreements, and obtaining fire agency cost-recovery for response to air pollution violation incidents.</li> </ul>	1(b), 3(c), 5(b)
<b>Section tasks and projects to be advanced in the 2020-2021 fiscal year are:</b>	
<ul style="list-style-type: none"> <li>❑ <u>New Database</u>: Staff will continue supporting the development of the new Accela database. This will include development of automated throughput and emissions reporting forms, and violation notice and variance workflow tracking.</li> </ul>	1(a), 1(b), 2(a), 2(b), 2(d), 2(f), 8
<ul style="list-style-type: none"> <li>❑ <u>Stationary Source Inspections</u>: Staff will prioritize resources to catch up on a backlog of overdue permitted source inspections and portable engine and equipment inspections.</li> </ul>	1(b), 1(c), 2(a), 2(b), 2(d), 2(f)
<ul style="list-style-type: none"> <li>❑ <u>Consumer Product Retailers</u>: Staff will continue point-of-sale inspections of retailers of consumer products – architectural and automotive coatings, water heaters, and wood stoves – for compliance with District rules.</li> </ul>	1(a), 1(b), 2(a), 2(b), 2(d)
<ul style="list-style-type: none"> <li>❑ <u>Continuous Emissions Monitoring System Data Compliance Audits</u>: Audits of continuous emissions system monitoring data from the three District commercial electricity generation plants will be continued.</li> </ul>	1(a), 1(b), 2(a), 2(b), 2(d)
<ul style="list-style-type: none"> <li>❑ <u>Field Safety</u>: Safety program enhancements will include continuing commitment of staff time dedicated for bi-monthly meetings to exchange</li> </ul>	1(b), 8, 9

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Compliance and Enforcement Section:</b>	<b>Mission Goal/Objective</b>
knowledge and experience, and training from outside experts and consultants.	
<input type="checkbox"/> <u>Inter-agency Cooperation:</u> Staff will continue to enhance working relationships with allied agencies, including the agricultural commissioner, building and public works departments, law enforcement, fire agencies, code enforcement, weights and measures, animal control, and environmental health.	3(c), 5(a), 5(b), 5(c)
<input type="checkbox"/> <u>Nuisance Odors:</u> Staff will continue to expend resources to investigate and resolve nuisance complaints concerning odors from the Western Regional Sanitary Landfill and regional wastewater treatment plants.	1(a), 1(b), 2(b), 2(d), 2(f), 8
<input type="checkbox"/> <u>Open Pile Burning of Biomass:</u> Staff will prioritize activities to reduce impacts of smoke from open pile burning of biomass wastes on local communities – including education through attendance at public workshops and events, field patrols, and timely and effective investigations and enforcement.	1(a), 1(b), 2(b), 2(d), 2(f), 8
<input type="checkbox"/> <u>Wood Burning Fireplaces:</u> Strategies to more effectively mitigate fireplace smoke impacts will be developed.	2(b)
<input type="checkbox"/> <u>Staffing:</u> The Section will continue to utilize extra-help part-time field specialists to cover for a vacant full-time specialist position.	8(a)

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

<b>Administrative Services Section:</b>	<b>Mission Goal/Objective</b>
The Administrative Services Section is responsible for providing overall administrative services and support for the District. Specific responsibilities of the Section include:	
<ul style="list-style-type: none"> <li>• Preparation of monthly fiscal statements and review for management and Board information.</li> </ul>	8
<ul style="list-style-type: none"> <li>• Clerk of the Board functions, including preparation of the Board Meeting Agenda and the Board Packet that includes information and action items.</li> </ul>	8
<ul style="list-style-type: none"> <li>• Tracking, filing, and archiving of District documents. The conduct of this function is being improved through the implementation of an electronic document handling system (EDHS).</li> </ul>	5(c), 8
<ul style="list-style-type: none"> <li>• Handling of payroll, accounts receivable, accounts payable, purchasing, and cost accounting/cost allocation, and conducting a biennial outside audit.</li> </ul>	5(b), 8
<ul style="list-style-type: none"> <li>• Preparation, oversight, management, and administration of grant and professional services contracts, including inter-agency Memorandums of Understanding.</li> </ul>	5(a), 5(b), 5(c), 8
<ul style="list-style-type: none"> <li>• Assisting the Air Pollution Control Officer (APCO) in the preparation of the annual budget, and providing the APCO with fiscal status summaries each month, and performance statistics for the District each quarter.</li> </ul>	8
<ul style="list-style-type: none"> <li>• Maintenance of the District's networked computers and office equipment, and recommendations for equipment replacement.</li> </ul>	5(b), 5(c), 8
<ul style="list-style-type: none"> <li>• Maintenance and upgrade of the District database program to the Accela platform as well as training of District staff on the use of the Accela program.</li> </ul>	5(b), 5(c), 8
<ul style="list-style-type: none"> <li>• Overseeing the maintenance of District motor vehicles and their sign-out by staff.</li> </ul>	5(b), 5(c), 8
<ul style="list-style-type: none"> <li>• Maintenance and control of personnel files and training logs (Personnel Liaison).</li> </ul>	8
<ul style="list-style-type: none"> <li>• Facility maintenance and operations for the District offices at 110 Maple Street, Auburn, including management of repairs and scheduled preventive maintenance, and oversight of building related service contracts.</li> </ul>	5(c), 8
<ul style="list-style-type: none"> <li>• Completing office management functions, including answering caller inquiries, directing the public to the proper staff, and facilitating all business transactions with the District.</li> </ul>	8

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

Administrative Services Section:	Mission Goal/Objective
<b>Section tasks and projects to be advanced in the 2020-21 fiscal year are:</b>	
<p>□ <u>Technology Improvement Program</u>: Management of the Strategic Information Technology Master Plan and implementation of the approved roadmap and upgrade to the Accela platform, contingent on Board approval. The plan has these elements:</p>	1(a), 1(b), 1(c), 2(d), 3(b), 4(a), 5(c), 8
<p>○ Air Pollution Control Database System (Database System): The Database System will continue to be the common connecting point for all District business applications. District staff have migrated to the Accela platform to enable continued enhancement of the database system, including electronic access to expanded information by the creation of new system modules for CEQA-Landuse, and tracking of rule development activities. The Accela platform provides all of the enhancements included in the IT Master Plan and allow for additional enhancements such as a Citizen Access Portal, as well as GIS capabilities that the current database will not allow for. Electronic document handling for database records will be managed through Accela.</p> <p>District Staff will continue enhancements of the Accela platform, which facilitates better database functionality and enables linkage to field tablet generated data for notices of violation, complaints, inspections, investigations, compliance activity tracking, emissions, toxics, and other areas.</p>	8
<p>○ The District’s wireless mobile inspections device aids District employees in the field to conduct inspections and investigations. The District’s next goal is to integrate data collected in the field with the Accela Inspector Application. This integration is underway and will continue into FY 2020-21.</p> <p>The mobile inspections project provides these benefits:</p> <ul style="list-style-type: none"> <li>▪ Create/modify forms to suit District processes.</li> <li>▪ Pre-populate contact, location, and permit information from the District database or another data source.</li> <li>▪ One-time data entry for complete inspection/investigation reports.</li> <li>▪ Dispatch pre-populated form(s) to inspectors, self-dispatch by inspectors, or manual data loading in the field, followed by entry of inspection/complaint findings.</li> <li>▪ Reference rules, permits, and other documents accessible from within the forms.</li> <li>▪ Obtain signatures, take and attach photos, attach documents from document source or internet, GIS mapping.</li> <li>▪ Data stored electronically for later upload to database or other data</li> </ul>	8(a)

## Placer County Air Pollution Control District Fiscal Year 2020-2021 Section Goals

Administrative Services Section:	Mission Goal/Objective
<ul style="list-style-type: none"> <li>retention means (e.g. spreadsheets).               <ul style="list-style-type: none"> <li>▪ Complete inspection/investigation report created with all references, photos, and attachments.</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>○ Client Access Portal Project: The District will continue work in FY 2020-21 to expand its delivery of electronic information and services to District clients and the public through the Accela Citizen Access portal. Development will continue on online forms. The Accela platform will allow the District to create a client access portal that will provide District clients with online access to District permit and billing information and client contact profile capabilities. The concept is to provide clients and the public with portals to access District information and documents. This element of the plan is dependent upon the migration to Accela, and the completion of planned database enhancements and EDHS as a necessary foundation for the accessing of the stored information.</li> <li>○</li> </ul>	8
<ul style="list-style-type: none"> <li>□ <u>Capital Facility Five Year Maintenance Plan for District Offices at 110 Maple Street, Auburn</u>: The on-going plan included a schedule of required long term maintenance for the building exterior, parking lot, roof, and interior flooring. The plan provides an assessment and timeline for anticipated services, to preserve the service life of the building. The FY 2020-21 Proposed Budget includes funds for the maintenance of the District. No large projects are scheduled for the upcoming fiscal year.</li> </ul>	5(c), 8
<ul style="list-style-type: none"> <li>□ <u>Organization and Resource Assessment</u>: District management continues to review the District’s mission objectives and the alignment of resources, as well as the availability of funding and staff to do the work needed. A Resource Development Plan is being developed to lay out the District’s current organizational structure, with staffing aligned with the District’s current mission objectives and priorities. The recent change in District’s leadership provides an opportunity to re-examine the District’s mission objectives and work priorities, as well as the organizational structure that best aligns staff resources to meet these goals. Core mission objectives must be balanced with continued participation in the biomass utilization field, as a means to reduce prescribed burning and wildfire emissions, while also benefitting forest health and local economies. These and other non-traditional areas of District endeavors are means for the District to effect community benefits, while reducing air pollutant emissions. To continue participation in these non-traditional work areas, the District must be able to assure the continuation of its core functions, such as stationary source and open burning regulation, complaint response, the conduct of air monitoring, and air quality planning.</li> </ul>	8

**Placer County Air Pollution Control District  
Fiscal Year 2020-2021 Section Goals**

<b>Administrative Services Section:</b>	<b>Mission Goal/Objective</b>
<p>In the upcoming fiscal year, District management will continue to evaluate its functions to better maximize the air quality and economic benefits to Placer County communities. District management will align this work with existing and required staff and contract resources to determine what work can be done, and where additional resources are required. On the financial side, management will evaluate work and resources against existing funding sources, to determine if funds are being utilized effectively and whether funds should be re-directed. This will include evaluating core District functions, the ability to effectively recover District implementation costs, and where appropriate, identify additional revenue options. Finally, an update to the District organizational structure that accommodates succession planning, as well as best meets ongoing and future goals, will also be considered.</p>	

**BUDGET OVERVIEW**

---

**Fund Summary:**

The District Budget is organized into five separate funds, each with its own revenue and expenditure accounts. The five funds are briefly described below:

- **The Operations Fund** is used for the purpose of conducting the business of the District not covered by the other funds. The revenue sources for this fund are: permit fees, fines, state subvention, federal funding, interest derived from these sources, Per Capita Assessment, co-funding of projects/programs from the private sector, and administrative fees. Sub-funds to the Operations Funds include:

<b>Sub Fund Name</b>	<b>FY 2019-20 Ending</b>	<b>FY 2020-21 Change</b>	<b>FY 2020-21 Ending</b>
Non-Tort Defense Fund	\$90,000	0	\$90,000
Reserve Fund	\$595,000	0	\$595,000
Vehicle Replacement Fund	\$60,000	0	\$60,000
Building Capital Maintenance Fund	\$50,000	0	\$50,000
<b>Total</b>			<b>\$795,000</b>

The Non-Tort Defense Sub-Fund sets aside \$90,000 for the legal defense of the District. The Reserve Sub-Fund established by your Board in FY 2007-08, set aside \$95,000 for contingencies. The District is proposing to increase the Contingency Reserve by \$500,000. The Vehicle Replacement Fund established by your Board in FY 2009-10 has set aside \$15,000 each year until the current balance of \$60,000 was established for future vehicle replacement. The Building Capital Maintenance Sub-Fund established by your Board in FY 2011-12 sets aside \$50,000 for unanticipated major repairs of the 110 Maple Street facility. As shown in the table above, the District does propose to add additional funding to the Contingency Reserve Fund, but all other Sub-funds remain the same in FY 2020-21.

In the beginning of FY 2007-08, the District received litigation settlement (\$2,742,500) and litigation cost recovery (\$700,000) funds from the Sierra Pacific Industries (SPI) case brought by the State Attorney General’s Office on behalf of the District and other parties. The funds were set aside in an interest-bearing account and the interest derived from these funds is used for specific projects, programs and normal operations which are detailed in the proposed budget. In FY 2010-11 the Board approved the use of \$1,500,000 of the Settlement Fund for the purpose of purchasing the new District facility at 110 Maple Street in Auburn, and the use of \$361,500 from the Litigation Cost Recovery Fund for one-time facility relocation costs. In FY 2012-13, The District used \$40,000 of the Settlement Fund and redirected a planned reimbursement of \$50,000 to the Settlement Fund in order to cover the installation and purchase of a solar photo voltaic system at the District’s 110 Maple Street facility. In the Proposed Budget for FY 2020-21, the District proposes to direct \$50,000 to the Settlement Fund for the repayment of the above-mentioned purchase. The funds for the proposed repayment are derived from the Operations Fund. The Settlement Fund has a current balance of \$1,667,500 and the Litigation Cost Recovery Fund is currently \$338,500.

- **The DMV Fund** is a restricted fund that is to be used to reduce mobile source emissions and to carry out related California Clean Air Act activities, such as: air monitoring, air modeling, emission inventory assessment and identification, control strategies, air quality planning, public information, and direct incentives to reduce mobile source emissions. The DMV Fund has three sources of revenue – DMV (AB 2766 and AB 923) Fees, also referred to as Vehicle Surcharge Fees, interest derived from these approved project/program criteria, and co-funding from other entities for DMV approved projects.

## BUDGET OVERVIEW

---

- **The Mitigation Fund** is a restricted fund that is used only for the purposes described in each individual mitigation plan. The revenue sources for this fund come from mitigation plans approved at the discretion of the Land Use Authorities. Because the District cannot predict which of these plans will be approved or the amount that will be received, future revenue for this fund is not budgeted.
- **The Black Carbon Research Fund (BCR)** is a restricted fund that is used only for the purposes of Black Carbon Research as described in the contracts and MOU's related to BCR. The revenue sources for this fund come from various partners.
- **The Wildfire Mitigation Fund (WFM)** is a restricted fund that is used only for the purposes of Wildfire mitigation in accordance with the contract with TSS to develop a protocol. The revenue sources for this fund come from various partners.

### Highlights:

The Proposed Budget for Fiscal Year 2020-21 of \$10,074,695 represents a 9% increase from the Approved Budget for Fiscal Year 2019-20 (\$9,195,064)<sup>1</sup>. This increase of \$879,631 is due in part to the rolling forward of Operations Fund and clean air grant dollars from FY 2019-20 in the amount of \$469,076 and Mitigation Funds in the amount of \$367,476 scheduled to be received in FY 2020-21.

The Proposed Budget for FY 2020-21 includes the following proposed actions and strategies:

- (1) The District owning its own building has proven to be a significant cost savings over the previous rental space. The District is proposing to repay \$50,000 to the Settlement Fund in this budget. This will bring the Settlement Fund balance to \$1,667,500. Continued cost savings from the O & M of the District facility and the continued leasing of the lower floor will facilitate repayment of the Settlement Fund in future fiscal years.
- (2) The District will continue implementing several large programs and initiatives: the Carl Moyer Clean Air Grant Program, the Technology Assessment Program (TAP), and Wildfire Mitigation and Forest Based Sustainability Initiatives, as well as research of the benefits on Black Carbon reduction from open burning to renewable energy production.
- (3) Management will continue to evaluate the future needs of the District in regard to allocated positions and succession planning. In FY 2020-21, the District is proposing to maintain its current allocation of eighteen (18) permanent positions with sixteen (16) of those positions being filled and fully funded. In accordance with past practices and budgets, the District will augment its staffing to fulfill core functions and maintain service level demands through the use of service contracts, and extra-help/part-time employees. The use of extra-help employees is necessary to fulfill the commitment to projects that are not ongoing and therefore do not warrant hiring full-time employees. This allows the District to remain flexible and to quickly respond to economic fluctuations.

The proposed Budget for FY 2020-21 contains the resources for many programs, projects, and enhancements that will allow the District to continue fulfilling its mission (see page 23 of this proposed budget for further detail).

- The proposed Operations and Maintenance budget for the District facility at 110 Maple Street of \$58,988 is a decrease of \$7,900. The District has developed a five-year maintenance plan for the repair and upkeep of the District building. There are no planned repairs in the upcoming fiscal year.

---

<sup>1</sup> The Approved Budget for FY2019-20 has been revised one time since the original proposal by Resolution #19-20. The revision increased Mitigation revenue by \$11,924 with an equal increase to Mitigation Expense by \$11,924, a net zero change. There was also an increase to revenue to correct fund balance by \$137,375 and increase expense by \$500,000 for the PARS Contribution. This resulted in a net increase to expense of \$362,625.00.

## BUDGET OVERVIEW

---

The District received rental income of \$18,603 from leased office space in FY 2019-20. This rental income amount will remain the same in FY 2020-21. This reduces the cost of operating and maintaining the District Facility to a net cost of \$40,385 in FY 2020-21. See page 34 in the Proposed Budget for FY 2020-21.

- “Supplies and Services” in the amount of \$891,136 includes \$130,000 in contracted services to augment the capabilities of Staff as well as outside legal counsel to provide advocacy services not typically provided by County legal services. This is consistent with the management philosophy to not increase permanent staff costs to meet one-time project needs, and to obtain expert consultant services by the most cost-effective method. Of the total proposed fund usage, the “9%” designated for “Supplies and Services” is an increase of \$101,722 from the amount approved in the FY 2019-20 budget. In addition to contracted services, the proposed budget contains \$301,407 for contracts with the County to maintain legal services, administrative support, telecommunications, and data processing functions for the District. The remaining \$459,729 is to cover incidental costs necessary for operating the District.
- Contained in this proposed budget is \$2,912,860 for “Clean Air Grants” (CAGs), Carl Moyer Grants and Technology Assessment Program (TAP). The percentage of the proposed budget for CAGs, Carl Moyer and TAP is 29%, a \$1,794 increase above the amount approved in the FY 2019-20 Budget. The District may increase the CAG budget once the actual fund balance has been established at the close of the fiscal year.
- The over-all “Salaries and Benefits” increased by \$501,945 in this budget due to the PARS contribution of \$500,000. There are no plans to fill the remaining vacant Air Specialist and Engineering position in the current fiscal year. The current 18 full time allocated positions will be maintained.
- This proposed budget covers the operational costs, maintains services and program delivery, and provides for selected critical resource needs. It also maintains an Operations Fund Balance of \$1,006,975 which is 13%<sup>2</sup> of the total Proposed Operations Expense Budget of \$7,795,625 for FY 2020-21. The FY 2020-21 grant funding of \$2,912,860 is included in the Operations Expense Budget.

As part of its Proposed FY 2020-21 Budget, the District recommends holding most permit fees flat. District Rule 601, Permit Fees (amended by your Board on April 12, 2018), provided for increases over a four-year period beginning in FY 2018-19. The District is proposing to delay the fee increase for FY 2020-21 for one year in light of the COVID-19 Pandemic which may have an impact on Permit Holder revenue. The exception to this would be for fees collected by the District that are subject to automatic statutory or regulatory CPI increases. As such, fee increases for FY 2020-21 would be limited to AB 2588 toxic hot spot fees, Hearing Board fees and Title V fees. A finalized FY 2020-21 District Fee Schedule will be proposed and presented by Staff on August 13, 2020, in conjunction with your Board’s consideration of the Proposed Final Budget.

---

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

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
FY 2020-21 BUDGET SUMMARY COMPARISON  
CONSOLIDATED FUND SUMMARY**

	APPROVED CONSOLIDATED BUDGET FY 2019-20	REVISED CONSOLIDATED BUDGET FY 2019-20	ACTUAL CONSOLIDATED FUNDS FY 2019-20	PROPOSED CONSOLIDATED BUDGET FY 2020-21
<b>REVENUE:</b>				
Permit Fees	961,243	961,243	1,122,125	961,243
Fines/Settlement Funds	30,000	30,000	50,215	30,000
Interest	50,000	50,000	124,684	50,000
State Subvention	109,000	109,000	109,741	106,000
Statewide PERP	45,390	45,390	47,329	45,390
State Vehicle Surcharge Fee (AB2766 & AB923)	2,145,000	2,145,000	2,177,415	2,145,000
Other Government Assistance	78,169	78,169	77,145	79,145
Burn / Land / Other	23,171	23,171	35,879	25,640
Mitigation Fees	-	11,924	178,668	367,476
Per Capita Assessment	198,345	198,345	198,346	201,856
Miscellaneous	1,000	1,000	30,029	1,000
Investment Income/Depreciation	-	-	0	-
District Facility Rental Income	35,890	35,890	35,890	35,890
Project Generated	1,818,289	1,818,289	1,933,774	1,857,412
<b>Total Revenue:</b>	<b>5,495,497</b>	<b>5,507,421</b>	<b>6,121,239</b>	<b>5,906,052</b>
<b>TOTAL FUND CARRY-OVER PREVIOUS FY</b>	<b>3,699,567</b>	<b>3,836,942</b>	<b>3,836,942</b>	<b>4,168,643</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>9,195,064</b>	<b>9,344,363</b>	<b>9,958,181</b>	<b>10,074,695</b>
<b>EXPENSE:</b>				
Salary & Benefits	2,939,684	3,439,684	2,604,987	3,441,629
Supplies & Services	789,414	789,414	502,251	891,136
Clean Air Grants and Woodstove Incentive and TAP	2,911,066	2,922,990	2,532,300	2,912,860
Building Purchase Payback	150,000	150,000	150,000	50,000
Contingency Reserve	500,000	500,000	-	500,000
<b>Total Expense:</b>	<b>7,290,164</b>	<b>7,802,088</b>	<b>5,789,538</b>	<b>7,795,625</b>
<b>Ending Fund Balance:</b>	<b>1,904,900</b>	<b>1,542,275</b>	<b>4,168,643</b>	<b>2,279,070</b>
<b>TOTAL FUND BALANCE</b>	<b>1,904,900</b>	<b>1,542,275</b>	<b>4,168,643</b>	<b>2,279,070</b>
<b>Encumbered Funds (Funds already committed) Prior FY's</b>	<b>1,666,686</b>	<b>1,666,686</b>	<b>193,871</b>	<b>2,314,522</b>
<b>TOTAL FUND BALANCE</b>	<b>3,571,586</b>	<b>3,208,961</b>	<b>4,362,514</b>	<b>4,593,592</b>

The Approved Budget for FY2019-20 has been revised one time since the original proposal by Resolution#19-20. The revision increased Mitigation revenue by \$11,924 with an equal increase to Mitigation Expense by \$11,924, a net zero change. There was also an increase to revenue to correct fund balance by \$137,375 and increase expense by \$500,000 for the PARS Contribution. This resulted in a net increase to expense of \$362,625.00.

\*The "Ending Fund Balance" for the proposed FY 2020-21 budget is the consolidated total for the following fund balances:

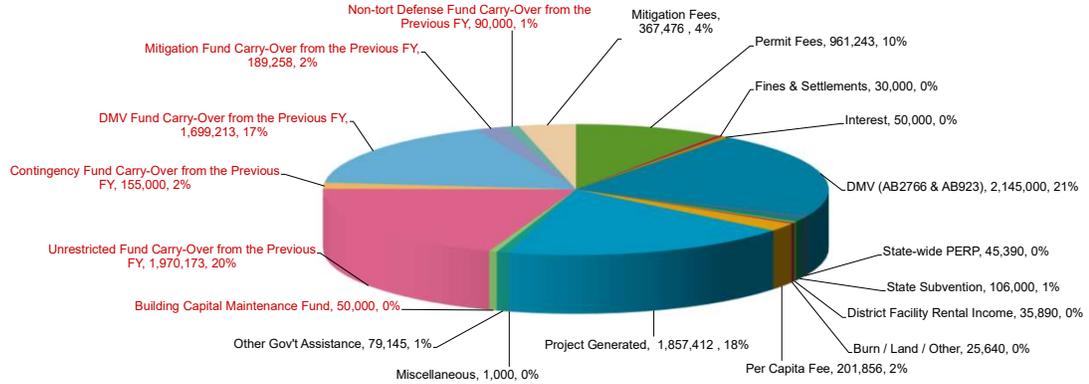
Operations Fund	\$	1,006,975
Building - Maintenance Capital Outlay		50,000
Vehicle Replacement Fund		60,000
Reserve -- sub fund to Operations		95,000
Non-Tort Defense Fund--sub fund to Operations		90,000
Sub-Total Unreserved Ops + Reserved Ops =	\$	1,301,975
DMV (AB2766 & AB923) Fund		787,837
Mitigation Fund		189,258
Black Carbon Research		-
Wildfire Mitigation		-
Ending Fund Balance Totals	\$	2,279,070

\*\*The "Encumbered Funds" balance rolling into the proposed FY 2020-21 budget are consolidated from the following:

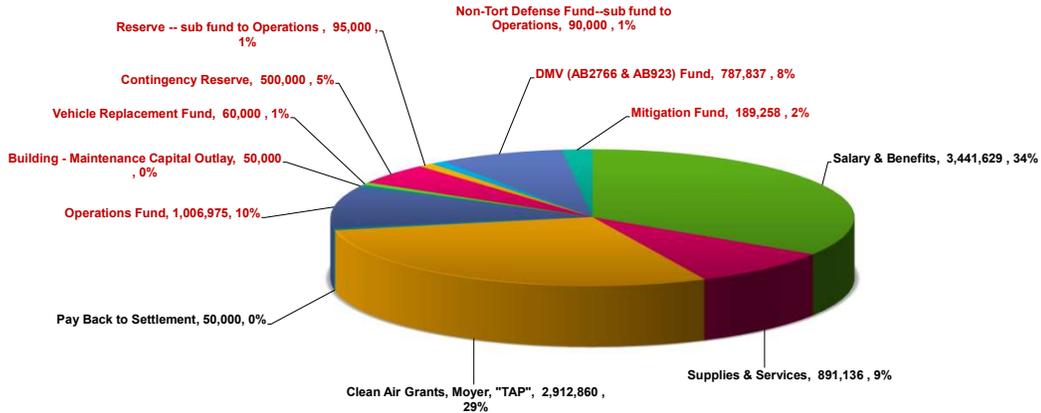
Operations Fund	147,330
DMV (AB2766 & AB923) Fund	2,046,629
Mitigation Fund	103,032
Black Carbon Research	3,751
Wildfire Mitigation	13,781
Encumbered Funds	\$ 2,314,522

\*\*\* Note that the Settlement Revenue from the SPI case (settlement was received on July 24, 2007) of \$2,742,500 has been moved 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; and the FARMER 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. The District has paid back \$315,000 to the Building Purchase which leaves a balance of \$1,667,500 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 2020-21. The FARMER Fund is a passthrough fund with balance of \$342,063 as May 31, 2020. The interest from this fund must go into the FARMER fund as required by the California Air Resources Board.

**Consolidated Funds Available**  
for FY 2020-21 Proposed Preliminary Budget  
Total Funds Available - **\$10,074,695**



**Consolidated Fund Usage**  
for FY 2020-21 Proposed Preliminary Budget  
Total Fund Usage - **\$10,074,695**



\*The Operations Ending Fund Balance includes \$90,000 Non-Tort Defense Fund, \$95,000 Reserve, Contingency Reserve \$500,000, \$50,000 Building Capital Maintenance Fund, \$60,000 Vehicle Replacement Fund, and \$1,006,975 general Operations Fund.

\*\* "Clean Air Grants are comprised of: \$2,530,385 from the DMV Fund for Moyer, GGRF and MCAP Projects. \$367,476 from the Mitigation Fund for the CAG Program and \$15,000 for TAP.

\*\*\*The "Services" contained in "Supplies and Services" are for contracted services that augment the Staff in programs and projects. These services include the Spare the Air Program - \$11,761; Legal Support - \$130,000; Additional costs in the form of Liability Insurance - \$32,300; Air Monitoring Equipment Maintenance - \$42,500; District Facility Operations and Maintenance - \$58,988. The District also contracts with the County for an additional \$301,407 in supporting services.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT Listing of Programs, Projects and District Enhancements for the PROPOSED PRELIMINARY BUDGET FOR FY 2020-21			PROPOSED EXPENDITURES FY 2020-21	ENCUMBERED FUND BALANCE May 25, 2020
Item #	Mission Goal/Objective	Name:	Amount	Amount
1	2(f), 5(c), 6	Public Outreach/Public Relations Assistance - Endicott Contract		8,880
2	5(b), 7(b)	Spare the Air Program (#7 & 8) - CMAQ Match	11,761	
3	5(C), 8	Legal Services (District Counsel/Enforcement Support)	50,000	20,275
4	1(e), 4(c), 5(c), 7(a), 7(b)	Air Permitting Specialists Contract (DMV qualified tasks)	-	49,558
5	1(d), 2(a), 4(d), 5(c)	Avoided Wildfire Emissions Protocol SIG (SEP)	-	13,781
6	2(f), 5(c), 6	Black Carbon Protocol (SEP)	-	3,750
7	1(d), 4(d), 5(c), 6	Clean Tech Advocates (James Boyd Consulting Services, SEP)	-	15,700
8	1(d), 2(a), 4(d), 5(c)	SIG Contract (Biomass Project Support, SEP)	-	25,700
9	1(d), 2(a), 4(d), 5(c)	TSS Associates Contract (Biomass Project Support, SEP)	-	16,981
10	1(d), 2(a), 4(d), 5(c)	Air Permitting Specialists Contract (Operations Support)	-	32,091
11	5(c), 8	Database Programming /Software Support/Professional Services	-	6,565
12	5(c), 8	IT Consulting (Moots)	-	4,380
13	5(c), 8	Legal Services (District Counsel/Enforcement Support)	130,000	32,333
14	1(b), 4(a)	Entek Contract (Grab Sampling Incident Response)	-	6,180
15	5(a), 5(b), 6	CAP to CAP attendance - two attendees	20,000	
16	5(b), 8	County Administrative Services/Personnel/Fleet Maintenance	84,810	
17	5(b), 8	County Counsel Support	25,000	
18	5(b), 8	County Administrative Services (IT, Telecom, Central Services) Charges	201,597	
19	8	District Liability Insurance	32,300	
20	1(b), 3(a)	Extra-Help - Permitting/Inspection Specialists	50,000	
21	*	GASB - Provision for Post Employment Benefits	102,375	-
22	*	PARS - Provision for Post Employment Benefits	500,000	
23	*	*Core of the Operational Budget (Minus the above projects and service contracts)	1,963,018	
24	*	*Core of the DMV Fund Budget (Minus the above projects and \$2,530,385 in CAGs)	1,661,905	
25	*	*Core of the Mitigation Fund Budget (Minus the above projects and \$367,475 in CAGs)	-	
26	8	Settlement Fund Payback of Building Purchase	50,000	
27	1(d), 5(a), 5(b), 5(c)	Technology Assessment Program (TAP)**	15,000	-
28	4(d), 7(a), 7(b)	Clean Air Grants for 2020**	2,897,860	1,598,197
TOTAL			7,795,625	1,834,371

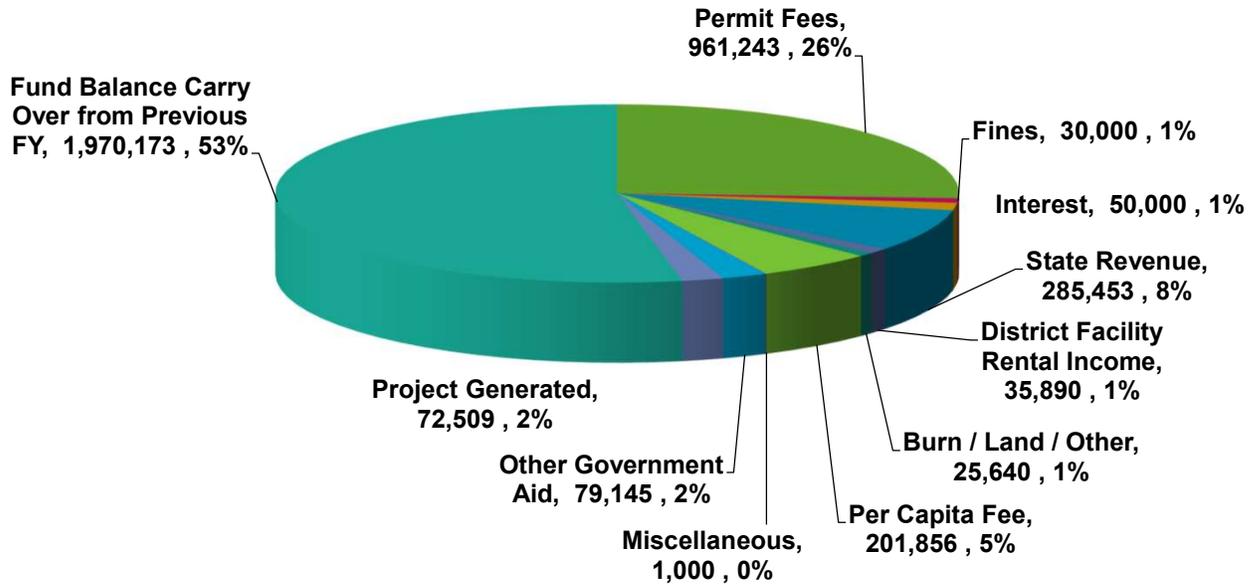
\*These are the salary/benefit/overhead costs that allow the District to carry out its mission goals and objectives.

\*\*The District is proposing \$367,476 from the Mitigation Fund for CAG's, \$2,530,385 from the DMV Fund for Carl Moyer Grants and \$15,000 for TAP in FY 2020-21.

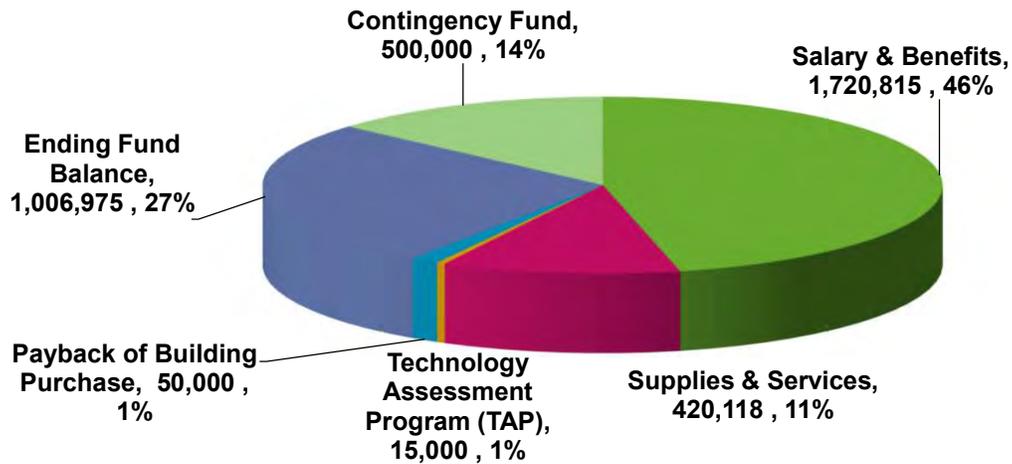
COLOR CODED KEY:	
MONITORING / AQ PLAN SUPPORT	61,761
BIOMASS SUPPORT	-
OPERATIONS SUPPORT	150,000
COUNTY SERVICES	311,407
LABOR & OVERHEAD COSTS	4,359,597
CLEAN AIR GRANTS	2,912,860
TOTAL APPROVED EXPENDITURES	7,795,625

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT FY 2020-21 BUDGET SUMMARY COMPARISON OPERATIONS FUND				
	APPROVED BUDGET OPERATIONS FY 2019-20	REVISED BUDGET OPERATIONS FY 2019-20	ACTUAL OPERATIONS FUND FY 2019-20	PROPOSED BUDGET OPERATIONS FY 2020-21
<b>REVENUE:</b>				
Permit Fees	961,243	961,243	1,122,125	961,243
Fines/Settlement Funds	30,000	30,000	50,215	30,000
Interest (Operations/TAP)	50,000	50,000	80,577	50,000
State Revenue	288,453	288,453	157,070	285,453
Other Government Assistance	78,169	78,169	77,145	79,145
Burn /Land/Other Permits	23,171	23,171	35,879	25,640
Per Capita Assessment	198,345	198,345	198,346	201,856
Miscellaneous	1,000	1,000	30,029	1,000
District Facility Rental Income	35,890	35,890	35,890	35,890
Investment Income/Depreciation	-	-	-	-
Project Generated	72,509	72,509	351,158	72,509
<b>Total Revenue:</b>	<b>1,738,780</b>	<b>1,738,780</b>	<b>2,138,433</b>	<b>1,742,735</b>
<b>Fund Balance Carry Over from Previous FY</b>	<b>1,496,250</b>	<b>1,496,250</b>	<b>1,665,733</b>	<b>1,970,173</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>3,235,030</b>	<b>3,235,030</b>	<b>3,804,166</b>	<b>3,712,908</b>
<b>EXPENSE:</b>				
Salary & Benefits	1,469,842	1,719,842	1,316,369	1,720,815
Supplies & Services	388,327	388,327	352,625	420,119
Technology Assessment Program (TAP)	15,000	15,000	-	15,000
Building Purchase Payback	150,000	150,000	150,000	50,000
Building Improvement	-	-	-	-
Non-Tort Defense Fund	-	-	-	-
Reserve for Contingency Fund	500,000	500,000	-	500,000
<b>Total Expense:</b>	<b>2,523,169</b>	<b>2,773,169</b>	<b>1,818,994</b>	<b>2,705,933</b>
<b>ENDING OPERATIONS FUND BALANCE</b>	<b>711,861</b>	<b>476,861</b>	<b>1,985,173</b>	<b>1,006,975</b>
<b>Reserved for Prior Years Encumbered Balance</b>			<b>75,506</b>	
<b>TOTAL OPERATIONS FUND</b>	<b>711,861</b>	<b>476,861</b>	<b>2,060,679</b>	<b>3,712,908</b>
<b>Building Contingency Fund - 110 Maple</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Non-Tort Defense Fund</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>
<b>Vehicle Replacement Fund</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>
<b>Reserve (Contingency Fund)</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>

**Operations Fund Available  
for FY 2020-21 Proposed Preliminary Budget  
Total Operations Fund Available - \$3,712,908**



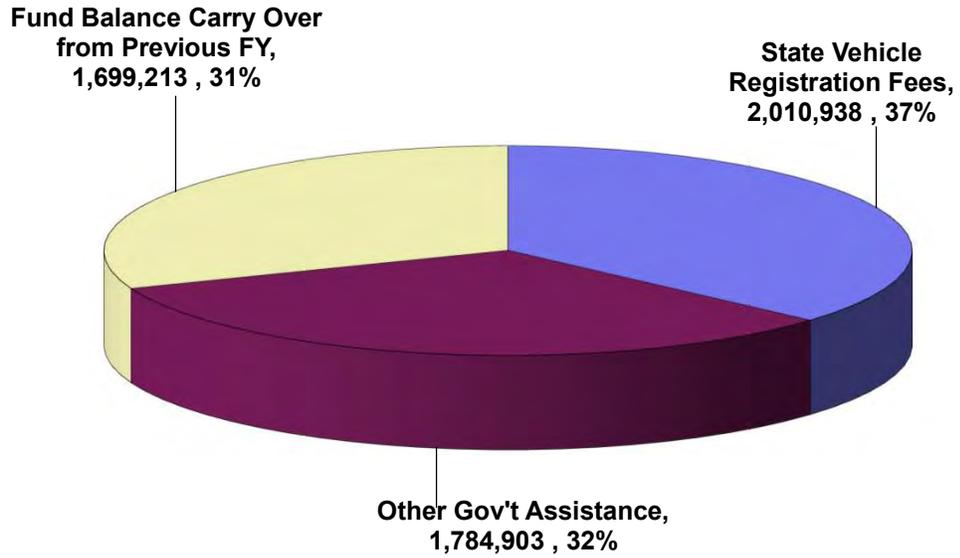
**Operations Fund Usage  
for FY 2020-21 Proposed Preliminary Budget  
Total Operations Fund Usage - \$3,712,908**



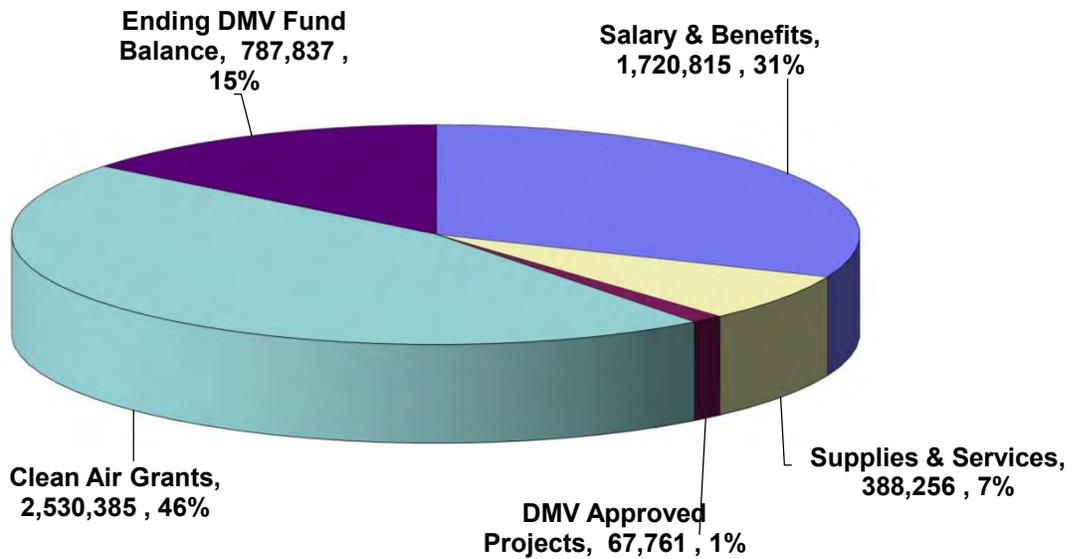
PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
 FY 2020-21 BUDGET SUMMARY COMPARISON  
 DMV FUND

	APPROVED BUDGET DMV FUND FY 2019-20	REVISED BUDGET DMV FUND FY 2019-20	ACTUAL BUDGET DMV FUND FY 2019-20	PROPOSED BUDGET DMV FUND FY 2020-21
<b>REVENUE:</b>				
State Vehicle Surcharge Fee (AB2766/AB923)	2,010,938	2,010,938	2,177,415	2,010,938
Interest on DMV Grants			44,107	-
Project Generated Govt Contribution	1,745,780	1,745,780	1,582,616	1,784,903
<b>Total Revenue:</b>	<b>3,756,718</b>	<b>3,756,718</b>	<b>3,804,138</b>	<b>3,795,841</b>
<b>Fund Balance Carry Over from Previous FY</b>	<b>1,668,786</b>	<b>1,636,678</b>	<b>1,636,678</b>	<b>1,699,213</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>5,425,504</b>	<b>5,393,396</b>	<b>5,440,816</b>	<b>5,495,054</b>
<b>EXPENSE:</b>				
Salary & Benefits	1,469,842	1,719,842	1,288,619	1,720,815
Supplies & Services	323,327	309,827	137,800	388,256
DMV Approved Projects	77,761	103,399	11,826	67,761
Clean Air Grants	2,657,066	2,657,066	2,303,359	2,530,385
<b>Total Expense:</b>	<b>4,527,996</b>	<b>4,790,134</b>	<b>3,741,604</b>	<b>4,707,216</b>
<b>ENDING DMV FUND BALANCE</b>	<b>897,508</b>	<b>603,262</b>	<b>1,699,213</b>	<b>787,837</b>
<b>Reserved for Prior Years Encumbered Balance</b>	<b>609,567</b>	<b>609,567</b>	<b>609,567</b>	<b>-</b>
<b>Total DMV Funds</b>	<b>1,507,074</b>	<b>1,212,828</b>	<b>2,308,779</b>	<b>5,495,054</b>

**DMV Funds Available**  
for FY 2020-21 Proposed Preliminary Budget  
**Total DMV Funds Available - \$5,495,054**



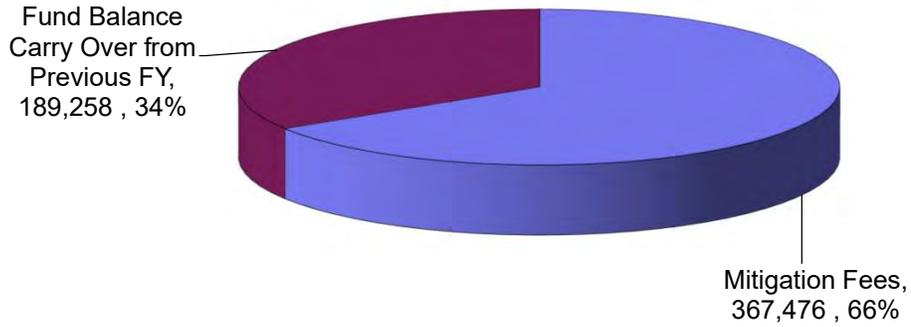
**DMV Fund Usage**  
for FY 2020-21 Proposed Preliminary Budget  
**Total DMV Fund Usage - \$5,495,054**



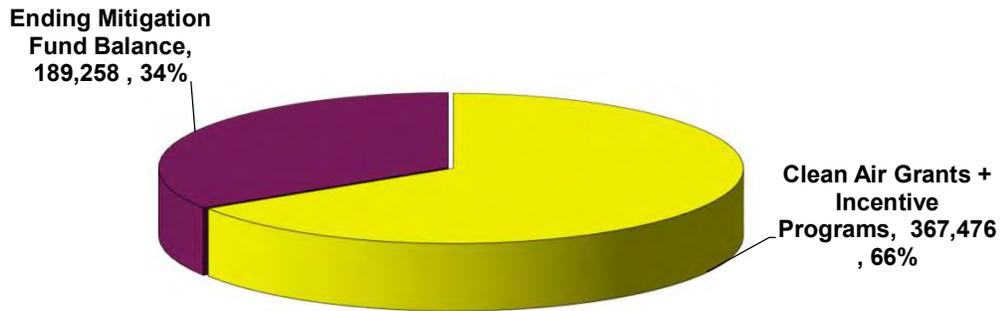
PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
 FY 2020-21 BUDGET SUMMARY COMPARISON  
 MITIGATION FUND

	APPROVED MITIGATION FUND FY 2019-20	REVISED MITIGATION FUND FY 2019-20	ACTUAL MITIGATION FUND FY 2019-20	PROPOSED MITIGATION FUND FY 2020-21
<b>REVENUE:</b>				
Mitigation Fees	-	11,924	178,668	367,476
Interest from the Settlement Fund	-	-	-	-
<b>Total Revenue:</b>	-	<b>11,924</b>	<b>178,668</b>	<b>367,476</b>
<b>Fund Balance Carry Over from Previous FY</b>	<b>239,531</b>	<b>239,531</b>	<b>239,531</b>	<b>189,258</b>
<b>TOTAL MITIGATION FUNDS AVAILABLE</b>	<b>239,531</b>	<b>251,455</b>	<b>418,198</b>	<b>556,734</b>
<b>EXPENSE:</b>				
Salary & Benefits	-	-	-	-
Mitigation Project Outreach/Advertising	-	-	-	-
Clean Air Grants + Incentive Programs	239,000	250,924	228,941	367,475.84
Equipment	-	-	-	-
<b>Total Expense:</b>	<b>239,000</b>	<b>250,924</b>	<b>228,941</b>	<b>367,476</b>
<b>ENDING MITIGATION FUND BALANCE</b>	<b>531</b>	<b>531</b>	<b>189,258</b>	<b>189,258</b>
<b>Reserved for Prior Years Encumbered Balance</b>	<b>13,721</b>	<b>13,721</b>	<b>13,721</b>	<b>103,032</b>
<b>TOTAL MITIGATION FUNDS</b>	<b>14,252</b>	<b>14,252</b>	<b>202,979</b>	<b>556,734</b>

**Mitigation Fund Available  
for FY 2020-21 Proposed Preliminary Budget  
Total Mitigation Fund Available - \$556,734**



**Mitigation Fund Usage  
for FY 2020-21 Proposed Preliminary Budget  
Total Mitigation Fund Usage - \$556,734**



PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
 FY 2020-21 BUDGET SUMMARY COMPARISON  
 BLACK CARBON RESEARCH

	APPROVED BCR FUND FY 2019-20	REVISED BCR FUND FY 2019-20	ACTUAL BCR FUND FY 2019-20	PROPOSED BCR FUND FY 2020-21
<b>REVENUE:</b>				
Black Carbon Research	-	-	-	-
<b>Total Revenue:</b>	-	-	-	-
Fund Balance Carry Over from Previous FY	-	-	-	-
<b>TOTAL BCR FUNDS AVAILABLE</b>	-	-	-	-
<b>EXPENSE:</b>				
Black Carbon Research Projects	-	-	-	-
<b>Total Expense:</b>	-	-	-	-
<b>ENDING BCR FUND BALANCE</b>	-	-	-	-
Reserved for Prior Years Encumbered Balance	3,751	3,751	3,751	3,751
Encumbrance Payout	-	-	-	-
<b>TOTAL BCR FUNDS</b>	3,751	3,751	3,751	3,751

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
 FY 2020-21 BUDGET SUMMARY COMPARISON  
 WILD FIRE MITIGATION

	APPROVED WFM FUND FY 2019-20	REVISED WFM FUND FY 2019-20	ACTUAL WFM FUND FY 2019-20	PROPOSED WFM FUND FY 2020-21
<b>REVENUE:</b>				
Wild Fire Mitigation	-	-	-	-
<b>Total Revenue:</b>	-	-	-	-
Fund Balance Carry Over from Previous FY	-	-	-	-
<b>TOTAL WFM FUNDS AVAILABLE</b>	-	-	-	-
<b>EXPENSE:</b>				
Wild Fire Mitigation Projects	-	-	-	-
<b>Total Expense:</b>	-	-	-	-
<b>ENDING WFM FUND BALANCE</b>	-	-	-	-
Reserved for Prior Years Encumbered Balance	13,781	13,781	13,781	13,781
Encumbrance Payout/Increase	-	-	-	-
<b>TOTAL WFM FUNDS</b>	13,781	13,781	13,781	13,781



			Approved Revised Budget FY 2019-20	Program Split for Proposed Preliminary Budget FY 2019-20							Notes	Proposed Preliminary Budget FY 2020-21	Program Split for Proposed Preliminary Budget FY 2020-21								
				OPERATIONS	DMV	MITIGATION	BLACK CARBON RESEARCH	WILDFIRE MITIGATION	CONTINGENCY & NON-TORT DEFENSE SUB TO OPER	BUILDING CAPITAL MAINT SUB TO OPER			TECHNOLOGY ASSESSMENT PROGRAM SUB TO OPER	OPERATIONS	DMV	MITIGATION	BLACK CARBON RESEARCH	WILDFIRE MITIGATION	CONTINGENCY & NON-TORT DEFENSE SUB TO OPER	BUILDING CAPITAL MAINT SUB TO OPER	TECHNOLOGY ASSESSMENT PROGRAM SUB TO OPER
<b>EXPENSE:</b>																					
Employee Paid Sick Leave	51020	SC1020	50,000.00	25,000	25,000							25,000.00	12,500	12,500							
Salaries	51010	SC1010	1,688,594	844,297	844,297	-						1,771,236	885,618	885,618	-						
401K Match	51290	SC1290	2,250	1,125	1,125							2,000	1,000	1,000							
Extra Help	51030	SC1030	80,000	40,000	40,000							50,000	25,000	25,000							
Overtime & Call Back	51040	SC1040	5,000	2,500	2,500							5,000	2,500	2,500							
Cafeteria Plan	51090	SC1090	90,789	45,395	45,395							83,555	41,778	41,778							
PARS	51380	SC1897	500,000	250,000	250,000							500,000	250,000	250,000							
P.E.R.S.	51210	SC1210	433,576	216,788	216,788							490,525	245,263	245,263							
F.I.C.A. Tax	51220	SC1220	110,500	55,250	55,250							127,223	63,612	63,612							
OPEB	51240	SC1240	96,400	48,200	48,200							102,375	51,188	51,188							
Employee Insurance	51310	SC1310	214,423	107,212	107,212							248,944	124,472	124,472							
Workman's Compensation	51360	SC1360	14,530	7,265	7,265							13,392	6,696	6,696							
Retired Employee Group Insurance	51320	SC1320	122,803	61,402	61,402							-	-	-							
Employee Benefits	52470	SC3550	30,819	15,410	15,410							22,379	11,190	11,190							
<b>Total Salary &amp; Benefits:</b>			<b>3,439,684</b>	<b>1,719,842</b>	<b>1,719,842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,441,629</b>	<b>1,720,815</b>	<b>1,720,815</b>	<b>-</b>	<b>-</b>	<b>-</b>				
Telecommunications Expense/Communication Services	52040	SC2085	21,000	10,500	10,500							21,000	10,500	10,500							
Media Services		SC2090										500	250	250							
General Liability Insurance/General Liability Insurance	52080	SC2141	25,000	12,500	12,500							32,300	16,150	16,150							
Equipment Maintenance - Air Monitoring	52160	SC2270	14,362	-	14,362							42,500	-	42,500							
District Maintenance Services Building Maintenance	52380	SC3140	38,580	19,290	19,290							30,080	15,040	15,040							
Facility Maintenance Supplies/Appliance Household Items	52330	SC2781	4,000	2,000	2,000							4,000	2,000	2,000							
Utilities/Utilities	52800	SC4340	25,000	12,500	12,500							25,000	12,500	12,500							
Dues & Subscriptions/Membership/Registration/Assoc/	52240	SC2550	7,850	3,925	3,925							7,850	3,925	3,925							
Copy/Printing Expense/Printing	52320	SC2630	5,000	2,500	2,500							5,000	2,500	2,500							
Office Supplies/District Supplies/General Office Supplies	52330	SC2660	8,000	4,000	4,000							8,000	4,000	4,000							
Postage/Postage	52340	SC2790	3,500	1,750	1,750							1,500	750	750							
Publications & Legal Notices/Communication - Media Services	52040	SC2080	6,000	3,000	3,000							6,000	3,000	3,000							
County Systems "Lease"	52430	SC3450	20,213	10,107	10,107							-	-	-							
Computer Equipment Lease/Equipment Rents & Leases	52440	SC3470	6,100	3,050	3,050							6,100	3,050	3,050							
Computer Maintenance/Equipment Maint.	52460	SC3530	6,000	3,000	3,000							20,000	10,000	10,000							
Special Department Expense	52360	SC2880	26,009	13,005	13,005							40,000	20,000	20,000							
Special Dept Expense	52580	SC4000																			
Fleet Services Fuel/Maintenance/Equip Maint/Repair for	52150	SC2240	12,000	6,000	6,000							10,000	5,000	5,000							
Fleet Equipment Maint	52160	SC2260																			
Travel/Transportation/Travel/Transportation	52790	SC4280	12,500	6,250	6,250							16,500	8,250	8,250							
Lodging/Meals/Lodging	52790	SC4300	10,000	5,000	5,000							17,000	8,500	8,500							
County Vehicle Mileage/Mileage	52790	SC4290	2,000	1,000	1,000							2,000	1,000	1,000							
Training /Education & Training	52360	SC4000	8,000	4,000	4,000							10,000	5,000	5,000							
Meals and Food Purchased/Meals and Food Purchased	52790	SC4330	7,000	3,500	3,500							8,000	4,000	4,000							
Professional Services (A-87)	53390	SC5110	66,401	33,201	33,201							73,310	36,655	36,655							
Hearing Board Travel & Trans.	52790	SC3620	2,000	1,000	1,000							2,000	1,000	1,000							
Board of Director Expense/Commissioners Fees	52510	SC3620	6,000	3,000	3,000							7,000	3,500	3,500							
Professional Service Unencumbered/Consulting Services	52360	SC2940	52,000	11,000	26,000							72,000	21,000	36,000			15,000				
County MIS Services	52400	SC3370	121,500	60,750	60,750							180,097	90,049	90,049							
Professional County	52040	SC4705	38,000	19,000	19,000							35,000	17,500	17,500							
<b>Total Supplies &amp; Services</b>			<b>554,015</b>	<b>254,827</b>	<b>284,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>682,737</b>	<b>305,119</b>	<b>362,619</b>	<b>-</b>	<b>-</b>	<b>15,000</b>				
DMV Funded Programs/Project Costs	52630	SC4110	77,761	-	77,761							67,761	-	67,761							
DMV Funded Grants/DMV Project Cost 1099	52640	SC4120	2,657,066	-	2,657,066							2,530,385	-	2,530,385							
Mitigation Funded Grants/Misc. Exp	52260	SC2577	250,924			250,924						367,476			367,476						
FY 18-19 Encumbered Professional Services/Consulting	52360	SC2940	120,000	120,000								130,000	130,000								
Building Purchase Pay-back/OP Trans Out	55510	SC5360	150,000	150,000								50,000	50,000								
Building Improvement			-	-	-							-	-	-							
Building - Maintenance Capital Outlay			-	-	-							-	-	-							
Air Monitoring Equipment	54460	SC5270	25,638	-	25,638							25,638	-	25,638							
Reserve (Contingency) Fund			500,000	500,000								500,000	500,000		(500,000)	*					
FA Vehicles	54450	SC5210																			
Non Tort Defense Fund																					
<b>Total Grants/Other Expenses:</b>			<b>3,781,389</b>	<b>770,000</b>	<b>2,760,465</b>	<b>250,924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,671,259</b>	<b>680,000</b>	<b>2,623,783</b>	<b>367,476</b>	<b>-</b>	<b>-</b>				
<b>Total FY 19-20 Expenses, Including Current Yr. Encumbrances</b>			<b>7,775,088</b>	<b>2,744,669</b>	<b>4,764,496</b>	<b>250,924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>7,795,625</b>	<b>2,705,933</b>	<b>4,707,216</b>	<b>367,476</b>	<b>-</b>	<b>15,000</b>				

<b>FTE -- PROGRAM SUMMARY:</b>					
50% is DMV related	FY 2020-21 FTE DISTRIBUTION				
	STATIONARY	DMV			
	SOURCE PROGRAM	LAND USE & PLANNING	PROGRAMS & GRANTS	MITIGATION	BURN
AIR POLLUTION CONTROL OFFICER	0.40	0.25	0.25	0.05	0.05
ADMINISTRATIVE SERVICES OFFICER	0.40	0.25	0.25	0.05	0.05
ADMIN TECH (ADMIN SECTION)	0.40	0.20	0.30	0.05	0.05
ACCOUNT CLERK JOURNEY	0.40	0.20	0.30	0.05	0.05
SENIOR AIR POLLUTION ENGINEER	0.75	-	0.20	-	0.05
DEPUTY AIR POLLUTION CONTROL OFFICER	0.40	0.20	0.30	0.05	0.05
AIR CONTROL SPECIALIST I	-	-	-	-	-
SENIOR PLANNER	-	0.55	0.35	0.10	-
AIR CONTROL SPECIALIST II			0.75	0.25	
ASSOCIATE PLANNER		0.80	0.20		
AIR CONTROL SPECIALIST II	1.00	-	-	-	-
AIR CONTROL SPECIALIST II	1.00	-	-	-	-
SENIOR AIR POLLUTION ENGINEER	-		-		
ASSOCIATE ENGINEER	0.65		0.30		0.05
AIR MONITORING SPECIALIST II	0.25	0.25	0.50		
ADMIN TECH (C & E SECTION)	0.55	0.10	0.25		0.10
TITLE V AIR SPECIALIST II	0.90				0.10
IT TECH II	0.30	0.15	0.35	0.10	0.10
<b>FTE:</b>	7.40	2.95	4.30	0.70	0.65
<b>TOTAL FTE:</b>	16.00				
<b>EXTRA HELP: \$50,000 (Five Compliance &amp; Enforcement staff with a FTE exquivalence of 1.5).</b>					

<b>Operation &amp; Maintenance Costs for 110 Maple Street Building</b>		
	<b>APPROVED BUDGET FY 2019-20</b>	<b>PROPOSED BUDGET FY 2020-21</b>
<b>Projected Rental Income: RC0600</b>		
LAFCO LEASE, TRPA LEASE	<b>\$ 18,603</b>	<b>\$ 18,603</b>

<b>DISTRICT FACILITY O &amp; M</b>	<b>APPROVED BUDGET FY 2019-20</b>	<b>PROPOSED BUDGET FY 2020-21</b>
<b>SC3140</b>	<b>38,580</b>	<b>30,080.00</b>
BUILDING REPAIR AND MAINTENANCE (includes minor purchases)	5,000	5,000
CARPET CLEANING	1,500	2,000
CONFIDENTIAL DOCUMENT DESTRUCTION	100	200
FIRE EXTINGUISHER CHARGING	240	240
SECURITY SYSTEM	-	
PEST CONTROL	1,500	1,500
JEFFCO SEWER MAINTENANCE	1,000	1,000
GUTTER CLEANING	500	500
WINDOW CLEANING	1,000	1,000
ELEVATOR MAINTENANCE	2,000	2,000
CONTINGENCY	5,000	5,000
FOOTHILL FIRE & WIRE	1,200	1,400
JANITORIAL SERVICE	6,800	7,500
PAVING WHITE STREET	10,000	-
LANDSCAPING MAINTENANCE	2,740	2,740
<b>SC2781</b>	<b>4,000</b>	<b>4,000</b>
JANITORIAL SUPPLIES & CONSUMABLES	4,000	4,000
<b>SC4340</b>	<b>24,308</b>	<b>24,908</b>
PCWA (WATER)	1,400	1,500
PG & E	15,000	15,500
RECOLOGY (TRASH PICK-UP)	1,350	1,380
SEWER ASSESSMENT	5,118	5,118
WAVE BROADBAND WIFI	1,440	1,410
TOTAL:	<b>\$ 66,888</b>	<b>\$ 58,988</b>
<b>District Facility O &amp; M less Rental Income =</b>	<b>\$ 48,285</b>	<b>\$ 40,385</b>

<b>PROFESSIONAL / SPECIAL SERVICES</b>		
<b>SC2940</b>	<b>APPROVED BUDGET</b>	<b>PROPOSED BUDGET</b>
	<b>FY 2019-20</b>	<b>FY 2020-21</b>
BI-ANNUAL AUDIT VTD	9,000	-
CIVIC SPARK	-	-
CLIMATE COLLABORATION	12,000	12,000
PROFESSIONAL SERVICES (Unencumbered)	25,000	30,000
TECHNOLOGY ASSESSMENT PROGRAM (TAP)(Unencumbered)	15,000	15,000
TREE REMOVAL	11,000	-
ASPHALT REPAIR	-	-
LEGAL SERVICES (CLERE Legal Services)	50,000	50,000
ENFORCEMENT SUPPORT (ATA Matt Maclear)	30,000	80,000
ENTEK AIR SAMPLING/LAB ANALYSIS	-	-
IT CONSULTING/IMPLEMENTATION (Moots)	-	-
TRUE POINT	-	-
AIR PERMITTING SPECIALISTS (Stationary/Forest Support)	40,000	-
TAP Grant CN000792 (Encumbered)	-	-
AVOIDED WILDFIRE EMISSIONS PROTOCOL (SEP)	-	-
BLACK CARBON PROTOCOL Rocky Mountain FS (SEP)	-	-
JIM BOYD (CLEAN TECH ADVOCATES)(SEP)	-	-
TSS ASSOCIATES (BIOMASS SUPPORT)(SEP)	-	-
BLACK CARBON PROTOCOL (BCR)	-	-
SIG -- DAVID SAAH (WILDFIRE MITIGATION)(WFM)	-	-
<b>TOTALS:</b>	<b>192,000</b>	<b>187,000</b>
OPS Professional/Special Services Unencumbered Total:	72,000	57,000
OPS Professional/Special Services Encumbered Total:	130,000	130,000

<b>PROFESSIONAL SERVICES - COUNTY</b>		
<b>SC3370, SC4705, SC5110, SC2085</b>	<b>APPROVED BUDGET</b>	<b>PROPOSED BUDGET</b>
	<b>FY 2019-20</b>	<b>FY 2020-21</b>
SC5110 A-87 CHARGES	66,401	73,310
SC3370 COUNTY IT INTERFACE SERVICES	172,500	175,097
SC3370 ADMINISTRATIVE SERVICES	5,000	5,000
SC2085 TELECOM CHARGES	13,000	13,000
SC3370 IT Admin	8,250	8,500
SC3370 SERVICE OF PROCESS	500	500
SC3370 LIVESCAN	100	500
SC3370 COUNTY COUNSEL SERVICES	10,000	25,000
SC3370 CLERK RECORDER	150	500
<b>TOTALS:</b>	<b>275,901</b>	<b>301,407</b>

<b>DMV FUNDED PROGRAMS AND GRANTS</b>		
	<b>APPROVED BUDGET</b>	<b>PROPOSED BUDGET</b>
<b>SC4110, SC4120</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
<b>SC4120</b>		
CARL MOYER GR442	493,429	578,490
DISTRICT MOYER MATCH GR441	83,609	97,678
MOYER RESERVE GR443	103,451	919
DMV AB923	636,033	860,548
<b>Total DMV Moyer Grant Project Funds</b>	<b>1,316,522</b>	<b>1,537,635</b>
<b>SCHOOL BUS MCAP-06 (GGRF)</b>	<b>837,015</b>	<b>986,597</b>
<b>NRM-12 NOx REDUCTION (APC FUND)</b>	<b>362,440</b>	<b>6,152</b>
<b>TOTAL DMV GRANT PROJECT FUNDS</b>	<b>2,515,977</b>	<b>2,530,385</b>
<b>SC4110</b>		
AIR PERMITTING SPECIALIST CONTRACT - PLANNING/TOXICS	10,000	-
BREATHE CALIFORNIA - CLEAN AIR LUNCHEON	1,000	1,000
CLERE LEGAL SERVICES	50,000	50,000
SMAQMD - SPARE THE AIR (#9) CMAQ MATCH	11,761	11,761
PARTICIPATION FUND W/ AIR DISTRICTS	5,000	5,000
<b>TOTAL DMV PROGRAM FUNDS</b>	<b>77,761</b>	<b>67,761</b>
<b>TOTALS:</b>	<b>2,593,738</b>	<b>2,598,146</b>

<b>SPECIAL DISTRICT EXPENSE</b>		
<b>SC3470,SC3530, SC2880</b>	<b>APPROVED BUDGET</b>	<b>PROPOSED BUDGET</b>
	<b>FY 2019-20</b>	<b>FY 2020-21</b>
SC3470, COMPUTER HARDWARE	<b>6,100</b>	20,000
SC3530, COMPUTER MAINTENANCE	<b>6,000</b>	6,100
SC2880, SPECIAL DEPARTMENT EXPENSE	<b>26,009</b>	40,000
SAC VALLEY BCC	5,500	5,500
STATE REIMBURSEMENT AIR TOXIC HOT SPOT	2,009	2,010
CAP TO CAP MEETING - 2 attendees	10,000	20,000
LGC's Capital Region Policymaker Dinner Series	2,500	2,500
Clean Air Partnership/Valley Vision	3,000	5,000
ONE TIME EVENTS - Art Walk, Special Training, Certification Training	3,000	4,990
<b>TOTAL</b>	<b>38,109</b>	<b>66,100</b>

<b>Membership &amp; Dues</b>		
<b>SC2550</b>	<b>APPROVED BUDGET</b>	<b>PROPOSED BUDGET</b>
<b>52240</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
CAPCOA	4,700	4,500
CSDA	1,300	1,500
Climate Readiness Collaborative	750	750
BioEnergy Association of CA (BAC)	1,100	1,100
<b>TOTAL</b>	<b>7,850</b>	<b>7,850</b>



**SUMMARY ACTION**  
**PCAPCD Board of Directors Meeting**  
**Thursday, June 11, 2020, at 2:30 PM**  
Via Zoom Webinar ID 987-1915-0787

---

**Public participation procedures due to COVID-19 concerns:**

Public participation was encouraged at this public hearing, but in order to protect public health and safety due to concerns regarding COVID-19, the Placer County Board of Supervisors Chambers was closed to public attendance. In accordance with Governor Newsom's Executive Order N-29-20, citizens who wished to comment or listen to the meeting were able to do so via a dial in phone number or via remote computer access to a Zoom meeting. The public was also encouraged to submit comments prior to the meeting to the Clerk of the Board at sharroun@placer.ca.gov. No written comments were received.

**Call to Order:** 2:30 PM

**Flag Salute:** Led by Scott Alvord

**Roll Call / Determination of a Quorum**

Present: Kirk Uhler, Jim Holmes, Alyssa Silhi, Scott Alvord, Greg Janda, Jeff Duncan, Trinity Burruss

Absent: Robert Weygandt; Daniel Berlant was on the phone, but unable to participate

**Statement of Meeting Procedures**

**Approval of Minutes:** February 13, 2020 Regular Meeting

**Motion:** Janda/Duncan

**Action:** Approved 2/13/20 Minutes via Roll Call Vote / Unanimous Vote 7:0

**Ayes:** Uhler, Holmes, Silhi, Alvord, Janda, Duncan, Burruss

**Public Comment:** No public comment.

**Public Hearing / No Action: Item 1**

- 1. Proposed Preliminary Budget FY 2020-21 Public Hearing.** *Conducted a Public Hearing for the District's Proposed Preliminary FY 2020-21 Budget 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 sought guidance from the Board regarding any changes to this Proposed Preliminary Budget for FY 2020-21 for inclusion in the Final Proposed Budget, which will be presented to the District Board for adoption on August 13, 2020.*

**Consent: Items 2 and 3**

- 2. Hearing Board Members Term Expiration and Reappointments.** *Reappointed current District Hearing Board members, Mr. D. Steven Parks, Mr. Timothy Woodall, and Dr. Gabriele Windgasse. extending their terms of office an additional three years, to August 10, 2023.*

- 3. Advance Budget Authorizations.** *Adopted Resolution #20-02, thereby authorizing the expenditure of up to a total of Two-Hundred Twelve Thousand Three-Hundred Dollars (\$212,300) for contracted technical support services; for the one-time payment of General Liability Insurance to the Special District Risk Management Authority (SDRMA); and continuation of payroll, operation and maintenance of the District building as outlined in the Preliminary Budget for Fiscal Year (FY) 2020-21. This authorization request is in advance of the adoption of the Final FY 2020-21 District Budget that is scheduled to be heard on August 13, 2020, in order to enable the services to continue uninterrupted after June 30, 2020.*

**Motion:** Alvord/Janda

**Action:** Approved Consent Items 2 and 3 via Roll Call Vote / Unanimous Vote 7:0

**Ayes:** Uhler, Holmes, Silhi, Alvord, Janda, Duncan, Burruss

**Information: Item 4**

- 4. Biennial Audit Report for Period Ended June 30, 2019.** *No action requested. This was an information item on the statutorily required audit of District records and accounts for two fiscal years that ended June 30, 2019. The Independent Auditor's Report was provided as an attachment to this Board item.*

**Public Hearing / Action: Items 5 and 6**

- 5. Amendment of Rule 102, Definitions.** *Conducted a Public Hearing regarding the amendment of District Rule 102, Definitions, and adopted Resolution #20-03, thereby approving Rule 102, Definitions, as amended and as shown in Resolution Exhibit I.*

**Motion:** Holmes/Silhi

**Action:** Approved Item 5 via Roll Call Vote / Unanimous Vote 7:0

**Ayes:** Uhler, Holmes, Silhi, Alvord, Janda, Duncan, Burruss

- 6. Approval of the 2020 Reasonably Available Control Technology State Implementation Plan Analysis Staff Report.** *Conducted a Public Hearing for the 2020 Reasonably Available Control Technology State Implementation Plan Analysis and adopted Resolution #20-04, thereby 1) Approving the "2020 Reasonably Available Control Technology State Implementation Plan Analysis" Staff Report, dated May 2020; 2) Approving a "Negative Declaration" of "No Sources to Regulate for Volatile Organic Compounds" for the following source categories: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations; and 3) Approving the District's submittal as a revision to the State Implementation Plan.*

**Motion:** Uhler/Alvord

**Action:** Approved Item 6 via Roll Call Vote / Unanimous Vote 7:0

**Ayes:** Uhler, Holmes, Silhi, Alvord, Janda, Duncan, Burruss

Summary Action: PCAPCD Board Meeting

June 11, 2020

Page 3 of 3

**Air Pollution Control Officer Report**

- A. General APCO Updates
- B. COVID Impacts Update
- C. Incentive Program Update
- D. Bi-annual Woodstove Program Update
- E. Fiscal Update

**Meeting Adjournment at 3:55 pm**

**Minutes for this meeting will be presented for approval at the next regularly scheduled Board Meeting: August 13, 2020, at 2:30 pm**

Attest:

*Shannon Harroun*

---

Shannon Harroun, Clerk of the Board



*Placer County*  
**AIR POLLUTION CONTROL DISTRICT**

**PROPOSED PRELIMINARY BUDGET  
FISCAL YEAR 2020-21**

1



**FY 2020-21 BUDGET HIGHLIGHTS**

---

- Similar to previously approved budgets
  - Conservative estimates for anticipated revenues and expenditures
- Remains balanced while prioritizing reserves
- Delays for at least one year all discretionary fee increases
- Takes into consideration current proposals in State budget with the potential to impact District revenues
- Includes consideration of potential future year impacts on revenues depending on state and local economic impacts

2



## CONSOLIDATED BUDGET

- District "Consolidated Budget" is collectively made up of monies contained in 5 funds:
- OPERATIONS
  - sub fund – Non-Tort Defense Fund
  - sub fund – Reserve (Contingency)
  - sub fund – Vehicle Replacement
  - sub fund – Building Capital Maintenance
- DMV
- MITIGATION
- BLACK CARBON RESEARCH
- WILDFIRE MITIGATION

3

3



## COMPARISON OF THE PROPOSED PRELIMINARY BUDGET FOR FY 2020-21 TO THE APPROVED BUDGET FOR FY 2019-20

Funds Available:	Approved Budget	Proposed Final Budget	Difference	Percentage Change
	FY 2019-20	FY 2020-21		
Permit Fees	961,243	961,243	-	0.00%
Fines & Penalties	30,000	30,000	-	0.00%
Interest	50,000	50,000	-	0.00%
State Subvention	109,000	106,000	(3,000)	-2.75%
Statewide PERP	45,390	45,390	-	0.00%
DMV (AB2766, AB923)	2,145,000	2,145,000	-	0.00%
Other Government Assistance	78,169	79,145	976	1.25%
Burn / Land / Other Permits	23,171	25,640	2,469	10.66%
Mitigation Fees	-	367,476	367,476	-
Per Capita Assessment	198,345	201,856	3,511	1.77%
Miscellaneous	1,000	1,000	-	0.00%
From Settlement Fund	-	-	-	-
District Facility Rental Income	35,890	35,890	-	0.00%
Project Generated Revenue	1,818,289	1,857,412	39,123	2.15%
<b>TOTAL REVENUE</b>	<b>5,495,497</b>	<b>5,906,052</b>	<b>410,555</b>	<b>7.47%</b>
<b>TOTAL FUND CARRY-OVER</b>	<b>3,699,567</b>	<b>4,168,643</b>	<b>469,076</b>	<b>12.68%</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>9,195,064</b>	<b>10,074,695</b>	<b>879,630</b>	<b>9.57%</b>
<b>Fund Usage:</b>				
Salary & Benefits	2,939,684	3,441,629	501,945	17.07%
Supplies & Services	789,414	891,136	101,722	12.89%
Clean Air Grants & TAP	2,911,066	2,912,860	1,794	0.06%
Building Purchase Payback	150,000	50,000	(100,000)	-66.67%
Contingency Reserve	500,000	500,000	-	0.00%
<b>TOTAL EXPENSE</b>	<b>7,290,164</b>	<b>7,795,625</b>	<b>505,461</b>	<b>6.93%</b>
<b>TOTAL ENDING FUND BALANCE</b>	<b>1,904,900</b>	<b>2,279,070</b>	<b>374,169</b>	<b>19.64%</b>
<b>TOTAL FUND USAGE</b>	<b>9,195,064</b>	<b>10,074,695</b>	<b>879,630</b>	<b>9.57%</b>

4

4



## FY 2020-21 BUDGET COMPONENTS

- 2-step approval process with opportunity for public input/comment
- Includes both operational and pass-through components
- Assumes little to no growth in revenues
  - Note that District receives no sales or property tax revenues
- Does not include:
  - FARMER funds which are administered on behalf of CARB
  - PARS investments
  - Litigation and Settlement funds which serve as primary component of District reserves

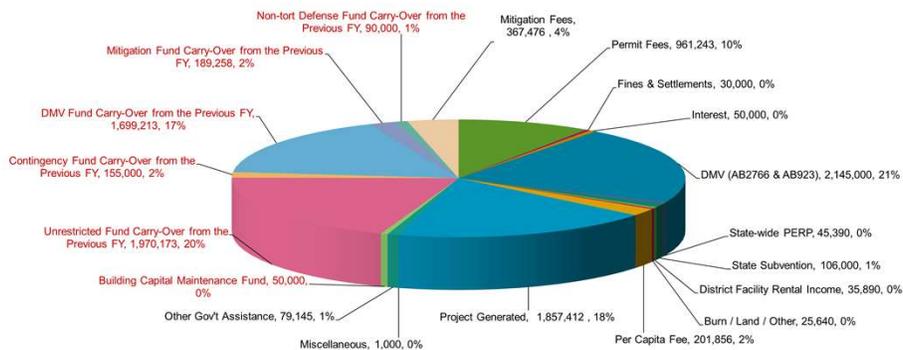
5

5



## CONSOLIDATED FUNDS AVAILABLE

**Consolidated Funds Available**  
 for FY 2020-21 Proposed Preliminary Budget  
 Total Funds Available - \$10,074,695

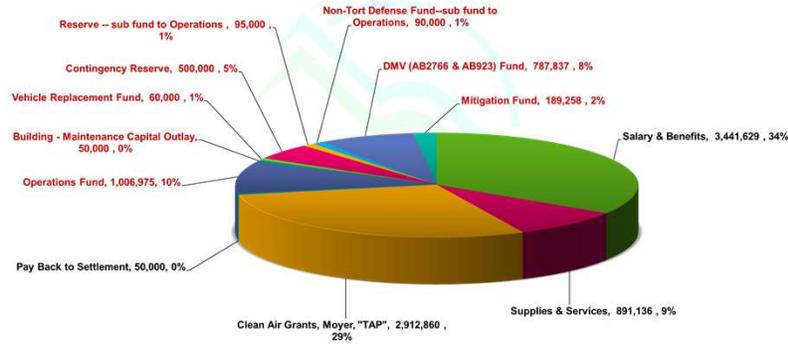


6



## CONSOLIDATED FUND USAGE

### Consolidated Fund Usage for FY 2020-21 Proposed Preliminary Budget Total Fund Usage - \$10,074,695



7



## GRANT FUNDING FOR FY 2020-21

Grant Title	Purpose	Grant Funding for FY 20-21	Anticipated Roll Forward	Admin Funds	Grant Funding for Projects
CAPP - 23 (AB109)	Monitoring Program	48,590	68,655	48,590	-
MCAP 06 School Bus/MCAP 10	School Bus/Equipment	1,120,159	6,458	140,020	986,597
Emission Inventory Grant AB197	Inventory Development	9,583	267	9,850	-
Prescribed Burn Support Grant	Burn Reporting/Support	35,357	-	35,357	-
EPA 103 Grant	Monitoring Support	7,000	-	7,000	-
NRM Nox Mitigation	Reduce Nox	-	6,152	-	6,152
Carl Moyer	Moyer Projects	650,484	9,317	81,311	578,490
Moyer Reserve	Agriculture Projects	-	919	-	919
District Match for Moyer (AB923)	Moyer Projects	97,678	-	-	97,678
AB923	DMV Funded Grants	572,635	287,913	-	860,548
Mitigation	Mitigation Project Grants	-	-	-	-
CBSEP	IQ Air Filtration Systems	367,476	-	-	367,476
Wood Smoke El Dorado	Staff Hours for Stove Insp	2,000	-	2,000	-
Technology Assessment Program	TAP Projects	15,000	-	-	15,000
<b>Total</b>		<b>2,925,962</b>	<b>379,682</b>	<b>324,127</b>	<b>2,912,860</b>

8



## LIST OF PROGRAMS AND PROJECTS WITH LINKS TO DISTRICT MISSION, GOALS AND OBJECTIVES

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT			PROPOSED EXPENDITURES	ENCUMBERED FUND BALANCE
Listing of Programs, Projects and District Enhancements for the PROPOSED PRELIMINARY BUDGET FOR FY 2020-21			FY 2020-21	May 25, 2020
Item #	Mission Goal/Objective	Name	Amount	Amount
1	2(f), 5(c), 6	Public Outreach/Public Relations Assistance - Endicott Contract	11,761	8,880
2	5(b), 7(b)	Spare the Air Program (7f & 8) - CMAQ Match	-	-
3	5(c), 8	Legal Services (District Counsel/Enforcement Support)	50,000	20,275
4	1(e), 4(c), 5(c), 7(a), 7(b)	Air Permitting Specialists Contract (DMV qualified tasks)	-	49,558
5	1(d), 2(a), 4(d), 5(c)	Avoided Wildfire Emissions Protocol SIG (SEP)	-	13,781
6	2(f), 5(c), 6	Black Carbon Protocol (SEP)	-	3,750
7	1(d), 4(d), 5(c), 6	Clean Tech Advocates (James Boyd Consulting Services, SEP)	-	15,700
8	1(d), 2(a), 4(d), 5(c)	SIG Contract (Biomass Project Support, SEP)	-	25,700
9	1(d), 2(a), 4(d), 5(c)	TSS Associates Contract (Biomass Project Support, SEP)	-	16,981
10	1(d), 2(a), 4(d), 5(c)	Air Permitting Specialists Contract (Operations Support)	-	32,091
11	5(c), 8	Database Programming /Software Support/Professional Services	-	6,565
12	5(c), 8	IT Consulting (Mooch)	-	4,380
13	5(c), 8	Legal Services (District Counsel/Enforcement Support)	130,000	32,333
14	1(b), 4(a)	Entek Contract (Grab Sampling Incident Response)	-	6,180
15	5(a), 5(b), 6	CAP to CAP attendance - two attendees	20,000	-
16	5(b), 8	County Administrative Services/Personnel/Fleet Maintenance	84,810	-
17	5(b), 8	County Counsel Support	25,000	-
18	5(b), 8	County Administrative Services (IT, Telecom, Central Services) Charges	201,597	-
19	8	District Liability Insurance	32,300	-
20	1(b), 3(a)	Extra-Help - Permitting/Inspection Specialists	50,000	-
21	*	GASB - Provision for Post Employment Benefits	102,375	-
22	*	PARS - Provision for Post Employment Benefits	500,000	-
23	*	*Core of the Operational Budget (Minus the above projects and service contracts)	1,963,018	-
24	*	*Core of the DMV Fund Budget (Minus the above projects and \$2,530,385 in CAGs)	1,661,905	-
25	*	*Core of the Mitigation Fund Budget (Minus the above projects and \$367,475 in CAGs)	-	-
26	8	Settlement Fund Payback of Building Purchase	50,000	-
27	1(d), 5(a), 5(b), 5(c)	Technology Assessment Program (TAP)**	15,000	-
28	4(d), 7(a), 7(b)	Clean Air Grants for 2020**	2,897,860	1,598,197
<b>TOTAL</b>			<b>7,795,625</b>	<b>1,834,371</b>

\*These are the salary/benefit/overhead costs that allow the District to carry out its mission goals and objectives.  
 \*\*The District is proposing \$367,475 from the Mitigation Fund for CAGs, \$2,530,385 from the DMV Fund for Carl Moyer Grants and \$15,000 for TAP in FY 2020-21.

COLOR CODED KEY:	
MONITORING / AQ PLAN SUPPORT	61,761
BIOMASS SUPPORT	-
OPERATIONS SUPPORT	150,000
COUNTY SERVICES	311,407
LABOR & OVERHEAD COSTS	4,389,897
CLEAN AIR GRANTS	2,912,860
<b>TOTAL APPROVED EXPENDITURES</b>	<b>7,795,625</b>

9

9



## FLEXIBILITY TO RESPOND TO FUTURE BUDGET CONSTRAINTS

- Proposed Budget continues to conservatively estimate anticipated future revenues, however downward pressures exist
- Potential impacts include:
  - Reductions in State/Federal funding for operations and incentives
  - Reductions in local derived funds such as permit revenues
- Staff continue to include considerations to potentially reduce expenditures in future fiscal years to align with revenues
- Staff have identified a number of potential expenditure reduction strategies, including:
  - Personnel salary savings, reducing operational expenses, delaying planned investments (such as PARS contributions), and utilizing reserve funds

10

10



## NEXT STEP IN THE BUDGET PROCESS

---

- Incorporate direction from the Board into the Final Proposed Budget FY 2020-21.
- Finalize fiscal position at close of FY 2019-20 on June 30, 2020. Then use actual (instead of projected) revenues and expenditures to obtain the Fund Carry-Over for FY 2020-21 Final Proposed Budget.
- Bring the Final Proposed Budget FY 2020-21 to the Board on August 13, 2020 for a public hearing and to request Board approval.

11



# PLACER COUNTY AIR QUALITY UPDATE

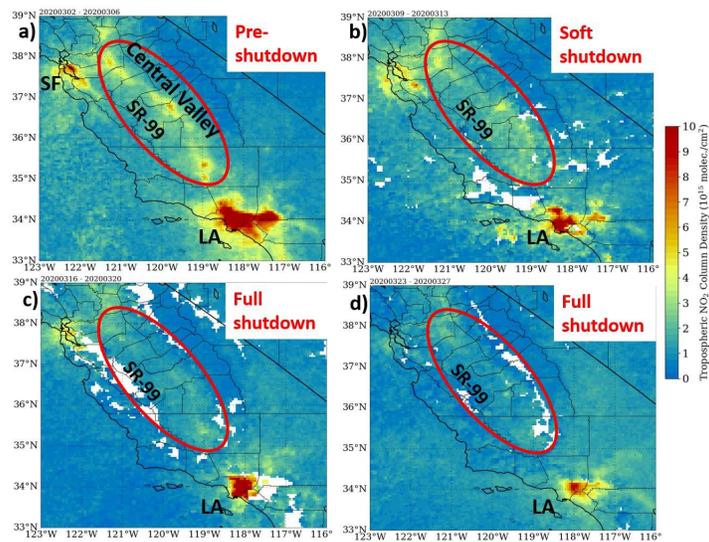
PCAPCD Board Meeting  
June 11<sup>th</sup>, 2020

1

1



## NASA SATELLITE IMAGE

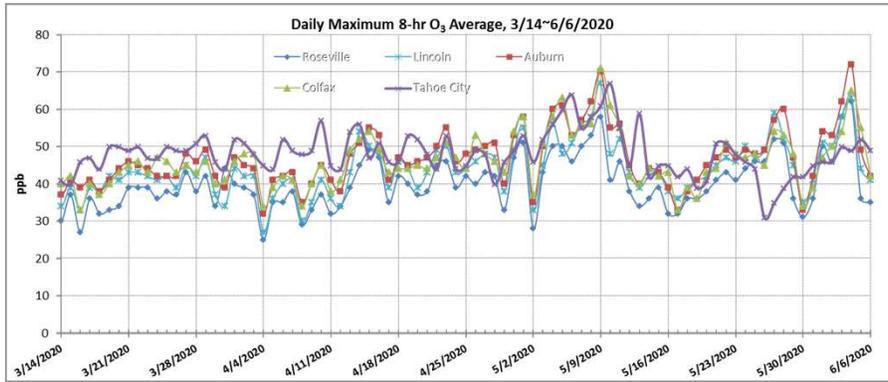


2

2



## PLACER OZONE DATA

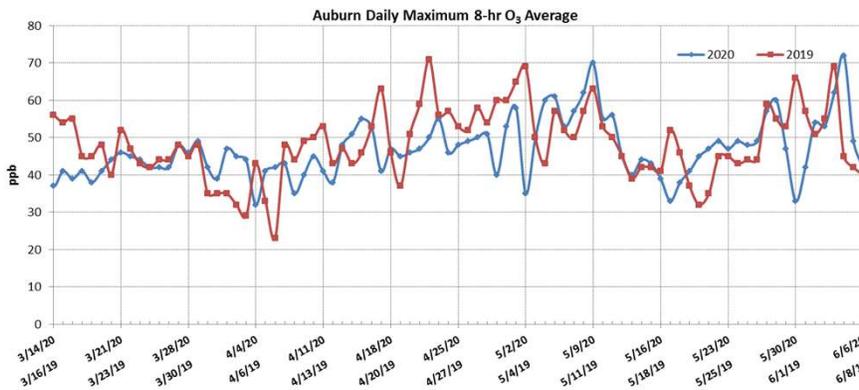


3

3

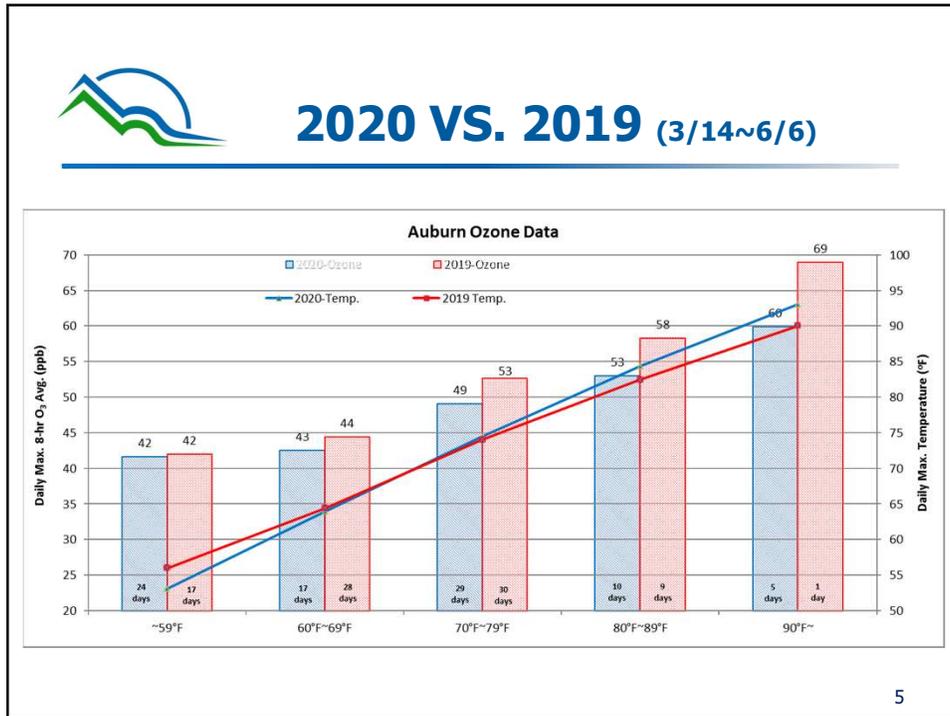


## 2020 VS. 2019

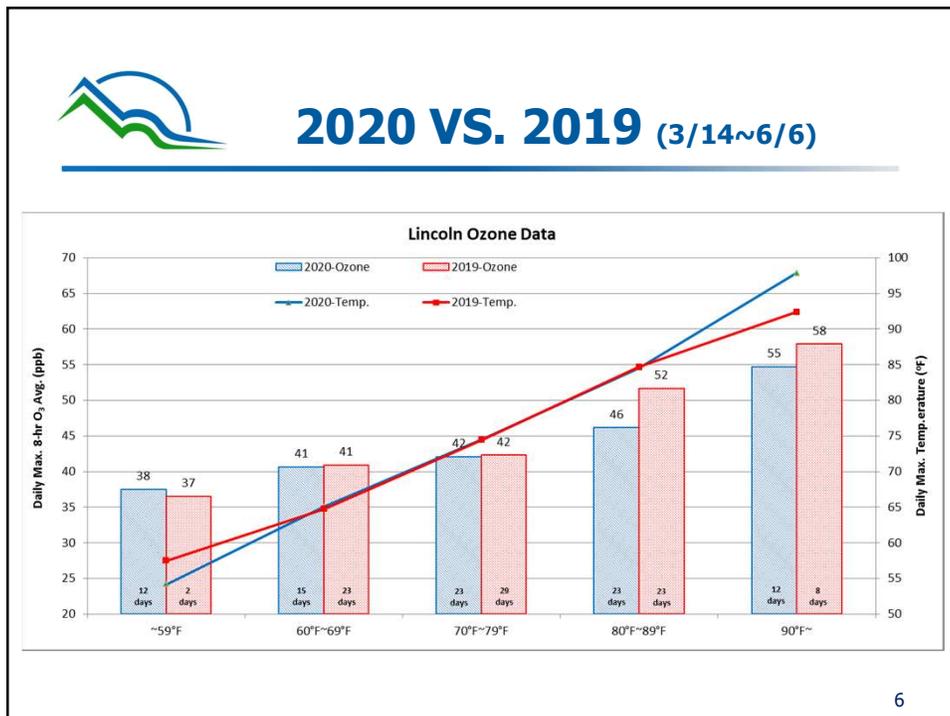


4

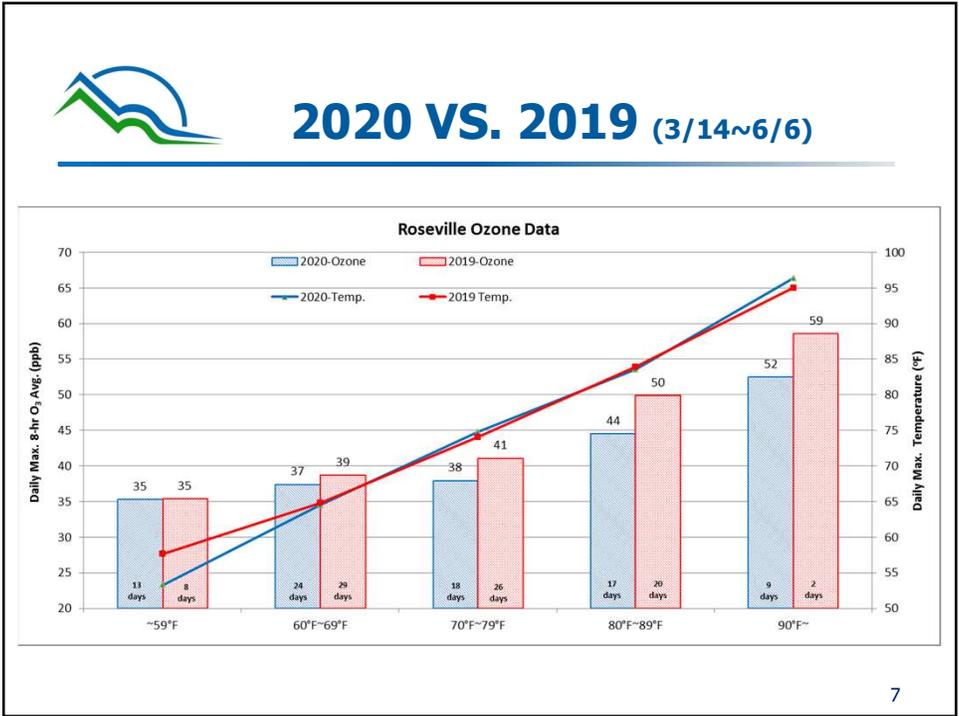
4



5



6



7

**QUESTIONS?**

8



---

# 2020 RACT SIP Analysis

**Bruce Springsteen**  
**Compliance and Permitting Manager**

**PCAPCD Board Meeting**  
**June 11, 2020**

1



---

## REQUIREMENTS

- Region classified as non-attainment for the 2015 Federal ozone standard (0.070 ppmv)
  - Clean Air Act requires District rules reflect Reasonable Available Control Technology (RACT) for volatile organic compounds and nitrogen oxides
  - That rules be included in an EPA-approved State Implementation Plan (SIP)
- RACT SIP update due August 2020
  - Previous RACT SIP updates – 2006, 2008, 2011, 2014
- EPA review and approval

2



## DEMONSTRATION COMPONENTS

- District rules must:
  - Meet EPA "Control Technique Guidelines" (CTGs)
  - Consider similar rules of regional Districts
  - Address all "major" sources of NOx and VOC
- "Negative declaration"
  - Confirm that District does not have operating sources in CTG categories where we do not have a rule

3

3



## RESULTS

No new rules required, current District VOC/NOx prohibitory rules meet RACT

<u>Rule Title</u>	<u>Rule Title</u>
212 Storage of Organic Liquids	234 Automotive Refinishing
213 Gasoline Service Stations, Tank Transfer	235 Adhesives
214 Gasoline Service Stations, Vehicle Refueling	236 Wood Products Coating Operations
215 Gasoline Bulk Plants and Terminals	238 Flatwood Paneling
217 Cutback Asphalt	239 Graphic Arts
218 Architectural Coatings	240 Surface Preparation and Cleanup
223 Metal Container Coating	243 Polyester Resin Operations
229 Fiberboard Manufacturing	244 Semiconductor Operations
231 Boilers, Steam Generators, Process Heaters	245 Surface Coating of Metal Parts and Products
233 Biomass Boilers	249 Plastic Parts Coating
	250 Gas Turbines

4

4



## RESULTS

---

- Rule 216, Organic Solvent Cleaning and Degreasing, requires amendment
  - Removal of exemption.
    - No District sources rely on this exemption
  - Commitment to make rule amendment in coming year

5



## RESULTS

---

Negative declarations for CTG categories for which the District does not have any applicable sources

- |   |                                |
|---|--------------------------------|
| Aerospace Coatings                                | Oil and Natural Gas            |
| Automobile and Light-duty Truck Assembly Coatings | Paper and Fabric               |
| Dry Cleaners (Petroleum)                          | Paper, Film, and Foil Coating  |
| Fiberglass Boat Manufacturing                     | Pharmaceutical Products        |
| Flexible Package Printing                         | Polyester Resins Manufacturing |
| Large Appliances Surface Coating                  | Refineries                     |
| Magnet Wire                                       | Rubber Tires                   |
| Metal Furniture Coatings                          | Ships/Marine Coating           |
| Natural Gas/Gasoline Processing                   | Synthetic Organic Chemicals    |
|   | Wood Furniture Manufacturing   |

6



## **ACTION REQUESTED**

---

- Adopt Resolution #20-04 approving the 2020 RACT SIP Analysis, District Staff Report, dated May 2020 and associated Negative Declaration for CTG source categories without applicable District sources and no major sources of VOCs



---

## **Amendment to Rule 102, Definitions: “Exempt Compounds”**

**Bruce Springsteen  
Compliance and Permitting Manager**

**PCAPCD Board Meeting  
June 11, 2020**

1



## **AMENDMENT TO DEFINITION OF EXEMPT COMPOUNDS**

---

- “Exempt Compounds”
  - Volatile organic species that are not regulated because they do not contribute to ground level ozone formation
- Current definition has a fixed and outdated list of species
- Amended definition references U.S. EPA list that is updated as science advances

2



## EVALUATION

---

- Consistent with other Air Districts
- Reduced compliance costs and greater certainty
- Outreach
  - Public notice
    - No comments received
  - CARB and EPA review
  - Supported by industry stakeholders and trade association

3

3



## ACTION REQUESTED

---

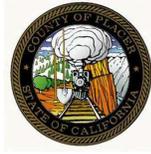
- Adopt Resolution #20-03 approving amendment to definition of exempt compounds in Rule 102, Definitions

4



## PLACER COUNTY APCD DIRECTOR'S UPDATE

---



**JUNE 11, 2020**



1



## TODAY'S UPDATE TOPICS

---

- General
- COVID-19 Impacts
- Incentive Program
- Woodstove
- Fiscal

2

2



## GENERAL APCO UPDATE

---

- Status of public accessibility to the office
  - Closed to the public since March 16<sup>th</sup>
  - Expect to reopen with limited hours next week
  - Full opening later this summer/TBD
- Staffing
  - Continued coordination with County CEO, HR, HHS
  - Prior: teleworking with limited in-office shifts
  - Today: two full days in office with expanded shifts  
TBD
    - Intention to continue teleworking policy moving forward
- Preparing to fully resume facility inspections/field work

3

3



## COVID-19 UPDATE

---

- Staff have been tracking air quality monitoring sites in Placer County to understand potential impacts due to COVID-19 related changes in commute/vehicle activity
- Yu-Shuo Chang will present results to date

4

4



## INCENTIVE PROGRAM UPDATE

---

- ~ \$2.5M in total available for 2020
- Carl Moyer Program
  - Up to ~\$1.5M available
  - Solicitation open until June 30, 2020
  - Project selections by late summer
- Community Air Protection Program (AB617)
  - Up to ~\$1M available
  - Community meeting in Roseville postponed until fall
  - Will coordinate with oversubscribed Moyer requests
- FARMER program ongoing
  - Reporting tool development continues
  - Recently awarded \$4.5M in projects
  - Solicitation for up to additional \$2.3M is in progress

5

5



## WOODSTOVE PROGRAM UPDATE

---

- \$113,000 in project funds to El Dorado County to administer
  - Approved by your Board in December 2019
  - Funds now available to Placer residents
  - At least ½ of funds to go to Placer changeouts
- Voucher amounts of \$500-\$599 depending on replacement fuel type
  - Additional funding available for building permits

6

6



## FISCAL UPDATE

---



Board Resolution:  
*Resolution # 20-02*

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

**In the Matter Of:** Authorization of the expenditure of funds in advance of the FY 2020-2021 Final Budget approval, effective July 1, 2020, for General Liability Insurance from SDRMA; Contracted Technical Support Services from CLERE Inc. and Aqua Terra Aeris Law Group (ATA); and for continuation of payroll, operation and maintenance of the District building.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors (District Board) at a regular meeting held on **June 11, 2020**, by the following vote:

Ayes: Alvord  X  Berlant  absent  Burruss  X  Duncan  X   
Holmes  X  Janda  X  Silhi  X  Uhler  X  Weygandt  absent   
Alternates: \_\_\_\_\_

Noes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Burruss \_\_\_\_\_ Duncan \_\_\_\_\_ Holmes \_\_\_\_\_  
Janda \_\_\_\_\_ Silhi \_\_\_\_\_ Uhler \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Abstain: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Burruss \_\_\_\_\_ Duncan \_\_\_\_\_ Holmes \_\_\_\_\_  
Janda \_\_\_\_\_ Silhi \_\_\_\_\_ Uhler \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Signed and approved by me after its passage:

  Chairperson

  Attest: Clerk of said Board

**WHEREAS**, on June 11, 2020, the Placer County Air Pollution Control District (District) will hold 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 will make available to the public at least 30 days prior to the August 13, 2020 public hearing, a summary of the proposed budget, as required by Health and Safety Code Section 40131(a)(1); and

**WHEREAS**, the District has provided public notice to persons subject to District fees in the preceding year, at least 30 days in advance of the scheduled public hearing on August 13, 2020, as required by Health and Safety Code Section 40131(a)(2); and

**WHEREAS**, the District has a need for a continuation of General Liability Insurance; contracted technical support services; and continuation of payroll, operation and maintenance of the District building, after the end of the current fiscal year on June 30, 2020, and before the Final FY 2020-21 Budget will be considered for approval on August 13, 2020; and

**WHEREAS**, the District Board's approval of expenditures of Two-Hundred Twelve Thousand Three-Hundred Dollars (\$212,300) for consultant services and liability insurance coverage, that are contained in the proposed Preliminary Budget for FY 2020-21, in advance of the Final Budget hearing, would enable the continuation of services and insurance coverage.

**NOW THEREFORE BE IT RESOLVED** that the District Board hereby authorizes the expenditure of funds in advance of the Final FY 2020-21 Final Budget approval, effective July 1, 2020, in accordance with the Preliminary Budget for Fiscal Year 2020-21, for Annual General Liability Insurance due July 15, 2020 in the amount of \$32,300; for contracted technical support services from CLERE Inc., increasing the authorized amount by \$100,000; for Aqua Terra Aeris Law Group, increasing the authorized amount by \$80,000; and for continuation of payroll, operation and maintenance of the District building.



Board Resolution:  
Resolution # 20-03

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

**In the Matter Of:** The adoption of Rule 102, Definitions, as amended and as shown in Exhibit I.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **June 11, 2020**, by the following vote:

Ayes: Alvord X Berlant absent Burruss X Duncan X  
Holmes X Janda X Silhi X Uhler X Weygandt absent  
Alternates: \_\_\_\_\_

Noes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Abstain: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Signed and approved by me after its passage:  
 Chairperson

 Attest: Clerk of said Board

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

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

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

**WHEREAS**, the District Board has determined that a need exists to amend the definition of “Exempt Compounds” in Rule 102, Definitions, by reference to the United States Environmental Protection Agency list contained in Title 40, Part 51, Subpart F of the Code of Federal Regulations, to remain current with the latest science advancements; and

**WHEREAS**, the District Board has determined that the meaning of the amended Rule 102 can be easily understood by the persons directly affected by it (Health and Safety Code Section 40727(b)(3)); and

**WHEREAS**, the District Board has determined that the amended Rule 102 is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations (Health and Safety Code Section 40727(b)(4)); and

**WHEREAS**, the District Board has maintained records of the rulemaking proceedings (Health and Safety Code Section 40728); and

**WHEREAS**, the District Board has made the findings pursuant to Health and Safety Code Section 40727, of necessity, authority, clarity, consistency, non-duplication, and reference in regard to the proposed amended rule; and,

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

**WHEREAS**, the District finds that the proposed amended Rule 102 is exempt from the California Environmental Quality Act (CEQA) because (1) it can be seen with certainty that there is no possibility that the activity in question may have a significant adverse effect on the environment (CEQA Guidelines §15061(b)(3)) and (2) it is as an action by a regulatory agency for protection of the environment (Class 8 Categorical Exemption, CEQA Guidelines §15308); and

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

**NOW, THEREFORE BE IT RESOLVED** that the District Board adopts the amendment to Rule 102, Definitions, as shown in Exhibit I.

**BE IT RESOLVED AND ORDERED** that the Air Pollution Control Officer is hereby authorized and directed to submit this adopted rule in the form required by CARB, on behalf of the District, and to request that CARB adopt this rule into the California State Implementation Plan (SIP) and that CARB submit this rule to the United States Environmental Protection Agency for approval of this rule as a revision to the SIP, and to perform such acts as are necessary to carry out the purpose of this resolution.

Exhibit: I: Rule 102, Definitions (as amended)

**Exhibit I**

**Rule 102, Definitions, as amended**

## **RULE 102 DEFINITIONS**

Adopted 11-12-74

(Amended 5-24-77, 12-19-78, 6-19-79, 5-20-85, 2-04-92, 10-19-93, 8-08-96, 6-19-97, 10-12-00,  
8-12-10, 02-10-11, 02-09-12, 06-11-2020)

### **CONTENTS**

#### **100 GENERAL**

101 PURPOSE

#### **200 DEFINITIONS**

201 AGRICULTURAL BURNING  
202 AGRICULTURAL OPERATION  
203 AGRICULTURAL WASTES  
204 AIR CONTAMINANT  
205 AIR POLLUTION CONTROL OFFICER (APCO)  
206 AIR QUALITY  
207 ALLOWABLE COMBUSTIBLES  
208 ALTERATION  
209 APPROVED IGNITION DEVICES  
210 ARB  
211 BOARD  
212 BRUSH TREATMENT  
213 BULK PLANT  
214 BURN BARREL  
215 CITRUS HEATER  
216 COMBUSTIBLE  
217 COMBUSTIBLE WASTE OR SUBSTANCES  
218 COMBUSTION CONTAMINANT  
219 CONDENSED FUMES  
220 CONSTRUCTION-DEMOLITION DEBRIS  
221 DAILY  
222 DESIGNATED AGENCY  
223 DISALLOWED COMBUSTIBLES  
224 DISTRICT  
225 DUST  
226 EMISSION  
227 EMISSION POINT  
228 EXEMPT COMPOUNDS  
229 FIRE PROTECTION AGENCY  
230 FLAMMABLE WASTE  
231 FLUE  
232 FOREST MANAGEMENT BURNING  
233 FOSSIL FUEL  
234 FOSSIL FUEL-FIRED STEAM GENERATOR  
235 HEARING BOARD  
236 HYDROCARBON  
237 IMMINENT AND SUBSTANTIAL ECONOMIC LOSS

June 11, 2020

238 INCINERATION  
239 INCINERATOR  
240 INSTALLATION  
241 LAKE TAHOE AIR BASIN  
242 MOUNTAIN COUNTIES AIR BASIN  
243 NO-BURN DAY  
244 OPEN BURNING OR OPEN OUTDOOR FIRE  
245 OPERATOR  
246 ORCHARD HEATER  
247 OWNER  
248 PARTICULATE MATTER  
249 PERMISSIVE BURN DAY OR BURN DAY  
250 PERSON  
251 POLLUTANT  
252 PROCESS WEIGHT PER HOUR  
253 PUBLIC RECORD  
254 QUARTERLY  
255 RANGE IMPROVEMENT BURNING  
256 RECORD  
257 RESIDENCE  
258 RESIDENTIAL ALLOWABLE BURN MATERIALS  
259 SACRAMENTO VALLEY AIR BASIN  
260 SECTION  
261 SILVICULTURAL PRACTICES  
262 SOLID PARTICULATE MATTER  
263 STANDARD CONDITIONS  
264 STANDARD CUBIC FOOT OF GAS  
265 TIMBER OPERATIONS  
266 VOLATILE ORGANIC COMPOUND (VOC)  
267 WOOD-FIRED BOILER  
268 YEARLY

**300 STANDARDS**

(NOT INCLUDED)

**400 ADMINISTRATIVE REQUIREMENTS**

(NOT INCLUDED)

**500 MONITORING AND RECORDS**

(NOT INCLUDED)

**100 GENERAL**

**101 PURPOSE:** To provide definitions of specific terms used in the Placer County Air Pollution Control District Rules and Regulations.

**200 DEFINITIONS**

**PROVISO:** Except as otherwise specifically provided in these Rules, and except where the context otherwise indicates, words used in these Rules are used in exactly the same sense as the same words are used in the Health and Safety Code of the State of California.

**201 AGRICULTURAL BURNING:** Open outdoor fires used in agricultural operations in the growing of crops or raising of fowl or animals or open outdoor fires used in forest management, range improvement, or the improvement of land for wildlife and game habitat or disease or pest prevention or the use of open outdoor fires used in the operation or the maintenance of a system for the delivery of water and wildland vegetation management burning.

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

**203 AGRICULTURAL WASTES:** The following materials:

203.1 The unwanted or unsalable materials produced wholly from agricultural operations and materials not produced from agricultural operations, but which are intimately related to the growing or harvesting of crops.

203.2 Materials not produced wholly from agricultural operations, but which are intimately related to the growing or harvesting of crops and which are used in the fields. This includes materials such as fertilizer and pesticide paper sacks or paper containers, where the sacks or containers are emptied in the fields. This does not include, such items as shop wastes, demolition materials, garbage, oil filters, tires, plastic pesticide containers (except for paper pesticide containers), broken boxes, pallets, or other similar material, or orchard or vineyard wastes removed for land use conversion to non-agricultural purposes.

**204 AIR CONTAMINANT:** Any discharge, release or other propagation directly into the atmosphere. It includes, but is not limited to, smoke, dust, charred paper, soot, grime, carbon, noxious acids, fumes, gases, odors, particulate matter, or any combination thereof.

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

**206 AIR QUALITY:** The characteristics of the ambient air as indicated by state ambient air quality standards which have been adopted by the ARB pursuant to

Section 39606 of the Health and Safety Code and by National Ambient Air Quality Standards which have been established pursuant to Sections 108 and 109 of the federal Clean Air Act pertaining to criteria pollutants and Section 169A of the federal Clean Air Act pertaining to visibility.

- 207 **ALLOWABLE COMBUSTIBLES:** Vegetation originating on the premises and reasonably free of dirt, soil, and visible surface moisture.
- 208 **ALTERATION:** Any addition to, enlargement of, replacement of, or any major modification or change of the design, capacity, process, or arrangement, or any increase in the connected loading of equipment or control apparatus, which will increase or affect the kind and/or amount of air contaminants emitted.
- 209 **APPROVED IGNITION DEVICES:** Those instruments or materials that will ignite open outdoor fires without the production of black smoke by the ignition device. This would include such items as liquid petroleum gas, butane, propane, or diesel oil burners, flares, or other similar material as approved by the Air Pollution Control Officer. This does not include tires, tar, tar paper, oil and other similar materials.
- 210 **ARB:** The California State Air Resources Board or any person authorized to act on its behalf.
- 211 **BOARD:** The Board of Directors of the Placer County Air Pollution Control District.
- 212 **BRUSH TREATMENT:** Vegetation which has been felled crushed or up-rooted with mechanical equipment or which has been desiccated with herbicides.
- 213 **BULK PLANT:** A distribution plant which receives organic liquids; stores them in stationary tanks; and loads them into tank trucks for delivery to other bulk plants, service stations or storage tanks.
- 214 **BURN BARREL:** A metal container used outdoors for the purpose of disposal.
- 215 **CITRUS HEATER:** Any article, machine, equipment, or other contrivance, burning any type of fuel or material capable of emitting air contaminants, used or capable of being used for the purpose of giving protection from frost damage.
- 216 **COMBUSTIBLE:** Any substance capable of burning or any substance that will readily burn.
- 217 **COMBUSTIBLE WASTE OR SUBSTANCES:** Any garbage, rubbish, trash, rags, paper, boxes, crates, excelsior, ashes, offal, carcass of a dead animal, petroleum product waste or any other combustible or flammable refuse material.
- 218 **COMBUSTION CONTAMINANT:** Any particulate matter discharged into the atmosphere from the burning of any material which contains carbon in either the free or the combined state.
- 219 **CONDENSED FUMES:** Minute solid particles generated by the condensation of vapors from solid matter after volatilization from the molten state, or may be

generated by sublimation, distillation, calcination, or chemical reaction, when these processes create airborne particles.

- 220 CONSTRUCTION-DEMOLITION DEBRIS:** Any material associated with the construction or demolition of any building, dwelling, or other man-made structure, including but not limited to lumber, tar paper, roofing material, wiring, flooring material, insulation, and plywood.
- 221 DAILY:** A 24-hour period beginning at 12:00 AM local time.
- 222 DESIGNATED AGENCY:** Any agency designated by the ARB and Placer County Air Pollution Control District as having authority to issue Agricultural Burn Permits.
- 223 DISALLOWED COMBUSTIBLES:** Any waste or manufactured material, including but not limited to petroleum products and petroleum wastes; construction and demolition debris; coated wire; putrescible (rotten wastes) and non-putrescible solid, semisolid and liquid materials or wastes; tires; tar; tarpaper; non-natural wood waste; processed or treated wood and wood products; metals; motor vehicle bodies and parts; rubber; synthetics; plastics, including plastic film, twine and pipe; fiberglass; styrofoam; garbage; trash; refuse; rubbish; disposable diapers; ashes; glass; industrial wastes; manufactured products; equipment; instruments; utensils; appliances; furniture; cloth; rags; paper or paper products; cardboard; boxes; crates; excelsior; offal; swill; carcass of a dead animal; manure; human or animal parts or wastes, including blood; and fecal- and food-contaminated material.
- 224 DISTRICT:** The Placer County Air Pollution Control District.
- 225 DUST:** The minute solid particles released into the air by natural forces or by mechanical processes such as crushing, grinding, milling, drilling, demolishing, shoveling, conveying, covering, bagging, sweeping, or other similar process.
- 226 EMISSION:** The act of releasing or discharging air contaminants into the atmosphere from any source.
- 227 EMISSION POINT:** The place, located in a horizontal plane and vertical elevation, at which an emission enters the atmosphere.
- 228 EXEMPT COMPOUNDS:** Organic compounds which are exempt from the definition of Volatile Organic Compounds (VOC) include: carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, ammonium carbonate, and all compounds included in Title 40, Part 51, Subpart F of the Code of Federal Regulations (40 CFR 51.100, Definitions) which have been determined to have negligible photochemical reactivity.
- 229 FIRE PROTECTION AGENCY:** Any agency with the responsibility and authority to protect people, property, and the environment from fire, and having jurisdiction within the District.
- 230 FLAMMABLE WASTE:** Any garbage, rubbish, trash, rags, paper, boxes, crates, excelsior, ashes, offal, carcass of a dead animal, petroleum product waste or any other combustible or flammable refuse material.

- 231 FLUE:** Any duct or passage for air or other gases, including but not limited to a stack or a chimney.
- 232 FOREST MANAGEMENT BURNING:** The use of open outdoor fires, as part of a forest management practice, to remove forest debris. Forest management practices include timber operations, silvicultural practices and forest production practices.
- 233 FOSSIL FUEL:** Natural gas, petroleum, coal and any form of solid, liquid, or gaseous fuel derived from such materials.
- 234 FOSSIL FUEL-FIRED STEAM GENERATOR:** A furnace or boiler used in the process of burning fossil fuel for the primary purpose of producing steam by heat transfer.
- 235 HEARING BOARD:** The Hearing Board of the Air Pollution Control District of Placer County.
- 236 HYDROCARBON:** Any compound of carbon containing hydrogen.
- 237 IMMINENT AND SUBSTANTIAL ECONOMIC LOSS:** The loss of a planting season or irreparable harm to a crop.
- 238 INCINERATION:** An operation in which combustion is carried on for the principal purpose, or with the principal result of oxidizing a waste material to reduce its bulk or facilitate its disposal.
- 239 INCINERATOR:** Any furnace or other closed fire chamber used to dispose of combustible waste by burning, and from which the products of combustion are directed through a flue or chimney.
- 240 INSTALLATION:** The placement, assemblage, or construction of equipment or control apparatus at the premises where the equipment or control apparatus will be used, including all preparatory work at such premises.
- 241 LAKE TAHOE AIR BASIN:** That area as defined by Section 60113, Title 17, California Administrative Code.
- 242 MOUNTAIN COUNTIES AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60111 (l), the Mountain Counties Air Basin includes all of Placer County except that portion included in the Lake Tahoe Air Basin, defined by 17 CCR 60113(b), and that portion included in the Sacramento Valley Air Basin, defined by 17 CCR 60106(k).
- 243 NO BURN DAY:** Any day on which agricultural burning including prescribed burning, is prohibited by the ARB or the APCO.

- 244 OPEN BURNING OR OPEN OUTDOOR FIRE:** Burning of any combustibles of any type, outdoors in the open air, where the products of combustion are not directed through a flue.
- 245 OPERATOR:** Person, who owns, operates, controls or supervises an affected facility, or a stationary source of which an affected facility is a part.
- 246 ORCHARD HEATER:** Any article, machine, equipment, or other contrivance, burning any type of fuel or material capable of emitting air contaminants, used or capable of being used for the purpose of giving protection from frost damage.
- 247 OWNER:** Person who owns, operates, controls or supervises an affected facility, or a stationary source of which an affected facility is a part.
- 248 PARTICULATE MATTER (PM):** Any material except uncombined water, which can exist in a finely divided form as a liquid or solid at standard conditions.
- 249 PERMISSIVE BURN DAY OR BURN DAY:** Any day in which agricultural burning including prescribed burning, is not prohibited by the ARB and/or the APCO.
- 250 PERSON:** Any person, firm, association, organization, partnership, business trust, corporation, company, contractor, supplier, installer, operator, user, owner, any government agency, public district or any officer or employee thereof.
- 251 POLLUTANT:** Any discharge, release or other propagation directly into the atmosphere. It includes, but is not limited to, smoke, dust, charred paper, soot, grime, carbon, noxious acids, fumes, gases, odors, particulate matter, or any combination thereof.
- 252 PROCESS WEIGHT PER HOUR:** The total weight, including contained moisture, of all materials introduced into any specific process, which process may cause any discharge into the atmosphere. Solid fuels charged will be considered as part of the process weight, but liquid and gaseous fuels and combustion air will not. (The process weight per hour will be derived by dividing the total process weight introduced, by the number of hours in one complete operation, from the beginning of any given process to the completion thereof, excluding any time during which the equipment is idle.)
- 253 PUBLIC RECORD:** Any record made available to the public by law, containing information relating to the conduct of the public's business that is prepared, owned, used or retained by the District, except trade secrets as provided for in Section 6254.7 of the California Government Code and relevant sections of the California Administrative Code.
- 254 QUARTERLY:** Calendar quarter beginning January 1, April 1, July 1, and October 1.
- 255 RANGE IMPROVEMENT BURNING:** The use of open outdoor fires to remove vegetation for a wildlife, game or livestock habitat, or for the initial establishment of an agricultural practice on previously uncultivated land.

- 256 RECORD:** Handwriting, typewriting, printing, photocopying, photographing, and every other means of recording upon any form of communication or representation, including letters, words, pictures, sounds, or symbols, or any combination thereof, and all papers, maps, magnetic or paper tapes, photographed films and prints, magnetic or punched cards, magnetic disks, drums, and other documents.
- 257 RESIDENCE:** A single or two-family dwelling unit and the land and ancillary (non-residential) structures.
- 258 SACRAMENTO VALLEY AIR BASIN:** Established pursuant to Section 39606 of the Health & Safety Code of the State of California and as described in Title 17, California Code of Regulations, Section 60106(k), the basin includes that portion of Placer County which lies west of Range 9 east, Mount Diablo Base and Meridian (M.D.B. & M.).
- 259 SECTION:** A Section of the Health and Safety Code of the State of California, unless some other statute is specifically mentioned.
- 260 SILVICULTURAL PRACTICES:** The establishment, development, care and reproduction of stands of timber.
- 261 SOLID PARTICULATE MATTER:** Any material except uncombined water, which can exist in a finely divided form as a solid at standard conditions.
- 262 STANDARD CONDITIONS:** A gas temperature of 60 degrees Fahrenheit and a gas pressure of 14.7 pounds per square inch absolute. Results of all analyses and tests shall be calculated and reported at this gas temperature and pressure.
- 263 STANDARD CUBIC FOOT OF GAS:** The amount of gas that would occupy a volume of one (1) cubic foot, if free of water vapor, at standard conditions.
- 264 TIMBER OPERATIONS:** Cutting or removal of timber or other forest vegetation.
- 265 VOLATILE ORGANIC COMPOUND (VOC):** Any chemical compound containing at least one atom of carbon except for those listed as "Exempt Compounds"
- 266 WOOD-FIRED BOILER:** Any boiler used for steam generation, from which the products of combustion are directed through a flue or chimney and which derives at least 80 percent of its fuel input heat content from wood, or APCO approved wood-associated waste.
- 267 YEARLY:** A calendar year beginning on January 1 at 12:00 AM.



Board Resolution:  
Resolution # 20-04

Before the Placer County  
Air Pollution Control District Board of Directors

**In the Matter Of:** 2020 Reasonably Available Control Technology (RACT) State Implementation Plan (SIP) Analysis, dated May 2020; and the “Negative Declaration” certifying there are no sources within the District’s jurisdiction that are subject to certain Control Techniques Guidelines documents, and no major stationary sources of VOC

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **June 11, 2020**, by the following vote:

Ayes: Alvord X Berlant absent Burruss X Duncan X  
Holmes X Janda X Silhi X Uhler X Weygandt absent  
Alternates: \_\_\_\_\_

Noes: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Abstain: Alvord \_\_\_\_\_ Berlant \_\_\_\_\_ Duncan \_\_\_\_\_ Burruss \_\_\_\_\_ Holmes \_\_\_\_\_  
Uhler \_\_\_\_\_ Silhi \_\_\_\_\_ Janda \_\_\_\_\_ Weygandt \_\_\_\_\_  
Alternates: \_\_\_\_\_

Signed and approved by me after its passage:

Heidi Burruss Chairperson

Shannon Hanou Attest: Clerk of said Board

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

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

**WHEREAS**, portions of the District have been designated as “moderate” non-attainment areas for the federal 2015 8-hour ozone standard pursuant to the Federal Clean Air Act Amendments of 1990 (FCAA); and

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

**WHEREAS**, the Placer County Air Pollution Control District Board of Directors (District Board) has determined that adopting the findings of 2020 RACT SIP analysis are necessary to comply with requirements of California Health and Safety Code Sections 40001 and 40910, and with Sections 110(a)(2), 182(f) and 182(b)(2) of the FCAA; and

**WHEREAS**, the District Board has determined in the 2020 RACT SIP Analysis that there are either no sources that operate in the District, or no sources exceed Control Technique Guideline (CTG) RACT Guidance emissions thresholds, for the source categories of: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations; and has no major stationary sources of VOCs; and

**WHEREAS**, the District Board has determined that the adoption of a “Negative Declaration” for the above identified source categories is necessary to comply with requirements of California Health and Safety Code Sections 40001 and 40910, and with Title 1, Part D, Subpart 2, Section 182(b)(2), of the 1990 Federal Clean Air Act Amendments for the submittal of Reasonable Available Control Technology rules; and

**WHEREAS**, the 2020 RACT SIP Analysis’ and “Negative Declaration” findings are categorically exempt from California Environmental Quality Act (CEQA) pursuant to Title 14, California Administrative Code, Section 15308, as an action by a regulatory agency for the protection of the environment; and

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

**NOW, THEREFORE, BE IT RESOLVED**, that the District Board approves and adopts the findings of the 2020 Reasonably Available Control Technology State Implementation Plan (RACT

SIP) Analysis, dated May 2020, and directs the District to implement the RACT SIP Analysis Report's recommendations; and

**BE IT FURTHER RESOLVED**, that the District Board approves and adopts the "Negative Declaration" certifying that in the District there are either no sources or no sources that exceed CTG RACT guidance emission thresholds for the source categories of: Aerospace Coatings; Automobile and Light-duty Truck Assembly Coatings; Dry Cleaning (Petroleum); Fiber Glass Boat Manufacturing; Flexible Package Printing; Large Appliances Surface Coatings; Magnet Wire; Metal Furniture Coatings; Natural Gas/Gasoline Processing; Oil and Natural Gas; Paper and Fabric; Paper, Film, and Foil Coatings; Pharmaceutical Products; Polyester Resins Manufacturing; Refineries; Rubber Tires; Ships/Marine Coatings; Synthetic Organic Chemicals Manufacturing; and Wood Furniture Manufacturing Operations; and has no major stationary sources of VOC; and therefore the "Negative Declaration" is made that, for these source categories, the requirements of Section 182(b)(2) of the CAAA are not presently applicable to the District; and

**BE IT FURTHER RESOLVED**, that the Air Pollution Control Officer is hereby authorized and directed to submit this 2020 RACT SIP Analysis and "Negative Declaration" as a requested revision to the State Implementation Plan, in the form required by the California Air Resources Board and the United States Environmental Protection Agency, on behalf of the District; and

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