

**PLACER COUNTY AIR POLLUTION CONTROL DISTRICT  
BOARD OF DIRECTORS**

**Thursday, October 9, 2008**

**2:30 P.M.**

**Meeting Minutes**

The Board of Directors of the Placer County Air Pollution Control District met in session at 2:30 P.M., Thursday, October 9, 2008 at the Placer County Board of Supervisors' Chambers, 175 Fulweiler Avenue, Auburn, California. Representing the District were: Tom Christofk, Air Pollution Control Officer; Todd Nishikawa, Compliance and Enforcement Manager; Yu-Shuo Chang, Planning and Monitoring Manager; Jane Bailey, Administrative Services Manager; John Finnell, Sr. Air Pollution Control Engineer; and Don Duffy, Associate Air Pollution Control Engineer.

1. **Call to Order:** Kent Nakata
2. **Flag Salute:** Todd Nishikawa
3. **Roll Call / Determination of a Quorum:**  
**Present:** Mike Holmes, Robert Weygandt, Tom Millward, Kent Nakata, Jim Holmes, Peter Hill, Kirk Uhler, and Jim Gray  
**Absent:** Sherrie Blackmun  
**Quorum established**
4. **Approval of Minutes:** August 14, 2008, Regular Board Meeting  
**Motion:** Gray/Weygandt/Unanimous
5. **Public Comment:** No public comment.
6. **Synopsis of Agenda** (information only, no action needed)
7. **Approval of Agenda:**  
**Motion:** Uhler/Gray/Unanimous

**Consent Calendar Items 8 & 9:**

8. **Hearing Board Re-appointment: (Consent)**  
The Board reappointed current Hearing Board members Dr. Leonard Davis, representative of the medical profession, and Ms. Diane Przepiorski, representative of the public at large to the Placer County APCD Hearing Board for a three year term beginning immediately.
9. **TSS Contract Resolution: (Consent)**  
The Board adopted resolution #08-12 thereby authorizing the Air Pollution Control Officer to amend an existing contract with TSS Renewables, Inc and to negotiate, sign, and amend the contract if future needs arise. This contract is for assistance in the assessment of forest fuels reduction activities, the reduction of criteria pollutants and green house gas emissions, and preparation of grants and applications for biomass related funding opportunities.  
**Motion for approval of Consent Items:** J. Holmes/Hill/Unanimous

**Information Item:**

**10. Rail Yard Emission Trends: (Information)**

Don Duffy, Associate APCD Engineer, introduced Mr. Lanny Schmid, Director of Environmental Operations for Union Pacific Rail Road, (UPRR) to the Board. Mr. Duffy said that Mr. Schmid would be presenting a report that UPRR had prepared as part of the December 2004 agreement with the District. In 2004 UPRR agreed to implement mitigation measures to reduce 25% of the diesel particulate matter (DPM) emissions from the Roseville rail yard by the end of 2007. This measurement was based on the baseline emissions from a California Air Resources Board (CARB) analysis in 2000.

Mr. Schmid used a Power Point presentation to show the emission trends and analyses that were compiled by UPRR Staff. He said that UPRR has acquired 1,189 new Tier II line haul locomotives since 2005. These engines are the cleanest available line hauls. UPRR has also remanufactured over 2,000 older line haul locomotives with new lower emitting components since 2000. One of the features of these locomotives is that they will shut down if they idle for over 15 minutes. Idling locomotives were one of the biggest contributors to excess emissions in the past. All the engines, 2001 and newer, (44% of the UPRR fleet) have the idle control devices with automatic shutdown. Another factor that has helped with controlling emissions at the rail yard is an aggressive training program for UPRR employees. Through this program employees have learned to control and reduce unnecessary idling which reduces both fuel consumption and emissions.

UPRR has invested a great deal of resources into research and development of cleaner and more efficient operating locomotive engines. Mr. Schmid said the UPRR has the most comprehensive and aggressive program of identification, evaluation, development, acquisition, deployment, optimization and utilization of new and evolving technologies of any rail road in North America.

UPRR has been very generous with contributions to grant projects such as retrofitting and replacing refuse trucks in Roseville and helping with retrofitting and replacement of Roseville Joint Unified School District busses. UPRR monetary contributions combined with other sources has funded the “retiring” of over one ton of particulate matter in the Roseville area.

An assessment of the operations and the applied mitigations at the rail yard from 2000 to 2007 have shown a 23% reduction of DPM based on the baseline year of health risk assessment done by CARB in 2000. Continued efforts should result in a projected reduction of 25 - 40% overall. UPRR has plans for future mitigation at the rail yard and will continue to work toward reducing emissions.

Chairman Nakata thanked Mr. Schmid for his presentation and complimented UPRR on their continued efforts to reduce emissions. Mr. Schmid said that the good working relationship between UPRR, the District, Sac Metro and CARB has made it easier for UPRR to move

forward with the mitigation efforts.

## **Public Hearing/Action Items 11 and 12**

### **11. Approval of New Rule 515, Stationary Rail Yard Control Emission Reduction Credits (Public Hearing/ Action)**

Mr. Don Duffy presented this proposed new rule. In June of 2004, CAPCOA (California Air Pollution Control Officers Association) convened a conference focusing on developing the means to produce more ERCs (Emission Reduction Credits). Subsequent to that conference, Placer County APCD was asked to research and develop a provision for “non-traditional” ERCs. These ERCs were to be generated from mobile vehicles (locomotives). Up to now, traditional ERCs have been generated from stationary sources. This new rule was developed with the rail road in mind, although there are other non-traditional sources in other air districts to which this rule could be applied.

This rule will be a SIP (State Implementation Plan) approvable rule that will provide opportunities to generate surplus PM<sub>10</sub>/PM<sub>2.5</sub>, NO<sub>x</sub> (nitrogen oxides), SO<sub>x</sub> (sulfur oxides) and/or ROC (reactive organic compounds) emission reduction credits that are federally recognized for use in the Nonattainment New Source Review Program through the addition of stationary control equipment to treat locomotive diesel engine exhaust. The technological development for doing this has been progressing through the ALECS (Advanced Locomotive Emission Control System) project, Phases I and II. The rule will only apply to persons who voluntarily install control equipment. Great care has been exercised in writing this rule to ensure that the unique provisions will quantify the ERCs and assure that the emission reductions continue indefinitely. This rule is the first of its kind for non-traditional ERCs and therefore has many new features not used in other rules.

Mr. Duffy showed a Power Point presentation that recapped the ALECS Phase I demonstration project two years ago and gave a progress report on Phase II of the ALECS project. He also described the process necessary to implement Rule 515 and some of the permitting restrictions and reporting requirements of this rule.

Mr. Duffy concluded his presentation and asked the Board if they had any questions. Director Uhler had a question regarding how the District would measure the quantity of emissions removed from the exhaust stream. Mr. Duffy replied that it would be measured in pounds/tons per quarter or year. Director Uhler also wanted to know if additional credits could be accrued if the emissions removed exceeded the permit requirements. Mr. Duffy said that per the Clean Air Act, the excess does not accumulate for additional credits. However, for CEQA (California Environmental Quality Act) related issues, the excess reductions may qualify to be applied to off site projects. An applicant could also request a modification of the permit to include the excess emissions at a later date thus increasing their ERCs.

Chairman Nakata opened the floor for public comment. Mr. Kerry Drake, Associate Director in the Air Division of the US Environmental Protection Agency Region IX had some comments. He said the reason he attended this meeting was to support the District’s

presentation of this rule. He said that since 2004 the EPA has been working with CAPCOA and the California air districts to develop non-traditional ERCs. He stated that it has become increasingly difficult for businesses to acquire the ERCs required to build new industry in non-attainment areas. Mr. Drake said that the EPA appreciates the leadership that Placer County has shown, not just in this model rule, but in all the efforts being made to clean the air and to help maintain the region's marketability for new businesses. He thanked the Board and District Staff for all the work done to get the program started for the non-traditional ERCs.

Mr. Lanny Schmid from UPRR also spoke in the public hearing. He had prepared a Power Point presentation to explain the rail road's position on this rule. He stated that the rail road has several concerns about this rule and that they feel the rule may have earlier and better application with other industries such as maritime use at one of California's industrial ports. Another concern has to do with the fact that, over time, the locomotives will continue to become cleaner and that the rail road won't be able to guarantee the number of locomotives or rate/mass of emissions available for capture for a long term commitment to earning ERCs. He said that the approval/permitting process is complex and the make-up of shortfalls could become an issue. The rail road also does not like the inclusion of 3<sup>rd</sup> party lawsuits and the generally vague enforcement provisions. He said that right now UPRR is committed to completing the ALECS Phase II project and that they would prefer that the ALECS Phase II project be completed before the rule is adopted.

Director Uhler asked Mr. Schmid if UPRR was requesting that the Board postpone adopting the rule. Mr. Schmid indicated that it would be the cautious approach and the preference of UPRR. Director Uhler then asked Mr. Christofk if District Staff had reviewed UPRR's concerns. Mr. Christofk said that Staff had been working with UPRR and he reiterated that utilization of this rule is voluntary by an applicant. He said that the Board can choose to delay the adoption of the rule today; however, there is no negative effect to UPRR if the rule is approved. Mr. Christofk said he believes that the quantity of emissions from the locomotives at the Railyard could easily provide an ongoing opportunity for emissions reductions for years to come.

Mr. Duffy said that approving the rule is just the starting point for getting the rule established. After passage by this board, it has to go to CARB and EPA to be reviewed and approved. Once those two entities approve the rule, it has to be incorporated into the State Implementation Plan (SIP) and that process could take a couple of years. If the rule is delayed, it may be more difficult to implement when and if UPRR were ready to use it.

**Motion for approval on roll call:** Uhler/Hill/ Unanimous

**12. Amendment to Rule 206: Incinerator Burning (Public Hearing/ Action)**

Mr. John Finnell, Sr. Air Pollution Control Engineer, presented this item. Mr. Finnell explained that this is an amendment to an existing rule. This amendment will provide an exemption from the rule to certain facilities. The District has received a request for an Authority to Construct (AC) from individuals who want to operate a crematory in Roseville. Currently there are no businesses in Placer County operating under this rule and therefore no

crematories operating within the county.

Crematories that were already in operation before 1992 were exempt from the original rule and at that time there was a crematory operating in the county which has since shut down. Since the District has had requests to permit new crematories, District Staff decided to bring this amendment to the Board. When the rule was developed in 1992 it was hoped that incinerator technology would have improved and would eventually be able to meet the emission standards in the rule. However, industry standards have not yet been developed that can meet the standards set in the existing rule at a realistic operating cost. The company that is proposing to apply for a crematory permit has provided source test data to the District from a crematory in Vancouver, Washington. The emission levels shown in those tests indicate that a crematory could be considered a minor source and not trigger the best available control technology (BACT) or offset requirements.

A review of other air districts in California revealed that Placer County has the most stringent regulations in the state. In order to be consistent with other air districts and to allow this type of business to operate in Placer County, District Staff believe that an exemption is necessary. With the current rules in place, and the current cost of technology, a crematory could not be operated in this county. In the event of a pandemic affecting humans or animals, bodies would have to be shipped to Sacramento County to be cremated which would place a hardship on all involved. Even with this proposed amendment, the rule will still surpass the current requirements for incinerators in the federally approved State Implementation Plan.

Mr. Finnell went on to explain the technical aspects of incinerator burning using a Power Point presentation. This amendment would exempt certain emission standards but still keep the basic operating requirements of the rule. Technically, the existing rule standards could be met but it would not be cost effective or practical for a business to purchase and operate equipment that could meet the standards. This amendment would give a partial exemption to new facilities operating in the county and allow for crematory services to operate economically.

Chairman Nakata opened public comment and Teresa Guyan and Jonathan Brown came forward to speak. Ms. Guyan stated that she had information regarding the vehicle emissions from the transport of bodies from Placer County to Sacramento County and that these emissions would be reduced if there was a crematory in Placer County. She said that she had been in the mortuary business for 17 years and the national average for cremations is 38% but in Placer County it is 68%. Potential revenue is being lost by sending the business out of the county. The residents are not being well served by having this service unavailable to them. She said she would like to be able to provide this service to the residents of the county but can not do so under the current rule. Mr. Brown said that for a county the size of Placer, not having a crematory is an inconvenience for the residents who clearly prefer cremation.

**Motion for approval:** Gray/M. Holmes/Unanimous

### 13. Air Pollution Control Officer's Report

- a. Mr. Christofk gave a short report on the USEPA's recommendation for areas that should be designated as nonattainment areas for the federal PM<sub>2.5</sub> standard. The EPA is suggesting that Placer County as well as El Dorado and Yolo-Solano Counties be designated as nonattainment areas even though CARB recommends that only Sacramento County be recommended for nonattainment.

The EPA asked that states provide recommendations regarding which areas should be designated as PM<sub>2.5</sub> nonattainment areas. CARB submitted information to the EPA stating that in this region; only Sacramento County was considered as a nonattainment area for the PM<sub>2.5</sub> standard. The EPA used nine factors to evaluate the potential contribution from counties adjacent to Sacramento County and through this information they determined that Sacramento County and several surrounding counties should be designated as nonattainment areas. This District and others in the region wrote to the EPA headquarters in Washington DC to let them know that the information used in the analysis that resulted in the nonattainment designation was flawed.

Mr. Christofk provided a handout containing the District's comments to the EPA's proposed PM<sub>2.5</sub> nonattainment area designation. Mr. Christofk's stated that Sacramento's nonattainment issues come from within Sacramento County and that surrounding counties should not be punished by being labeled as nonattainment because of their proximity to Sacramento County. He said that our neighboring counties are taking this information to their boards and that sometime soon he and other APCO's, with support from their Boards of Directors, might need to meet with Mr. Wayne Nastri, who is the administrator of the EPA Region IX, regarding the nonattainment designation.

- b. Mr. Christofk moved to his next item regarding the Biomass Project within Placer County. He said that the District finds itself in a leadership role regarding forest fuels reduction, wildland fire control and biomass to energy projects. This is partly because of the air quality, health and economic issues involved within this heavily forested county. Mr. Christofk said that the District is looking for non-subsidized solutions to forest management and that the tax payer shouldn't have to bear the burden of managing public lands when it comes to fuel reduction. He gave a detailed Power Point presentation that outlined the District's and the County's efforts in the realm of biomass to energy and forest fuels reduction. Some of the monies from the Sierra Pacific Industries (SPI) settlement supported the scientific studies done to assist with the emissions and economic development analysis associated with the project.

Director Jim Holmes stated that the Biomass Program is gaining national attention and that Senator Feinstein is very interested in the program. He thanked Mr. Christofk and Brett Storey, Placer County Biomass Project Manager, for their hard work and leadership in moving the program forward.

- c. Ms. Jane Bailey, Administrative Services Manager, gave a short fiscal update. She said the District was on track and under running expenditures by 50% as compared to the budget for FY2008-09 and has taken in approximately 30% more revenue in the first quarter than

projected in the FY2008-09 budget. She also commented on the fact that since the state budget was signed the District has received the DMV registration fees owed to the District by the state.

**14. Adjournment: Chairman Nakata**

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Margie Koltun, Clerk to the Board