AGENDA:

PCAPCD Board of Directors Meeting
Thursday, April 12, 2012, 3:00 P.M.
Placer County Board of Supervisors' Chambers
175 Fulweiler Avenue, Auburn, California

Call to Order

Flag Salute

Roll Call / Determination of a Quorum

Approval of Minutes: February 9, 2012, Regular Board Meeting

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

Action Item:

1. **Clean Air Grant Awards:**
   Adopt Resolution #12-05 thereby approving the expenditure of $931,000 for the Clean Air Grant Program in the FY 2011-12 Budget. Funding for this program is comprised of DMV Surcharge Funds, AB 923 Funds and Land Use Mitigation funds.

Public Hearing / Action Item:

2. **Rescission of 13 Rules:**
   In a Public Hearing, adopt Resolution #12-04 thereby approving the rescission of thirteen obsolete District Rules and negative declarations for rules to be withdrawn from the State Implementation Plan. In an effort to clean up the District rule book, staff is proposing to rescind a number of rules that are no longer needed.

Information Item:

3. **Report on the results of the Biennial Fiscal Audit:**
   This is an information item on the statutorily required audit of District records and accounts for fiscal years ended June 30, 2010, and June 30, 2011.

Closed Session / Action Item:

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

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

a. District Office Building Financial Update
b. Fiscal Update

Adjournment

Next Regularly Scheduled Board Meeting: Thursday, June 14, 2012, at 2:30 PM

Opportunity is provided for the members of the public to address the Board on items of interest to the public, which are within the jurisdiction of the Board. A member of the public wanting to comment upon an agenda item that is not a Public Hearing item should submit their name and identify the item to the Clerk of the Board.
Placer County Air Pollution Control District is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you require disability-related modifications or accommodations, please contact the Clerk of the Board. All requests must be in writing and must be received by the Clerk five business days prior to the scheduled meeting for which you are requesting accommodation. Requests received after such time will be accommodated only if time permits.

District Office Telephone – (530) 745-2330

The minutes of the February 9, 2012, APCD Board of Director's Meeting will be posted after they are approved by the Board.

Placer County
AIR POLLUTION CONTROL DISTRICT

Board Agenda

Action

Agenda Date: April 12, 2012

Prepared By: Heather Kuklo, Grant Program Manager

Topic: Approval of the 2012 Clean Air Grant Recommended Projects

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Action Requested: Adopting Resolution #12-05 (Attachment #1), thereby approving the expenditure of DMV Motor Vehicle Registration Funds and Air Quality Mitigation Funds for Clean Air Grant (CAG) projects, as shown in Resolution Exhibit I, and authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts.

Discussion: A total of 19 projects were evaluated for CAG funding. Of these 19 projects 10 are recommended for Board approval for a total of $931,000 in grant funds for the FY 2011-12 CAG program. An estimated total of 30.1 tons of NOx, PM, and ROG will be reduced from the recommended projects should they be approved.

The application solicitation period ran from December 23, 2011, through February 17, 2012. After the close of the solicitation period, District Staff conducted a systematic and comprehensive evaluation in order to identify the most competitive and cost effective projects for recommendation to your Board. A detailed description of the CAG process, the methods of evaluation and project benefits can be found in the Staff Report (Attachment #2). A compact disk with copies of all applications received and all associated documentation can be found in Attachment #3.

Projects Recommended for Funding

There are 10 projects being recommended for funding. Grant funds from this year's CAG program will provide an overall average cost share of 46% of total project costs. This is a prime example of the competitiveness of this year's program and the leveraging of grant funds that has been achieved. Exhibit A of the Staff Report is a summary of all applications received.

Emissions Summary of recommended Projects

Based on the approval of the recommended projects submitted to your Board in this memorandum, there will be an estimated total of 5.85 tons of NOx, PM, and ROG reduced annually. When all of the annual emission reductions from the 2012 recommended projects are multiplied by their project lives (the number of years reductions can be claimed for each project), the total projected reduction in emissions that can be claimed is approximately 30.1 tons of NOx, ROG, and PM.

Fiscal Impact: Your Board has approved $931,000 for the FY 2011-12 CAG program, with $55,000 budgeted from AB2766 funds, $665,000 from AB 923 funds, and $211,000 from Air Quality Mitigation Funds. AB2766 surcharge funds are restricted use funds that are used to reduce emissions from motor vehicles through external grants and internal programs to

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

For the 2012 CAG program, 100% of the budgeted funds are being recommended for application towards Clean Air Grant projects.

Recommendation: Staff recommends that the District Board adopt Resolution #12-05, thereby approving the expenditure of DMV Motor Vehicle Registration Funds and Air Quality Mitigation Funds for recommended projects, as shown in Exhibit I of the Resolution, and authorizing the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts.

Attachment(s)

#1: Resolution #12-05, including Exhibit I, Placer County Air Pollution Control District Clean Air Projects 2012
#2: 2012 CAG Staff Report and Exhibits A, B, and C
#3: Compact Disc with copies of all applications received and all associated documentation.

Attachment #1

SUBJECT:

Resolution #12-05

Board Resolution:

Resolution #12-05

Before the Placer County
Air Pollution Control District Board of Directors

In the Matter Of: Approve the expenditure of DMV Motor Vehicle Registration Funds and Air Quality Mitigation Funds and authorize the Air Pollution Control Officer to negotiate, sign, and amend as needed, grant agreements and contracts, for the approved projects in the Table "Placer County Air Pollution Control District Clean Air Projects 2012" (Exhibit I, attached).

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **April 12, 2012,** by the following vote:

Ayes: Holmes, M._____ Barkle _____ Nader_____ Weygandt_____ Ucovich _____

Holmes, J. _____ Hill_____ Montgomery _____ Garcia _____

Noes: Holmes, M._____ Barkle _____ Nader_____ Weygandt_____ Ucovich _____

Holmes, J. _____ Hill_____ Montgomery _____ Garcia _____

Abstain: Holmes, M._____ Barkle _____ Nader_____ Weygandt_____ Ucovich _____

Holmes, J. _____ Hill_____ Montgomery _____ Garcia _____

Signed and approved by me after its passage:

_____ Chairperson

_____ Attest: Clerk of said Board

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

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

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

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

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

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

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

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

Exhibit I: Placer County Air Pollution Control District Clean Air Projects 2012

Exhibit 1: Placer County Air Pollution Control District Clean Air Projects 2012

Application #	Applicant	Project Title	Amount Requested	Recommended Funding	Project Ranking Score
12-06	SPI	Forklift Replacement	$174,129	$95,186	92
12-19	John Hoffman	Ag Tractor Replacement	$299,712	$193,812	92
12-08	SPI	Forklift Replacement	$174,129	$61,295	88
12-17	Robinson Sand & Gravel	Off-Road Equipment Replacement	$388,618	$175,494	87
12-18	William Hoffman	Ag Tractor Replacement	$299,712	$193,812	87
12-01	West-Con Construction	Off-Road Equipment Replacement	$68,000	$46,000	85
12-09	KP Martin	Off-Road Equipment Replacement	$93,000	$62,000	85
12-05	ERL	Off-Road Equipment Replacement	$55,684	$32,842	83
12-04	ERL	Off-Road Equipment Replacement	$55,684	$29,559	75
12-03	PCTPA	Freeway Service Patrol	$63,000	$41,000	72

Attachment #2

SUBJECT:

2012 CAG Staff Report

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

STAFF REPORT

2012 Clean Air Grant Program
Project Recommendations

April 12, 2012

Background:

The District has solicited grant applications for the 2012 Clean Air Grant (CAG) program funds, which was authorized by your Board in the District's FY 2011-12 Budget and will be funded from the following sources:

DMV Funds:

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

The Board determines the amount of DMV funds that are to be budgeted annually for implementing the District's Clean Air Grant program. Your Board has allocated **$720,000** from the DMV fund in the FY 2011-12 Final Budget to provide incentives for external projects to reduce criteria pollutant emissions, primarily from mobile sources, through the 2012 CAG program.

Air Quality Mitigation Funds:

The District is making available **$211,000** which has been paid into the District's Air Quality Mitigation Fund by new land use development projects in Placer County. The Air Quality Mitigation Funds are used primarily to reduce ozone precursor and particulate matter emissions from sources that are not required by law to reduce their emissions. District Staff apply air quality mitigation funds in close proximity to the land development projects from which the fees were collected; therefore, fund usage is broken into East-side of the Donner Summit and West-side of the Donner Summit categories and applied to projects in those areas. Out of the $211,000, there is $50,000 specified for East-side projects and $161,000 specified for West-side projects.

Total Funds Available for 2012 CAG:

The total CAG funds available in FY 2011-12 are **$931,000**.

Discussion:

The 2012 CAG application solicitation period was open from December 23, 2011, through February 17, 2012. The updated CAG Information and Guidelines, along with the application

package was available on the District's web site during this time. Within this eight week period, the District 1) mailed out CAG information to approximately 200 private and public entities within the County, 2) emailed several hundred notifications, including the Placer County Contractor's Association, 3) ran several ads in local papers, and 4) held two workshops in Auburn, one of which was video teleconferenced to Tahoe City in order to solicit projects and inform people in that area. The newspaper ads ran in the Sacramento Bee (Placer section), six of the local papers managed by Gold Country Media, and in the Tahoe World. The two Auburn workshops were held on January 19th at the District office, with a morning and an evening session.

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

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

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

Project Evaluation

There were a total of 19 applications received during the 2012 CAG application solicitation period. Six of the applications were submitted by public/government agencies and thirteen were submitted by non-public agencies (private businesses and/or nonprofit organizations). Several applicants submitted more than one application. The total amount of funds requested was $2,724,573 (nearly three times greater than the funds available). The applications received were applied to three of the six CAG categories.

Figure 1 displays the total number of applications received per category in the 2012 CAG program. The Heavy Duty On and Off Road category received the greatest number of applications (14). This is an ideal trend for this program because the guidelines state that the primary goal of DMV funding is to reduce NOx, PM, and ROG from motor vehicle sources.

Figure 1

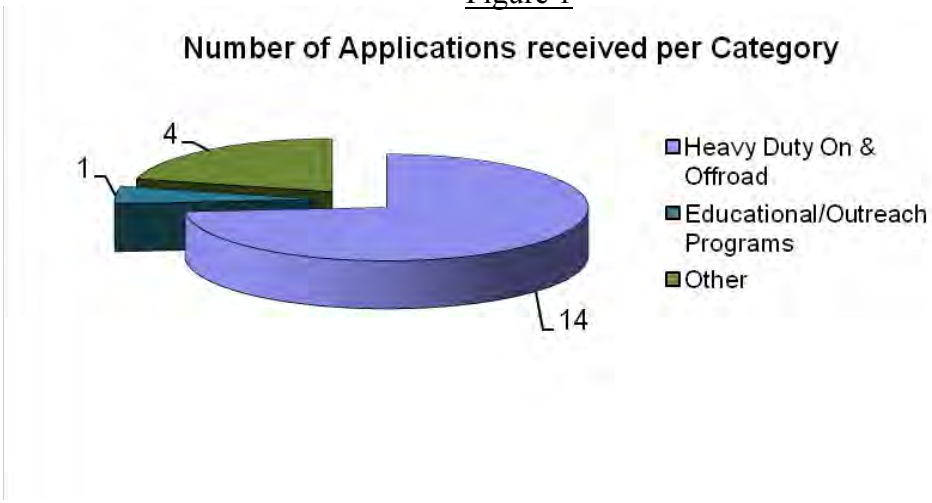
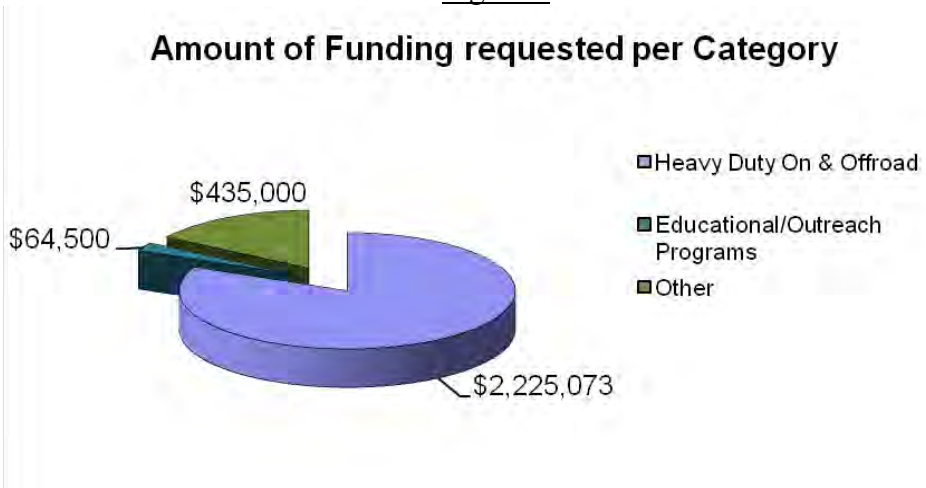


Figure 2 displays the total amount of money requested per category. The total amount of funds requested was $2,724,573.

Figure 2



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

Step 1: Project eligibility

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

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

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

For *quantifiable* projects, each project was first evaluated to determine its measurable emission reductions (for ROG, NOx, and PM) and it's Phase I cost effectivity. The Phase I cost effectivity is calculated based on the amount of requested grant funding compared to the amount of emissions that can be reduced. This first round of evaluation helps to identify which *quantifiable* projects will have the potential to be competitive and cost effective at an acceptable funding amount.

Qualitative projects, which do not have measurable emission reductions, are not evaluated using the cost effectivity formula. Other qualitative factors are taken into consideration such as the level of project funding, the overall benefits to the community, how well a project maintains the scope of program funding, and the qualifications of the applicant to implement such a program or task.

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

Step 3: District's internal Technical Review Panel

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

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

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

funding and will not receive a Phase II Project Ranking score (since this score is based on funding, cost effectivity, match, and so on).

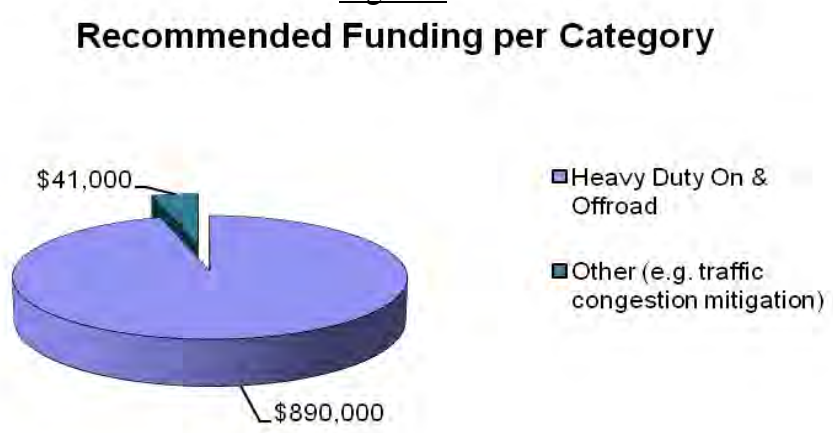
Step 4: APCO final review

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

Projects Recommended for Funding

Out of the 19 applications received, there are 10 that are being recommended for funding. Grant funds from this year's CAG program will provide an overall average cost share of 46% of total project costs. That means that for every dollar the District spends, more than $1 will be spent (on average) by the applicant. More specifically, for the $931,000 of budgeted CAG funds, an estimated $1,100,360 will be spent as a match by the applicants being recommended for funding. This is a prime example of the competitiveness of this year's program and the effort to maximize the dollars spent in this program. A list of all of the recommended projects is shown in Exhibit B. Figure 3 displays the amount of funding recommended per category.

Figure 3



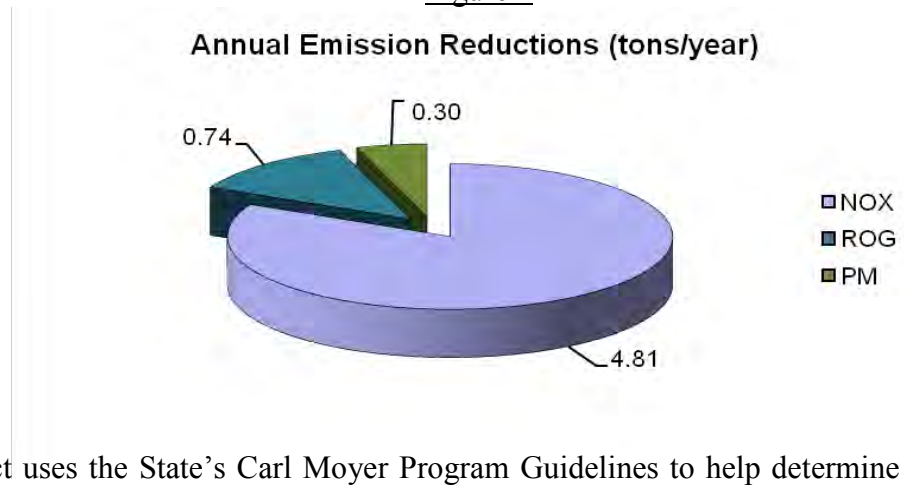
Projects not Recommended for Funding

There are 9 projects that Staff is not recommending for funding due to: 1) project ineligibility (conflicts with program requirements for funding); 2) limited grant funds; and 3) projects not being cost effective or receiving a less than competitive Project Ranking score. A list of these projects and details as to why they are not being recommended for funding can be seen in Exhibit C.

Emissions Summary of Recommended Projects:

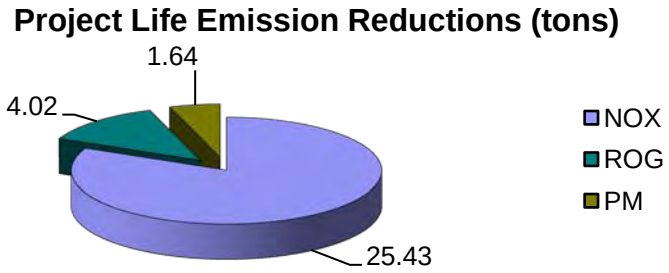
Based on the recommendations submitted to your Board in this report, there will be an estimated total of 5.85 tons of NOx, PM, and ROG reduced annually from the recommended projects. Figure 4 displays the types and amounts of annual emission reductions from the 2012 CAG program.

Figure 4



The District uses the State's Carl Moyer Program Guidelines to help determine the project life for on and off-road type projects. The project life is the length of time (in years) that is used to determine the overall surplus emission reductions of a project and its cost effectivity. For example, the replacement of an agricultural tractor in this year's CAG was given a project life of 7 years. When all of the annual project emissions from the 2012 proposed projects are multiplied by their project lives, the total reduction in emissions is approximately 31.1 tons. This will be the total estimated emission reduction benefits claimed from the recommended projects of the 2012 CAG program as shown in Figure 5 below.

Figure 5



The overall average cost effectiveness of the recommended projects for 2012 is $17,281 per ton of pollution reduced (versus $532,632/ton for non-recommended projects), which is evidence of a very cost effective program. Assuming this year's recommended projects are approved for funding, a maximum of 949.29 tons of NOx, ROG, and PM will have been reduced since 2001 through the District's CAG program.

Exhibits:
- A: Summary Table of All Project Applications Received
- B: Table of Project Applications Recommended for Funding 2012 CAG/PCAPCD
- C: Table of Project Applications Not Recommended for Funding 2012 CAG/PCAPCD

Exhibit A

SUBJECT:

Summary Table of All Project Applications Received

Exhibit A: Summary Table of All Project Applications Received 2012 CAG/PCAPCD

Category	Application Number	Applicant	Project Title	Maximum Total Project Cost	Amount Requesting	Recommended Funding	Project Life	AB 2766	AB 923	West Mit.	East Mit.	Nox Reduction per Year	PM Reduction per Year	ROG Reduction per Year	Nox + PM + ROG Reduction Per Year	Nox + PM + ROG Project Life Reduction	Phase I Cost Effectivity Based on Requested Amount ($/Ton)	Phase II Cost Effectivity Based on Funding Amount ($/Ton)	Project Ranking based on final Project Evaluation (100 total pts.)
								$55,000	$665,000	$161,000	$50,000	Measured in Tons							
On/Off Road HD Vehicles	12-01	West-Con Construction	Off-Road Equipment Replacement	$176,000	$68,000	$46,000	5			$46,000		0.33	0.01	0.04	0.38	1.90	$26,280	$17,778	85
	12-04	ERL	Off-Road Equipment Replacement	$65,684	$55,684	$29,559	7				$29,559	0.03	0.01	0.02	0.06	0.42	$46,013	$24,426	75
	12-05	ERL	Off-Road Equipment Replacement	$65,684	$55,684	$32,842	7	$12,401			$20,441	0.07	0.01	0.02	0.10	0.70	$36,437	$21,490	83
	12-06	SPI	Forklift Replacement	$174,129	$174,129	$95,186	7		$95,186			0.44	0.03	0.08	0.55	3.85	$26,885	$14,697	92
	12-07	SPI	Forklift Replacement	$174,129	$174,129	$0	7					0.35	0.03	0.07	0.45	3.15	$26,461	see Note A	
	12-08	SPI	Forklift Replacement	$174,129	$174,129	$61,295	7		$61,295			0.15	0.02	0.04	0.21	1.47	$45,746	$16,103	88
	12-09	KP Martin	Off-Road Equipment Replacement	$105,000	$93,000	$62,000	5			$62,000		0.39	0.03	0.07	0.49	2.45	$25,130	$14,839	85
	12-13	RJUHSD	School Bus Replacement	$158,241	$128,240	$0	1					0.00	0.00	0.00	0.00	0.00	N/A	N/A	67
	12-14	RJUHSD	School Bus Replacement	$158,241	$128,240	$0	1					0.00	0.00	0.00	0.00	0.00	N/A	N/A	67
	12-15	Nor-Cal Construction	Off-Road Equipment Replacement	$105,796	$95,796	$0	5					0.13	0.01	0.02	0.16	0.80	$64,335	$16,132	see Note B
	12-16	Robinson Sand & Gravel	Off-Road Equipment Replacement	$90,000	$90,000	$0	5					0.23	0.01	0.04	0.28	1.40	$39,265	see Note A	
	12-17	Robinson Sand & Gravel	Off-Road Equipment Replacement	$388,618	$388,618	$175,494	5		$170,494	$5,000		1.27	0.05	0.14	1.46	7.30	$29,713	$15,292	87
	12-18	William Hoffman	Ag Tractor Replacement	$299,712	$299,712	$193,812	5		$192,312	$1,500		0.78	0.08	0.17	1.03	5.15	$24,682	$15,920	87
	12-19	John Hoffman	Ag Tractor Replacement	$299,712	$299,712	$193,812	5	$42,599	$145,713	$5,500		1.35	0.06	0.16	1.57	7.85	$23,225	$14,980	92
Public Ed/Outreach	12-02	PCTPA	Congestion Mitigation Program	$146,563	$64,500	$0	1										N/A	see Note B	
Other (VMT and traffic reducing projects)	12-03	PCTPA	Freeway Service Patrol	$320,322	$63,000	$41,000	1			$41,000							N/A	N/A	72
	12-10	City of Rocklin	ITS Coordination	$238,000	$190,000	$0	7	applicant withdrew application				applicant withdrew application					N/A	N/A	N/A
	12-11	Seniors First	Increase Transit Services	$39,972	$30,000	$0	1					0.01	0.00	0.01	0.02	0.02	$1,388,658		45
	12-12	Placer County Superior Court	Remote Services	$432,378	$152,000	$0	8					0.08	0.00	0.03	0.11	0.88	$193,106		63
			Total	$3,612,310	$2,724,573	$931,000		$55,000	$665,000	$161,000	$50,000	Reduced Emission Totals from Recommended Projects						Avg. C.E.	Avg. Ranking
								AB 2766	AB923	West Mit.	East Mit.	4.81	0.30	0.74	5.85	31.09	→	$17,281 →	85
	Total CAG Budget: $931,000			Remaining Balance:	$0	Remaining Fund Balance:		$0	$0	$0	$0	Reduced Emission Totals from non-Recommended Projects						Avg. C.E.	Avg. Ranking
												0.80	0.05	0.17	1.02	6.25	→	$532,632 →	63

Note A: Despite this projects competitiveness, limited grant funds has impacted the number of projects that can be recommended for funding. Since the the applicant is having at least 1 of their projects being recommended for funding this year, the applicant will have an opportunity to reapply next year and be considered for funding again should they choose to do so. As a result, these projects will not receive a final Project Ranking Score.

Note B: The maximum amount of funding based on eligibility for this project was below what the applicant needed to pursue grant funding. As a result, this projects will not receive a final Project Ranking Score.

Exhibit B

SUBJECT:

Table of Project Applications Recommended for Funding 2012 CAG/PCAPCD

Exhibit B: Table of Project Applications Recommended for Funding 2012 CAG/PCAPCD

Application #	Applicant	Project Title	Amount Requested	Recommended Funding	Project Ranking Score
12-06	SPI	Forklift Replacement	$174,129	$95,186	92
12-19	John Hoffman	Ag Tractor Replacement	$299,712	$193,812	92
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12-18	William Hoffman	Ag Tractor Replacement	$299,712	$193,812	87
12-01	West-Con Construction	Off-Road Equipment Replacement	$68,000	$46,000	85
12-09	KP Martin	Off-Road Equipment Replacement	$93,000	$62,000	85
12-05	ERL	Off-Road Equipment Replacement	$55,684	$32,842	83
12-04	ERL	Off-Road Equipment Replacement	$55,684	$29,559	75
12-03	PCTPA	Freeway Service Patrol	$63,000	$41,000	72

Exhibit C

SUBJECT:

Table of Project Applications Not Recommended for Funding 2012 CAG/PCAPCD

Exhibit C: Table of Project Applications not Recommended for Funding 2012 CAG/PCAPCD

			Reasons for not Recommending Funding (check all that apply)					
Application Number	**Applicant**	**Project Title**	Not Cost Effective	Project does not strongly maintain the scope or intent program funding	Not enough Funding to implement Project	Does not meet program eligibility criteria or funding source requirements	Project Ranking Score	Additional Comments
12-02	PCTPA	Congestion Mitigation Program			X		See Note 4	
12-07	SPI	Forklift Replacement			X		See Note 1	
12-10	City of Rocklin	ITS Coordination	applicant chose to withdraw their application from the program prior to the evaluation process					
12-11	Seniors First	Increase Transit Services	X				45	
12-12	Placer County Superior Court	Remote Services	X				63	
12-13	RJUHSD	School Bus Replacement			X		67	bus only operated 7 miles last year, see Note 2
12-14	RJUHSD	School Bus Replacement			X		67	bus only operated 11 miles last year, see Note 2
12-15	Nor-Cal Construction	Off-Road Equipment Replacement	X				See Note 3	
12-16	Robinson Sand & Gravel	Off-Road Equipment Replacement			X		See Note 1	

Note 1: Despite this projects competitiveness, limited grant funds has impacted the number of projects that can be recommended for funding. Since the the applicant is having at least 1 of their projects being recommended for funding this year, the applicant will have an opportunity to reapply next year and be considered for funding again should they choose to do so. As a result, these projects will not receive a final Project Ranking Score.

Note 2: Though eligible for funding, under AB 923, limited funds require the prioritization of projects which are in use and have cost effective emission reductions and benefits.

Note 3: The amount of cost effective funding was too low to maintain project viability and therefore the applicant opted out of the competitive grant process. As a result, this projectswill not receive a final Project Ranking Score.

Note 4: Limited funding and the competitiveness of the program impacted the amount of total grant funds being recommended for PCTPA's two projects (12-02 and 12-03). PCTPA was given the option to decide how how to allocate funds between their two projects and they chose to put all of the recommended grant funds towards project 12-03 and not pursue funding for 12-02. As a result, this project will not receive a final Project Ranking Score.

Attachment #3

SUBJECT:

Compact Disc with copies of all applications received and all associated documentation

Placer County
AIR POLLUTION CONTROL DISTRICT

Board Agenda Item

Public Hearing/Action

Agenda Date: April 12, 2012

Prepared By: Don Duffy, Associate Air Pollution Control Engineer

Topic: Rescission of Thirteen Obsolete Rules

Action Requested:

1) Conduct a Public Hearing regarding the proposed rescission of:
   - Rule 227, Petroleum Dry Cleaning Operations,
   - Rule 229, Fiberboard Manufacturing,
   - Rule 230, Plastic Products and Materials,
   - Rule 232, Biomass Suspension Boilers,
   - Rule 237, Municipal Landfills,
   - Rule 241, Boilers at Plastic Laminate Manufacturing Facilities,
   - Rule 506, Biomass Emission Reduction Credits and Banking,
   - Rule 805, Notice to Comply,
   - Rule 902, Airborne Chromium Control Measure – Emissions of Hexavalent Chromium from Chrome Plating and Anodizing Operations,
   - Rule 903, Ethylene Oxide Airborne Toxic Control Measure for Sterilizers and Aerators,
   - Rule 904, Airborne Toxic Control Measure – Hexavalent Chromium Emissions from Cooling Towers,
   - Rule 905, Airborne Toxic Control Measure – Asbestos Containing Serpentine Rock in Surfacing Applications, and
   - Rule 906, Airborne Toxic Control Measure – Medical Waste Incinerators

2) Adopt Resolution #12-04 (Attachment #1), thereby rescinding Rules 227, 229, 230, 232, 237, 241, 506, 805, 902, 903, 904, 905, and 906, and approve and adopt the Recommendations found in this document and the Findings in the Staff Reports of Attachments #2 and #3.

Discussion: In an effort to clean up the District rule book, staff is proposing to rescind a number of rules that:

1. Are no longer relevant to the types of sources that currently exist in Placer County, or
2. Are no longer required due to revisions in the California Health and Safety Code that nullified the mandate for having the rule or that provided for district enforcement of a state measure in place of having a locally adopted rule, or
3. Are no longer required because the District has adopted another rule that eliminated the need for the rule that is to be rescinded.

Please see the attached staff reports (Attachments #2 and #3) for the complete discussion of the reasons for rescinding each rule that is summarized below.

The Regulation 9, Air Toxic Contaminants,"900" series rules were originally adopted to mirror state Airborne Toxic Control Measures (ATCM) as required by the California Health and Safety Code (H&SC). In later years, the H&SC was amended so that Districts no longer

were required to adopt rules that reflected the ATCMs, but were allowed to enforce the state ATCMs unless they chose to adopt a rule as or more stringent then the ATCM. In practice, the District has been enforcing the ATCMs and not the District rules, as the ATCMs are reviewed every five years and several have been updated. Staff is recommending that the District rules be rescinded to avoid confusion and the need to periodically amend these rules to keep them current with the state ATCMs.

Adoption of Rules 229, 230, 232, and 241, were necessary to satisfy a Federal Clean Air Act requirement that Districts adopt regulations for major source volatile organic compound (VOC) and Oxides of Nitrogen (NOx) Reasonably Available Control Technology (RACT). At that time, the District contained two sources subject to these rules; SierraPine, a manufacturer of Medium Density Fiberboard (MFD), and Formica Corporation, a manufacturer of plastic products. SierraPine ceased manufacturing MDF on December 16, 2011, and Formica shut down all operations at that facility in June of 2006. Currently, there are no other sources in the District subject to these rules. Therefore, the rules are no longer needed.

Rule 237, Municipal Landfills, applies to municipal landfills that were constructed before May 30, 1991, and not reconstructed after that date. The rule originally applied to the Eastern Regional Landfill (ERL) and the Western Regional Landfill (WRL). ERL has been closed and WRL was reconstructed after May 30, 1991. There are no longer any landfills in the District that are subject to Rule 237.

Rule 506, Biomass Emission Reduction Credits and Banking, was adopted as a mechanism for issuing Emission Reduction Credits (ERCs) for reductions in burning of agricultural biomass in the field. EPA would not approve this rule into the SIP. This meant that ERC's issued to these rules could not be used for offsets for federal purposes. The District adopted new Rule 516, Rice Straw Emission Reduction Credits, based on an EPA approved model rule on February 19, 2009. The new rule only applies to rice straw burning and not other types of biomass such as field crops or orchard trimmings. Rescinding Rule 506 does remove the availability of state-only credits that might be garnered from reducing other types of burning than rice straw, however because state-only credits cannot be used on projects that must meet federal permitting requirements they are severely limited in viability and worth.

Adoption of Rule 805, Notice to Comply, was required by the California Health and Safety Code (H&SC) section 39150. That section of the H&SC defined a procedure called Notice to Comply (NTC) to address minor violations in permitted sources without going through the formal process of a Notice of Violation (NOV). The H&SC required that districts adopt a similar regulation or rule. The NTC requirement in the H&SC had a sunset date of January 1, 2006. Since the regulation has sunset, Rule 805 is no longer effective. Although the Rule could be amended to reinstate its effectiveness, the District now uses an alternate method called a Corrective Action Notice, so the Rule is no longer needed.

Recommendation: Staff recommends that District Board adopt Resolution #12-04 (Attachment #1), thereby rescinding Rules 227, 229, 230, 232, 237, 241, 506, 805, 902, 903, 904, 905, and 906, and approve and adopt the Recommendations found in this document and the Findings in the Staff Reports of Attachments #2 and #3.

Attachments #1: Resolution #12-04, Rescission of Thirteen Rules
#2: Staff Report, Rescission of ATCM Based Rules
#3: Staff Repot, Rescission of RACT and Other Rules

ATTACHMENT #1

Subject:

Resolution #12-04, Rescission of Thirteen Rules

Placer County
AIR POLLUTION CONTROL DISTRICT

Board Resolution:

Resolution # 12-04

Before the Placer County Air Pollution Control District Board of Directors

In the Matter Of: Approve a Resolution to rescind thirteen obsolete District Rules (Rule 227, Petroleum Dry Cleaning Operations; Rule 229, Fiberboard Manufacturing; Rule 230, Plastic Products and Materials; Rule 232, Biomass Suspension Boilers; Rule 237, Municipal Landfills; Rule 241, Boilers at Plastic Laminate Manufacturing Facilities; Rule 506, Biomass Emission Reduction Credits and Banking; Rule 805, Notice to Comply; Rule 902, Airborne Chromium Control Measure – Emissions of Hexavalent Chromium from Chrome Plating and Anodizing Operations; Rule 903, Ethylene Oxide Airborne Toxic Control Measure for Sterilizers and Aerators; Rule 904, Airborne Toxic Control Measure – Hexavalent Chromium Emissions from Cooling Towers; Rule 905, Airborne Toxic Control Measure – Asbestos Containing Serpentine Rock in Surfacing Applications; and Rule 906, Airborne Toxic Control Measure – Medical Waste Incinerators); and adopt negative declarations for rescinded Rules 229, 230, 232, and 241.

The following **RESOLUTION** was duly passed by the Placer County Air Pollution Control District Board of Directors at a regular meeting held on **April 12, 2012,** by the following vote:

Ayes: Holmes, M._____ Barkle _____ Nader_____ Weygandt_____ Ucovich _____

Holmes, J. _____ Hill_____ Montgomery _____ Garcia _____

Noes: Holmes, M._____ Barkle _____ Nader_____ Weygandt_____ Ucovich _____

Holmes, J. _____ Hill_____ Montgomery _____ Garcia _____

Abstain: Holmes, M._____ Barkle _____ Nader_____ Weygandt_____ Ucovich _____

Holmes, J. _____ Hill_____ Montgomery _____ Garcia _____

Signed and approved by me after its passage:

_____ Chairperson

_____ Attest: Clerk of said Board

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

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

WHEREAS, Sections 42300 et seq. of the Health and Safety Code of the State of California delegates to the District Board the authority to establish, by regulation, a permit system that requires permits prior to building, erecting, altering, replacing, operating or using equipment or other contrivances which may cause the issuance of air contaminants; and

WHEREAS, with regard to the rules of Regulation 9 that are to be rescinded:

- Section 39666 (d) of the Health and Safety Code of the State of California gives Districts the option of either enforcing state board Airborne Toxic Control Measures (ATCM), or adopting and enforcing equally effective District rules; and
- Rule 902, Airborne Chromium Control Measure – Emissions of Hexavalent Chromium from Chrome Plating and Anodizing Operations, Rule 903, Ethylene Oxide Airborne Toxic Control Measure for Sterilizers and Aerators, Rule 904, Airborne Toxic Control Measure – Hexavalent Chromium Emissions from Cooling Towers, Rule 905, Airborne Toxic Control Measure – Asbestos Containing Serpentine Rock in Surfacing Applications, and Rule 906, Airborne Toxic Control Measure – Medical Waste Incinerators are District ATCM rules adopted to satisfy requirements that air districts enforce state ATCM rules; and
- Rescission of a District ATCM rule and enforcement of the equally effective state ATCM is categorically exempt from CEQA pursuant to Title 14, California Administrative Code, Section 15308, as an action by a regulatory agency for the protection of the environment; and

WHEREAS, in regard to the rescission of Rule 230 and 241:

- Portions of the District have been designated as "severe" non-attainment areas for the federal 8-hour ozone standard pursuant to the Federal Clean Air Act Amendments of 1990 (CAAA); and
- The CAAA requires for non-attainment areas the implementation of volatile organic compounds (VOC) and nitrogen oxides (NOx) Reasonably Available Control Technology (RACT) rules covering: (1) all source categories with RACT guidance documents, for which there are applicable sources in the District, and (2) for Major Sources of VOCs and NOx; and
- Rule 230, Plastic Products and Materials – Paper Treating Operations, is a RACT rule adopted specifically to address VOC emissions from the District's sole major source paper treating operation; and
- Rule 230, Plastic Products and Materials – Paper Treating Operations, was approved by EPA as a revision to the SIP; and
  Rule 241, Boilers at Plastic Laminate Manufacturing Facilities, is a RACT rule adopted specifically to address NOx emissions from the District's sole major source paper treating operation; and

- Rule 241, Boilers at Plastic Laminate Manufacturing Facilities, was adopted by the District, but never submitted to EPA as a revision to the SIP; and Formica Corporation, the sole major source plastic products and materials operation in Placer County, shut down their plant in June of 2006;
  and

WHEREAS, with regard to rescission of Rule 232 and 229:

- Rule 232, Biomass Suspension Boilers, is a RACT rule adopted specifically to address NOx emissions from the District's sole major source medium density fiberboard operation
- Rule 232, Biomass Suspension Boilers, was submitted to EPA as a revision to the SIP and later withdrawn
- Rule 229, Fiberboard Manufacturing, is a RACT rule adopted specifically to address VOC emissions from the District's sole major source fiberboard manufacturing operation
- Rule 229, Fiberboard Manufacturing, was approved by EPA as a revision to the SIP; and
- SierraPine Ltd., the sole major source medium density fiberboard operation in Placer County, shut down their plant in December of 2011
- The Board of Directors of the District has determined that the adoption of a "Negative Declaration" for the plastic products and materials source category and the fiberboard manufacturing source category is necessary to comply with requirements of California Health and Safety Code Sections 40001 and 40910, and with Title 1, Part D, Subpart 2, Section 182(b)(2) and Section 182(f), of the 1990 Federal Clean Air Act Amendments for the submittal of Reasonable Available Control Technology (RACT) rules
- The "Negative Declaration" findings are categorically exempt from CEQA pursuant to Title 14, California Administrative Code, Section 15308, as an action by a regulatory agency for the protection of the environment;
  and

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

NOW THEREFORE BE IT RESOLVED, that this Board rescinds in their entirety Rule 227, Petroleum Dry Cleaning Operations; Rule 229, Fiberboard Manufacturing; Rule 230, Plastic Products and Materials; Rule 232, Biomass Suspension Boilers; Rule 237, Municipal Landfills; Rule 241, Boilers at Plastic Laminate Manufacturing Facilities; Rule 506, Biomass Emission Reduction Credits and Banking; Rule 805, Notice to Comply; Rule 902, Airborne Chromium Control Measure – Emissions of Hexavalent Chromium from Chrome Plating and Anodizing Operations; Rule 903, Ethylene Oxide Airborne Toxic Control Measure for Sterilizers and Aerators; Rule 904, Airborne Toxic Control Measure – Hexavalent Chromium Emissions from Cooling Towers; Rule 905, Airborne Toxic Control Measure – Asbestos Containing Serpentine Rock in Surfacing Applications; and Rule 906, Airborne Toxic Control Measure – Medical Waste Incinerators.

NOW THEREFORE BE IT FURTHER RESOLVED, that this Board approves and adopts this "Negative Declaration" certifying that in the District there are either no sources or no sources that exceed RACT guidance emission thresholds for the plastic products and materials source category and the fiberboard manufacturing source category, and therefore the "Negative Declaration" is made that the requirements of Section 182(b) (2) and Section 182(f) of the CAAA are not presently applicable to the District:

BE IT RESOLVED AND ORDERED that the Air Pollution Control Officer is hereby authorized and directed to submit these rescinded rules, in the form required by the California Air Resources Board, on behalf of the Placer County Air Pollution Control District, and to perform such acts as are necessary to carry out the purpose of this resolution.

BE IT FURTHER RESOLVED, that the Air Pollution Control Officer is hereby authorized and directed to submit this "Negative Declaration" as a requested revision to the State Implementation Plan and withdraw Rule 227, Petroleum Dry Cleaning Operations; Rule 229, Fiberboard Manufacturing; Rule 230, Plastic Products and Materials – Paper Treating Operations; and Rule 241, Boilers at Plastic Laminate Manufacturing Facilities, from the SIP, in the form required by the California Air Resources Board and the United States Environmental Protection Agency, on behalf of the Placer County Air Pollution Control District.

ATTACHMENT #2

Subject:

Staff Report, Rescission of ATCM Rules

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

STAFF REPORT

PROPOSED RESCISSION OF ATCM BASED RULES:

RULE 902, AIRBORNE CHROMIUM CONTROL MEASURE – EMISSIONS OF HEXAVALENT CHROMIUM FROM CHROME PLATING AND ANODIZING OPERATIONS

RULE 903, ETHYLENE OXIDE AIRBORNE TOXIC CONTROL MEASURE FOR STERILIZERS AND AERATORS

RULE 904, AIRBORNE TOXIC CONTROL MEASURE – HEXAVALENT CHROMIUM EMISSIONS FROM COOLING TOWERS

RULE 905, AIRBORNE TOXIC CONTROL MEASURE – ASBESTOS CONTAINING SERPENTINE ROCK IN SURFACING APPLICATIONS

RULE 906, AIRBORNE TOXIC CONTROL MEASURE – MEDICAL WASTE INCINERATORS

April 12, 2012

Purpose

In the years of 1989 through 1992 the District adopted a number of rules that mirrored state Airborne Toxic Control Measures (ATCM) as required by the California Health and Safety Code (H&SC). In later years, the H&SC was amended so that Districts no longer were required to adopt the ATCMs, but had the option of adopting equally or more stringent local rules or enforcing the state ATCMs. Staff is recommending that the District's ATCM based Rules be rescinded since the District can enforce the state ATCMs regulation directly and maintaining separate District rules causes confusion and is an administrative burden.

General Discussion

The current H&SC requires districts to enforce the requirements of ATCMs either directly, or through adoption of a district rule that is at least as stringent as the ATCM. This is stated in Section 39666 (d) of the code:

> *Not later than 120 days after the adoption or implementation by the state board of an airborne toxic control measure pursuant to this section or Section 39658, the districts shall implement and enforce the airborne toxic control measures on non-vehicular sources within their jurisdiction which meet the requirements of subdivisions (b), (c), and (e), except that a district may, at its option, and after considering the factors specified in subdivision (b) of Section 39665, adopt and enforce equally effective or more stringent airborne toxic control measures than the airborne toxic control measures adopted by the state board.*

The five District toxics rules (Rules 902 through 906) that were adopted to mirror the state ATCMs have, in some cases, not been amended to reflect changes in the state ATCMs that made them more restrictive. This makes the District rules less restrictive than the current ATCMs, and thus a violation of the above cited section of the H&SC. These rules would need to be amended to catch up with the ATCMs. However, if one of these ATCMs were to be amended in the future, then an amendment in the District rule would be required then as well. In practice, the District has been enforcing the ATCMs and not the District rules. The Rules are not more stringent than the ATCMs and if an ATCM update results in it being more stringent than the District Rule – the District must enforce the ATCM rather than the District Rule.

Staff is recommending that the District rules be rescinded to avoid confusion and to avoid the need to periodically amend these rules to keep them current with the state adopted ATCMs.

There is no fiscal impact from rescinding the District ATCM based Rules. Requirements of the state ATCM have priority and there is no change in these requirements by rescinding the District rules.

A description of each ATCM based Rule follows.

Rule 902, <u>Airborne Toxic Control Measure – Emissions of Hexavalent Chromium From Chrome Plating and Anodizing Operations</u>

Rule 902 was originally adopted on July 17, 1989 to mirror the new state Airborne Toxic Control Measure (ATCM) for Chromium Plating and Chromic Acid Anodizing Facilities. The state ATCM was amended in 2007 to make it much more restrictive after ARB concluded that even with the original ATCM, hexavalent chrome is a potent carcinogen and near-source exposures are an unacceptable cancer risk with better controls now available.

Hexavalent chromium has been determined to be an extremely potent human carcinogen with no known safe level of exposure and exposure over a lifetime to very low concentrations could very substantially increase a person's chance of developing cancer. Hexavalent chromium is present in solutions used in the processes of chrome plating and aluminum anodizing. The electrical charge during the chrome plating or anodizing process causes the hexavalent chromium to be emitted from the bath as an aerosol that, once emitted from the facility, can be inhaled and entrained inside the lungs.

In the original 1988 ATCM, most chrome plating and aluminum anodizing facilities were required to reduce hexavalent chromium emissions by 95 percent by using chemical or mechanical fume suppressants. Rule 902 reflects this level of control. The 2007 amendment of the ATCM requires medium and large size facilities to reduce hexavalent chromium emissions by over 99 percent by using HEPA filters, or an equivalent method.

Currently, staff is not aware of any chrome plating or aluminum anodizing facilities in Placer County. There are no District permits for this type of facility.

Rule 903, <u>Ethylene Oxide Airborne Toxic Control Measure for Sterilizers and Aerators</u>

Rule 903 was adopted on February 5, 1991 to mirror the new state Ethylene Oxide Airborne Toxic Control Measure (ATCM) for Sterilizers and Aerators. The state ATCM has not been amended since its adoption. District Rule 903 is equivalent to the state ATCM.

Ethylene oxide is a colorless, explosive gas that has been determined to be a strong poison to humans, showing carcinogenic, mutagenic, irritating, and narcotic effects. In low concentrations, the gas is a disinfectant which in the past was widely used in hospitals to sterilize heat-sensitive tools and equipment.

In the sterilization process, the items to be sterilized are placed in a closed chamber that is flooded with ethylene oxide gas and soaked for a period of time. Then the gas is removed and the items are aerated for hours or days to remove all traces of the process gas. In general, the ATCM and the rule require that the effluent concentration of ethylene oxide be reduced by 99%.

The main purpose of the ATCM is to reduce exposure to ethylene oxide. With the ATCM in effect for 20 years now, there are cost-effective alternative sterilization processes for most applications. The District has had only one ethylene oxide sterilizer, and that one is no longer in use.

Rule 904, Airborne Toxic Control Measure – Hexavalent Chromium Emissions From Cooling Towers

Rule 904 was adopted on May 7, 1991, to mirror the new state Cooling Towers Airborne Toxic Control Measure (ATCM). The state ATCM has not been amended since its adoption. District Rule 904 is equivalent to the state ATCM.

As stated above for Rule 902, hexavalent chromium has been determined to be an extremely potent human carcinogen with no known safe level of exposure and exposure over a lifetime to very low concentrations could very substantially increase a person's chance of developing cancer. Hexavalent chromium is present in some solutions used in cooling towers as tracers, corrosion inhibitors, antiscalants, dispersants, and biocides. The circulation of cooling water causes the hexavalent chromium to be emitted from the cooling tower as an aerosol that, once emitted from the facility, can be inhaled and entrained inside the lungs.

A cooling tower is a device which evaporates circulating water to remove heat from a process, a building, or a refrigerator, and puts the heat into the ambient air.

The main purpose of the ATCM is to eliminate use of hexavalent chromium in cooling towers. With the ATCM in effect for 20 years now, there are cost-effective alternative additives for cooling towers. The District no longer sees cooling towers with hexavalent chromium and there are no current permits for this type of operation.

Rule 905, Airborne Toxic Control Measure – Asbestos Containing Serpentine Rock in Surfacing Applications

Rule 905 was adopted on May 7, 1991, and amended on October 19, 1993, to mirror the new state Asbestos Airborne Toxic Control Measure (ATCM) for Surfacing Applications. District Rule 905 was equivalent to the state ATCM at that time. The state ATCM was amended on July 20, 2000 to make it much more stringent. District Rule 905 has not been amended to reflect the more stringent requirements of the current state ATCM.

Asbestos is the name for several types of naturally-occurring fibrous minerals that are a human health hazard when airborne. Asbestos deposits are found in areas of Placer County and are commonly associated with areas of ultramafic and serpentine rocks, and near fault zones. When these types of rocks are crushed and used for surfacing applications, the asbestos fibers are likely to become airborne and lodge in the lungs. Surfacing applications include roads, road shoulders, streets, access roads, alleys, lanes, driveways, parking lots, playgrounds, trails, squares, plazas, and fairgrounds.

The main purpose of the ATCM and Rule 905 is to reduce exposure to asbestos fibers. Rule 905 and the original ATCM limited the asbestos content of aggregate used for surfacing applications to 5%. The 2001 amendment of the ATCM reduced the allowable asbestos content to 0.25%. Since Rule 905 has not been updated to the current ATCM, staff recommends that the district rescind Rule 905 and continue to enforce the state ATCM.

Detailed information concerning naturally-occurring asbestos (NOA) is presented on the District website. Links to several brochures can be found there. The District recently commissioned the California Geological Survey to prepare detailed maps of the areas in Placer County where there is high probability of finding NOA. These maps can be accessed through the website.

Rule 906, Airborne Toxic Control Measure – Medical Waste Incinerators

Rule 906 was adopted on February 4, 1992, to mirror the new state Dioxin Airborne Toxic Control Measure (ATCM) for Medical Waste Incinerators. The state ATCM has not been amended since its adoption. District Rule 906 is equivalent to the state ATCM.

Dioxins are highly toxic chemicals that are formed during the combustion of materials and the manufacture of certain chlorinated chemicals. In the past, medical waste incinerators were one of the largest known air sources of dioxins in California. As a result of the state and district control measures, the number of medical waste incinerators in the state dropped sharply. Currently, there are only two small medical waste incinerators operating in California. There has never been a medical waste incinerator permitted in Placer County.

Dioxins can be inhaled directly or can contaminate vegetation that is a food source for animals and humans. Many studies have shown that dioxins can cause cancer and other health problems including birth defects and liver damage.

The main purpose of the ATCM is to reduce the emission of dioxin from medical waste incinerators by 99%. With the ATCM in effect for 20 years now, the effect has been to mostly eliminate medical waste incinerators in the state. Some features of the ATCM and District Rule 906 have been incorporated into District Rule 206, Incinerator Burning, dealing with incinerators other than medical waste incinerators.

Analysis and Findings

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

Cost-Effectiveness of a Control Measure

California Health & Safety Code (H&S) Section 40703 requires a District to consider and make public “the cost-effectiveness of a control measure”. The rescission of the ATCM based District Rules should have no financial impact on the public because control of these toxic air contaminants is mandated by the state ATCMs which are still in effect. Therefore, there is no cost-effectiveness of these rules.

Socioeconomic Impact

H&S Section 40728, in relevant part, requires the Board to consider the socioeconomic impact of any new rule if air quality or emission limits are significantly affected. However, Districts with a population of less than 500,000 persons are exempted from the socioeconomic analysis. In 2008, the population of Placer County was approximately 333,000 persons.

California Environmental Quality Act (CEQA)

Proposed rescission of the District's ATCM based Rules is not an activity that may cause a direct or reasonably foreseeable indirect physical effect in the environment therefore not considered a "project", as defined by Section 21065 of the California Public Resource Code and Section 15378(b)(4)&(5) of the CEQA guidelines. A CEQA analysis is therefore not necessary.

Findings

A. **Necessity** – The rescission of the ATCM based Rules is necessary in order to delete District rules that are redundant to the current state ATCMs.

B. **Authority** – California Health and Safety Code, Sections 40000, 40001, 40702, and 39666 are provisions of law that provide the District with the authority to adopt, amend, or rescind Rules.

C. **Clarity** – There is no indication, at this time, that the proposed Rule is written in such a manner that persons affected by the Rule cannot easily understand them.

D. **Consistency** – The regulation is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.

E. **Non-duplication** – Rescission of these regulations removes District rules with the same requirements as existing state or federal regulations.

F. **Reference** – All statutes, court decisions, and other provisions of law used by PCAPCD in interpreting this regulation is incorporated into this analysis and this finding by reference.

Exhibits: Rule 902, Airborne Toxic Control Measure – Emissions of Hexavalent Chromium from Chrome Plating and Anodizing Operations

Rule 903, Ethylene Oxide Airborne Toxic Control Measure for Sterilizers and Aerators

Rule 904, Airborne Toxic Control Measure – Hexavalent Chromium Emissions From Cooling Towers

Rule 905, Airborne Toxic Control Measure – Asbestos Containing Serpentine Rock in Surfacing Applications

Rule 906, Airborne Toxic Control Measure – Medical Waste Incinerators

Rule 902, Airborne Toxic Control Measure
Emissions of Hexavalent Chromium from Chrome Plating and Anodizing Operations

RULE 902 AIRBORNE CHROMIUM CONTROL MEASURE - EMISSIONS OF HEXAVALENT CHROMIUM FROM CHROME PLATING AND ANODIZING OPERATIONS

Adopted 07-17-89
(Amended 06-08-95, Rescinded 4-12-12))

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100 GENERAL

101 PURPOSE: To comply with Health and Safety Code Section 39666 by reducing hexavalent chromium emissions from plating and acid anodizing operations.

102 APPLICABILITY: This regulation shall apply to any new or existing chrome plating or chromic acid anodizing operation located in the Sacramento Valley, Mountain Counties, or Lake Tahoe Air Basin portion of Placer County.

200 DEFINITIONS: For the purpose of this section the following definitions shall apply:

201 AMPERE-HOURS: The integral of electrical current applied to a plating tank (amperes) over a period of time (hours).

202 ANTI-MIST ADDITIVE: A chemical which reduces the emission rate from the tank when added to and maintained in the plating tank.

203 CHROME: Metallic chrome.

204 CHROME PLATING: Either hard or decorative chrome plating.

205 CHROMIC ACID: An aqueous solution of chromium trioxide (CrO_3) or a commercial solution containing chromic acid, dichromic acid (H_2CrO_7) or trichromic acid ($H_2Cr_3O_{10}$).

206 CHROMIC ACID ANODIZING: The electrolytic process by which a metal surface is converted to an oxide surface coating in a solution containing chromic acid.

207 CHROMIUM: Hexavalent chromium.

208 CONTROL EQUIPMENT: Any device which reduces emissions from the emissions collection system.

209 DECORATIVE CHROME PLATING: The process of which chromium is electrodeposited from a solution containing compounds of chromium onto an object resulting in a chrome layer 1 micron (0.04 mil.) thick or less.

210 EMISSION FACTOR: The mass of chromium emitted during a test conducted in the emissions collection system in accordance with ARB Test Method 425 divided by the ampere-hours consumed by the tanks in the tested emissions collection system, expressed as the mass of chromium emitted per ampere-hour of electrical current consumed.

211 EMISSIONS COLLECTION SYSTEM: A device or apparatus used to gather chromium emissions from the surface of a chrome plating or chromic acid anodizing tank or tanks.

212 FACILITY: A business or businesses engaged in chrome plating or chromic acid anodizing which are owned or operated by the same person or persons and are located on the same parcel or on contiguous parcels.

213 FACILITY-WIDE EMISSIONS FROM HARD CHROME PLATING OR CHROMIC ACID ANODIZING: The total emissions from all hard chrome plating or chromic acid anodizing at the facility over a calendar year. Emissions shall be calculated as the sum of emissions from the emissions collection system at the facility. The emissions from an emissions collection system shall be calculated by multiplying the emission factor for that emissions collection system by the sum of ampere-hours consumed during that year for all of the tanks served by the emissions collection system.

214 HARD CHROME PLATING: The process by which chromium is electrodeposited from a solution containing compounds of chromium onto an object resulting in a chrome layer thicker than 1 micron (0.04 mil.).

215 PLATING TANK: Any container used to hold a chromium or chromic acid solution for the purposes of chrome plating or chromic acid anodizing.

216 UNCONTROLLED CHROMIUM EMISSIONS FROM THE HARD CHROME PLATING OR CHROMIC ACID ANODIZING FACILITY: The chromium emissions from the emissions collection systems at the facility calculated as if no control equipment is in use. For the purpose of determining compliance with this rule the uncontrolled chromium emissions shall be calculated using an emission factor based on tests conducted in accordance with ARB Test Method 425 or 14 mg/ampere-hour whichever is less.

300 STANDARDS

301 REQUIREMENTS FOR DECORATIVE CHROME PLATING FACILITIES: No person shall operate a decorative chrome plating tank unless an anti-mist additive is continuously maintained in the plating tank, or control equipment is installed and used in a manner which has been demonstrated to and approved by the district air pollution control officer as reducing chromium emissions by 95 percent or more relative to chromium emissions when an anti-mist additive is not maintained or control equipment is not installed and used.

302 REQUIREMENTS FOR HARD CHROME PLATING AND CHROMIC ACID ANODIZING FACILITIES:

302.1 The owners or operators of all hard chrome plating and chromic acid anodizing facilities shall maintain a continuous record of current integrated over time (ampere- hours) for all plating tanks for each collection system used in the hard chrome plating or chromic acid anodizing operations and shall by January 17, 1991, and upon request thereafter, submit the information to the Air Pollution Control Officer.

302.2 No person shall operate a plating tank for hard chrome plating or chromic acid anodizing unless the tank has an emissions collection system.

302.3 No person shall operate a hard chrome plating or chromic acid anodizing tank unless:

a. The chromium emissions from the emissions collection system serving the plating tank have been reduced by 95 percent or more of the uncontrolled chromium emissions or;

b. The chromium emissions from the emissions collection system serving the plating tank have been reduced to less than 0.15 milligrams (mg) of chromium per ampere-hour of electrical charge applied to the plating tank.

302.4 No person shall operate a hard chrome plating tank or chromic acid anodizing tank at a facility if facility-wide chromium emissions from hard chrome plating or chromic acid anodizing are greater than 2 pounds per year but less than 10 pounds per year, unless:

a. the chromium emissions from the emissions collection systems serving the plating tanks have been reduced by at least 99 percent of the

uncontrolled chromium emissions from the hard chrome plating or chromic acid anodizing facility, or;

b. the chromium emissions from the emissions collection systems are reduced to less than 0.03 mg of chromium per ampere-hour of electrical charge applied to the tanks.

302.5 No person shall operate a hard chrome plating or chromic acid anodizing tank at a facility if facility- wide chromium emissions from hard chrome plating or chromic acid anodizing are 10 pounds per year or greater, unless:

a. the chromium emissions from the emissions collection systems serving the plating tanks have been reduced by at least 99.8 percent of the uncontrolled chromium emissions from the hard chrome plating or chromic acid anodizing facility, or;

b. the chromium emissions from the emissions collection systems are reduced to less than 0.006 mg of chromium per ampere-hour electrical charge applied to the tanks.

400 ADMINISTRATIVE REQUIREMENTS

401 COMPLIANCE SCHEDULE: Decorative Chrome Plating Facilities - No later than January 17, 1991, the owners or operators of existing decorative chrome plating tanks must comply with the provisions of Section 301.

402 COMPLIANCE SCHEDULE: Hard Chrome Plating and Chromic Acid Anodizing Facilities

402.1 No later than January 17, 1991, the owner or operator of a hard chrome plating or chromic acid anodizing facility subject to Sections 302.3 or 302.5 shall submit to the Air Pollution Control Officer an application for an Authority to Construct the equipment necessary to meet the requirements of Sections 302.2 and 302.3 and no later than January 17, 1992, the facility shall be in compliance with the requirements of Sections 302.2 and 302.3.

402.2 No later than January 17, 1992, the owner or operator of a hard chrome plating or chromic acid anodizing facility subject to Section 302.4 shall submit to the Air Pollution Control Officer an application for an Authority to Construct the equipment necessary to meet the requirements of Sections 302.2 and 302.4 and no later than July 17, 1992, the facility shall be in compliance with the requirements of Sections 302.2 and 302.4.

402.3 No later than January 17,1993, the owner or operator of a hard chrome plating or chromic acid anodizing facility subject to Section 302.5 shall submit to the Air Pollution Control Officer an application for an Authority to Construct the equipment necessary to meet the requirements of Section 302.5 and no later than July 17, 1993, the facility shall be in compliance with the requirements of Section 302.5.

500 MONITORING AND RECORDS

501 RECORDKEEPING: Maintenance records for the hexavalent chromium emissions from plating and acid anodizing operations, control equipment; and calibration records for the monitoring equipment. Such records shall be retained on site for a period of 24 months, and made available to the District upon request.

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Rule 903, Ethylene Oxide Airborne Toxic Control Measure for Sterilizers and Aerators

RULE 903 ETHYLENE OXIDE CONTROL MEASURE FOR STERILIZERS AND AERATORS

Adopted 02-05-91
(Rescinded 4-12-12)

A. GENERAL

1. Applicability: Any person who owns or operates a sterilizer or an aerator must comply with this regulation.

2. The requirements set forth in Section C do not apply to any facility which treats materials in a sterilizer and which uses a total of 25 pounds or less of ethylene oxide per calendar year.

3. The District Hearing Board may grant an emergency variance from Items (a) and (c) in Table I of Section C, Standards, to a person who owns or operates an acute care facility if response to a local medical emergency requires increased operation of a sterilizer or aerator such that the requirements cannot be met.

   The demonstrated need for such increased operation shall constitute "good cause" pursuant to Health and Safety Code Section 42359.5. The emergency variance shall be granted in accordance with this section and any applicable District rule regarding the issuance of emergency variances for such occurrences, including the requirement that the emergency variance shall not remain in effect longer than 30 days; however, the emergency variance shall be granted only for the period of time during which increased operation of a sterilizer or aerator is necessary to respond to the local medical emergency.

B. DEFINITIONS

1. Acute Care Facility; means any facility currently licensed by the California Department of Health Services as a general acute care hospital (as defined in Title 22, CCR, Section 70005), or any military hospital.

2. Aeration: is the process during which residual ethylene oxide dissipates, whether under forced air flow, natural or mechanically assisted convection, or other means, from previously sterilized materials after the sterilizer cycle is complete.

3. Aeration-only Facility: means a facility which performs aeration on materials which have been sterilized with ethylene oxide at another facility.

4. Aerator: means any equipment or space in which materials previously sterilized with ethylene oxide are placed or remain for the purpose of aeration. An aerator is not any equipment or space in which materials that have previously undergone ethylene oxide sterilization and aeration can be handled, stored, and transported in the same manner as similar materials that have not been sterilized with ethylene oxide.

5. Aerator Exhaust Stream: means all ethylene oxide-contaminated air which is emitted from an aerator.

6. Back-draft Valve Exhaust Stream: is the air stream which results from collection of ethylene oxide-contaminated air which may be removed from the sterilizer through a back-draft valve or rear chamber exhaust system during unloading of the sterilized materials.

7. Control Device: means an article, machine, equipment, or contrivance which reduces the amount of ethylene oxide between its inlet and outlet and which is sized, installed, operated, and maintained according to good engineering practices, as determined by the District.

8. Control Efficiency: is the ethylene oxide (EtO) mass or concentration reduction efficiency of a control device, as measured with ARB Test Method 431 (Title 17, CCR, Section 94143) according to the source testing requirements herein, and expressed as a percentage calculated across the control device as follows:

$$\frac{\text{ɜEtO}_{in} - \text{ɜEtO}_{out} \times 100}{\text{ɜEtO}_{in}} = \text{\% Control Efficiency}$$

9. Date of Compliance: means the time from District adoption of regulations enacting this control measure until a facility must be in compliance with specific requirements of this rule.

10. District: means the Placer County Air Pollution Control District.

11. Ethylene Oxide (EtO): is a substance identified as a toxic air contaminant by the Air Resources Board in 17 CCR, Section 93000.

12. Facility: means any entity or entities which: own or operate a sterilizer or aerator, are owned or operated by the same person or persons, and are located on the same parcel or contiguous parcels.

13. Facility-Wide Pounds of Ethylene Oxide Used Per Year: is the total pounds of ethylene oxide used in all of the sterilizers at the facility during a one-year period.

14. Leak Free: refers to that state which exists when the concentration of sterilant gas measured 1 cm. away from any portion of the exhaust system of a sterilizer or aerator, during conditions of maximum sterilant gas mass flow, is less than:

    a. 30 ppm for sterilant gas composed of 12% ethylene oxide and 88% chlorofluorocarbon-12, by weight, and

    b. 10 ppm for other compositions of sterilant gas,

    as determined by ARB Test Method 21 (Title 17, CCR, Section 94124) using a portable flame ionization detector, or a non-dispersive infrared analyzer, calibrated with methane, or an acceptable alternative method or analytical instrument approved by the District. A chlorofluorocarbon-12 specific audible detector using a metal oxide semiconductor sensor shall be considered an acceptable alternative for exhaust systems carrying a sterilant gas mixture of ethylene oxide and chlorofluorocarbon-12.

15. Local Medical Emergency: means an unexpected occurrence in the area served by the acute care facility resulting in a sudden increase in the amount of medical treatments which require a significant increase in the operation of a sterilizer or aerator.

16. Sterilant Gas: means ethylene oxide or any combination of ethylene oxide and (an)other gas(es) used in a sterilizer.

17. Sterilizer: means any equipment in which ethylene oxide is used as a biocide to destroy bacteria, viruses, fungi, and other unwanted organisms on materials. Equipment in which ethylene oxide is used to fumigate foodstuffs is considered a sterilizer.

18. Sterilizer Cycle: means the process which begins when ethylene oxide is introduced into the sterilizer, includes the initial purge or evacuation after sterilization and subsequent air washes, and ends after evacuation of the final air wash.

19. Sterilizer Door Hood Exhaust Stream: is the air stream which results from collection of fugitive ethylene oxide emissions, by means of an existing hood over the sterilizer door, during the time that the sterilizer door is open after the sterilizer cycle has been completed.

20. Sterilizer Exhaust Stream: is all ethylene oxide-contaminated air which is intentionally removed from the sterilizer during the sterilizer cycle.

21. Sterilizer Exhaust Vacuum Pump: means a device used to evacuate the sterilant gas during the sterilizer cycle, including any associated heat exchanger. A sterilizer exhaust vacuum pump is not a device used solely to evacuate a sterilizer prior to the introduction of ethylene oxide.

C. STANDARDS

No person shall operate a sterilizer or aerator after the applicable date shown in column (d), Table I, unless all of the following requirements are satisfied:

1. There is no discharge of sterilizer exhaust vacuum pump working fluid to wastewater streams, and

2. The exhaust systems including, but not limited to, any piping, ducting, fittings, valves, or flanges, through which ethylene oxide-contaminated air is conveyed from the sterilizer and aerator to the outlet of the control device are leak-free, and

3. All of the control requirements shown in Table I below for the applicable control category are met; and

4. For facilities using more than 600 pounds of ethylene oxide per year, the back-draft valve is ducted to the control device used to control the sterilizer exhaust stream or the aerator exhaust stream; and

5. For facilities using more than 5,000 pounds of ethylene oxide per year, the sterilizer door hood exhaust stream is ducted to the control device used to control the aerator exhaust stream.

Table I

Control and Compliance Requirements

CONTROL CATEGORY	REQUIREMENTS			
	(a)	(b)	(c)	(d)
Facility-wide Pounds of Ethylene Oxide Used per Year	Exhaust Streams to be Controlled	Exhaust Streams to be Tested(%)	Control Efficiency	Date of Compliance (months)
Less than or equal to 25	None	None	None	None
More than 25 <u>and</u> less than or equal to 600	Sterilizer	Sterilizer	99.0	24
More than 600 <u>and</u> less than or equal to 5,000	Sterilizer Aerator Back-draft Valve	Sterilizer Aerator N/A*	99.9 95.0	18
More than 5,000	Sterilizer Aerator & Sterilizer Door Hood Back-draft Valve	Sterilizer Aerator	99.9 99.0 N/A* N/A	12
Aeration-Only Facilities	Aerator	Aerator	95.0	18

* Not Applicable

D. ADMINISTRATIVE REQUIREMENTS

The facility shall be in compliance with all provisions specified in Section C, Standards, no later than the date specified in column (d) of Table I.

1. <u>Compliance of Ethylene Oxide Concentrations Below Detection</u>: For the purpose of determining compliance with the control efficiency requirement shown in column (c) of Table I, Section C, if a reduction in the amount of ethylene oxide across the control device is demonstrated, but the control efficiency cannot be affirmatively demonstrated because the concentration of ethylene oxide measured in the outlet of the control device is below 0.2 parts per million ethylene oxide, the facility shall be considered to be in compliance with this requirement.

2. <u>Alternate Compliance Date</u>: The owner or operator of any facility which uses more than 600 pounds of ethylene oxide per year may choose this alternate compliance option which addresses the date for compliance with the requirements of Section C. If this compliance option is chosen, the owner or operator shall:

   a. Within 3 months of the date of District adoption of regulations enacting this control measure, comply with the requirements shown in Subsections C.1 and

C.2 and demonstrate a control efficiency of 99.9% for the sterilizer exhaust stream, in accordance with the source testing requirements set forth in Subsection E.3; and

b. Within 6 months of the date of District adoption of regulations enacting this control measure, submit to the District a plan to discontinue operation of all sterilizers and aerators or comply with the District requirements to submit a plan to comply with the requirements of Subsections C.3, C.4, and C.5, and

c. Within 18 months of the date of District adoption of regulations enacting this control measure, do one of the following:

(1) Demonstrate to the satisfaction of the District that operation of all sterilizers and aerators at the facility has been permanently discontinued; or

(2) Demonstrate compliance with the requirements of Subsections C.3, C.4, and C.5, in accordance with the source testing provisions set forth in Subsection E.3.

E. MONITORING AND RECORDS

1. Notification: Any person subject to this regulation must provide the District with the following information, in writing, within 30 days of the date of District adoption:

a. The name(s) of the owner and operator of the facility, and

b. The location of the facility, and

c. The number of sterilizers and aerators at the facility, and

d. An estimate of the total pounds of ethylene oxide and sterilant gas used by the facility, in all sterilizers, during the previous calendar year, as determined by a method approved by the District.

The District may exempt a source from this requirement if the District maintains current equivalent information on the source.

2. Reporting: Any person who owns or operates a sterilizer shall furnish a written report to the District annually on the date specified by the District, or, at the District's discretion, shall maintain such a report and make it available to the District upon request. This report shall include one of the following, as determined by the District:

a. The number of sterilizer cycles and the pounds of ethylene oxide used per cycle for each sterilizer during the reporting period, as determined by a method approved by the District; or

b. The total pounds of sterilant gas and the total pounds of ethylene oxide purchased, used, and returned in the previous calendar year, as determined by a method approved by the District.

3. Source Testing: Source testing shall be conducted according to ARB Test Method 431 (Title 17, CCR, Section 94143) and the method evaluations cited therein or an acceptable source test method approved by the Executive Officer of the Air Resources Board. Specific requirements for application are given below:

a. The test on a control device for a sterilizer exhaust stream shall be run with a typical load, as approved by the District, in the sterilizer.

b. The test on a control device for an aerator exhaust stream shall be run with a typical load, as approved by the District, in the aerator.

c. The inlet and outlet of the control device shall be sampled simultaneously during testing to measure the control efficiency.

d. The efficiency of each control device shall be determined under conditions of maximum ethylene oxide mass flow to the device, under normal operating conditions. To measure the control efficiency of the control device on the sterilizer exhaust stream, sampling shall be done during the entire duration of the first sterilizer evacuation after ethylene oxide has been introduced. To measure the control efficiency of the control device on an aerator exhaust stream with a constant air flow, sampling shall be done during a period of at least 60 minutes, starting 15 minutes after aeration begins. To measure the control efficiency of the control device on an aerator exhaust stream with a non-constant air flow, sampling shall be done during the entire duration of the first aerator evacuation after aeration begins.

e. There shall be no dilution of the air stream between the inlet and outlet test points during testing.

Rule 904, Airborne Toxic Control Measure – Hexavalent Chromium Emissions From Cooling Towers

RULE 904 AIRBORNE TOXIC CONTROL MEASURE - HEXAVALENT CHROMIUM EMISSIONS FROM COOLING TOWERS

Adopted 05-07-91
(Rescinded 4-12-12)

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100 GENERAL

101 PURPOSE: The purpose of this rule is to reduce emissions of hexavalent chromium from cooling towers by eliminating chromium based circulating water treatment programs, pursuant to Title 17, California Code of Regulations, Section 93103. Hexavalent chromium containing compounds may be ingredients of cooling tower circulating water treatment chemicals.

102 APPLICABILITY: This rule shall apply to any person who owns or operates, or who plans to build, own, or operate, a cooling tower.

103 EXEMPTION, DISCONTINUED CHROMATE TREATMENT: Section 502 does not apply to cooling tower operators who have not used hexavalent chromium for water treatment since November 3, 1990, or cooling tower circulating water was never treated with hexavalent chromium containing compounds, and who have met all petition for exemption requirements of Section 404.

104 EXEMPTION, WOODEN COOLING TOWERS: Operators of cooling towers having wooden components exposed to circulating water may petition for a temporary exemption from the Section 302 hexavalent chromium concentration limitation for the period from the compliance date, November 3, 1991, up to May 3, 1992, providing that the petition for exemption requirements of Section 403 are met.

200 DEFINITIONS

201 COOLING TOWER: Any device which evaporates circulating water to remove heat from a process, a building, or a refrigerator, and puts the heat into the ambient air.

202 HEXAVALENT CHROMIUM/CHROMATE: Hexavalent chromium and chromate are identified toxic air contaminates and are a cancer-causing (toxic) substance existing as part of various inorganic chromate compounds, for example, sodium dichromate or lead chromate.

203 WATER TREATMENT CHEMICALS: Any combination of chemicals added to cooling tower water including tracers, corrosion inhibitors, antiscalants, dispersants, biocides.

300 STANDARDS

301 PROHIBITION ON HEXAVALENT CHROMIUM/CHROMATE USE: Effective November 3, 1991, hexavalent chromium containing compounds shall not be added to cooling tower circulating water, and

302 LIMITATION ON CIRCULATING WATER HEXAVALENT CHROMIUM CONCENTRATIONS: Effective November 3, 1991, a cooling tower shall not be operated with a circulating water hexavalent chromium concentration greater than or equal to **0.15 milligrams per liter**.

400 ADMINISTRATIVE REQUIREMENTS

401 EXISTING COOLING TOWERS, GENERAL REQUIREMENTS: For cooling towers existing on May 7, 1991, the owner or operator shall notify the District in accordance with Section 402, and no later than November 3, 1991, each cooling tower shall comply with Section 301 and Section 302 requirements. Owners or operators of cooling towers with wooden components exposed to circulating water shall comply with the limitation of Section 302, unless a temporary exemption has been granted in accordance with Section 403.

402 EXISTING COOLING TOWERS, NOTIFICATION: No later than August 5, 1991, each person who owns or operates a cooling tower shall submit the following information, in writing, to the District for each cooling tower:

402.1 A declaration that a cooling tower is owned or operated, and

402.2 The location of the cooling tower, and

402.3 A statement as to whether or not hexavalent chromium or hexavalent chromium containing compounds is used or was used in the cooling tower, and

402.4 If hexavalent chromium or hexavalent chromium containing compounds are used, the date by which such use will cease.

403 PETITION FOR EXEMPTION, WOODEN COOLING TOWERS: Owners or operators of cooling towers existing on May 7, 1991 with wooden components that are exposed to circulating water may petition the APCO for exemption from the Section 302 hexavalent chromium concentration limit of 0.15 milligrams per liter of circulating water for a period of up to six months from the compliance date of November 3, 1991. The following requirements must be met for the temporary exemption to be granted:

403.1 The District must be notified in writing that the cooling tower has wooden components exposed to circulating water, and

403.2 The owner or operator complies with all other requirements of this rule, and

403.3 The circulating water of the cooling tower is tested in accordance with Section 502 monthly and results are reported to the District.

403.4 Testing shows a decrease in the hexavalent chromium concentrations in circulating water each month.

403.5 Hexavalent chromium concentrations in circulating water shall not exceed 8 milligrams hexavalent chromium per liter of circulating water.

404 PETITION FOR EXEMPTION FROM TEST REQUIREMENTS, DISCONTINUED CHROMATE TREATMENT: The requirements of Section 502 apply to any person who owns or operates a cooling tower existing on or prior to May 7, 1991, with the following exception:

404.1 Hexavalent chromium has not been used in cooling tower water treatment since November 3, 1990, or

404.2 Hexavalent chromium has never been used in water treatment for the cooling tower, and

404.3 Such hexavalent chromium cessation of use or non-use is demonstrated by written certification, signed by a company officer, that hexavalent chromium containing compounds have not been used in the year immediately before the compliance date (November 3, 1991).

405 NEW COOLING TOWER CONSTRUCTION, NOTIFICATION: No later than 90 days prior to operation of a newly constructed cooling tower, the owner or operator shall provide the following information in writing for each cooling tower:

405.1 The name and address of the owner or operator of the cooling tower, and

405.2 The location of the new cooling tower, and

405.3 The date that operation of the cooling tower is planned to commence.

500 MONITORING AND RECORDS

501 DETERMINATION OF HEXAVALENT CHROMIUM IN CIRCULATING WATER: Samples of circulating water shall be analyzed for hexavalent chromium as prescribed by American Public Health Method 312B or an equivalent method, as approved by the APCO, and the results reported to the District within 30 days of the date testing is conducted.

502 TESTING REQUIREMENTS: Unless a petition for exemption from testing has been made to, and granted by, the APCO in accordance with Section 403 prior to November 3, 1991, testing of the cooling tower circulating water shall be conducted and reported as specified in Section 501:

502.1 Frequency of Testing: At least one test of cooling tower circulating water hexavalent chromium concentration shall be conducted and the results reported to the District prior to November 3, 1991:

a. Additional tests shall be conducted and the results reported every six months thereafter.

b. If a temporary exemption from Section 302 limitation has been granted, then testing shall be conducted and reported monthly in accordance with Section 403 and Section 104.

502.2 Termination of Testing: The testing requirements of this rule for a cooling tower end when two consecutive required tests have results showing concentrations of hexavalent chromium to be less than 0.15 milligrams per liter of circulating water. Testing may be required at any time by the District, if the District has information that the circulating water may contain hexavalent chromium.

503 RECORDKEEPING: Any person subject to Sections 501 and 502 shall maintain records of the results of all required tests of circulating water for two (2) years and submit them to the District when requested.

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Rule 905, Airborne Toxic Control Measure – Asbestos Containing Serpentine Rock in Surfacing Applications

RULE 905 AIRBORNE TOXIC CONTROL MEASURE
ASBESTOS - CONTAINING SERPENTINE ROCK IN SURFACING APPLICATIONS

Adopted 05-07-91
(Amended 10-19-93, Rescinded 4-12-12)

100 GENERAL

101 PURPOSE: The purpose of this rule is to comply with Title 17 and Title 26, California Code of Regulations regarding the use of serpentine material for surfacing.

102 EXEMPTION, SAND AND GRAVEL OPERATIONS: The provisions of Section 302 through Section 305 shall not apply to sand and gravel operations.

103 EXEMPTION, ROADS, MINES AND DEPOSITS: The provisions of Section 301 shall not apply to roads located at serpentine quarries, asbestos mines, or mines located in serpentine deposits.

104 EXEMPTION, ROAD MAINTENANCE: The provisions of Section 301 shall not apply to maintenance operations on any existing road surfaces, or at the construction of new roads in serpentine deposits, as long as no additional asbestos-containing serpentine material is applied to the road surface.

105 EMERGENCY ROAD REPAIRS: The Air Pollution Control Officer may issue a temporary exemption from the requirements of Section 301 to an applicant who demonstrates that a road repair is necessary due to a landslide, flood, or other emergency and that the use of material other than serpentine is not feasible for this repair. The Air Pollution Control Officer shall specify the time during which such exemption shall be effective, provided that no exemption shall remain in effect longer than six (6) months.

106 BITUMINOUS AND CONCRETE MATERIALS: The provisions of Section 300 shall not apply to serpentine material that is an integral part of bituminous concrete, portland cement concrete, bituminous surface, or other similar cemented materials.

107 EXEMPTIONS OTHER: The provisions of Section 301 shall not apply to landfill operations other than the surfacing of public-access roads used by vehicular traffic.

200 DEFINITIONS

201 AGGREGATE: A mixture of mineral fragments, sand, gravel, rocks, or similar minerals.

202 ALLUVIAL DEPOSIT: Any deposit of sediments laid down by running water including but not limited to streams and rivers.

203 ARB TEST METHOD 435: The test method specified in Title 17, California Code of Regulations, Section 94147.

204 ASBESTOS: Asbestiforms of the following hydrated minerals; chrysotile (fibrous serpentine), crocidolite (fibrous riebecktite), amosite (fibrous cummingtonite--grunerite), fibrous tremolite, fibrous actinolite, and fibrous anthophyllite.

205 ASBESTOS CONTAINING SERPENTINE MATERIAL: Serpentine material that has an asbestos content greater than five percent (5.0%) as determined by ARB Test Method 435.

206 **RECEIPTS:** Any written acknowledgment that a specified amount of serpentine material was received, delivered, or purchased. Receipts include but are not limited to, bills of sale, bills of lading, and notices of transfer.

207 **ROAD SURFACE:** The traveled way of a road and any shoulder which extends up to 10 feet from the edge of the traveled way.

208 **SAND AND GRAVEL OPERATION:** Any aggregate producing facility operating in alluvial deposits.

209 **SERPENTINE:** Any form of hydrous magnesium silicate minerals--including, but not limited to, antigorite, lizardite, and chrysotile.

210 **SERPENTINE MATERIAL:** Any material that contains at least ten percent (10%) serpentine as determined by a registered geologist. The registered geologist must document precisely how the serpentine content of the material in question was determined.

211 **SURFACING:** The act of covering any surface used for purposes of pedestrian, vehicular, or non-vehicular travel including, but not limited to, roads, road shoulders, streets, alleys, lanes, driveways, parking lots, playgrounds, trails, squares, plazas, and fairgrounds.

300 STANDARDS REQUIREMENTS FOR USE OR SALE OF ASBESTOS--CONTAINING SERPENTINE MATERIAL

301 No person shall use or apply serpentine material for surfacing in California unless the material has been tested using ARB Test Method 435 and determined to have an asbestos content of five percent (5.0%) or less. A written receipt or other record documenting the asbestos content shall be retained by any person who uses or applies serpentine materials, for a period of at least seven years from the date of use or application, and shall be provided to the Air Pollution Control Officer or his designee for review upon request.

302 Any person who sells, supplies, or offers for sale serpentine material in the District shall provide with each sale or supply a written receipt containing the following statement: "Serpentine material may have an asbestos content greater than five percent (5.0%). It is unlawful to use serpentine material for surfacing unless the material has been tested and found to contain less than or equal to five percent (5.0%) asbestos. All tests for asbestos content must use California Air Resources Board Test Method 435, and a written record documenting the test results must be retained for at least seven years if the material is used for surfacing."

303 No person shall sell, supply, or offer for sale serpentine material for surfacing in the District unless the serpentine material has been tested using ARB Test Method 435 and determined to have an asbestos content of five percent (5.0%) or less. Any person who sells, supplies, or offers for sale serpentine material that he or she represents, either orally or in writing, to be suitable for surfacing or to have an asbestos content that is five percent (5.0%) or less, shall provide to each purchaser or person receiving the serpentine material a written receipt which specifies the following information: the amount of serpentine material sold or supplied; the dates that the serpentine material was produced, sampled, tested, and supplied or sold; and the asbestos content of the serpentine material as measured by ARB Test Method 435. A copy of the receipt must, at all times, remain with the serpentine material during transit and surfacing.

304 Any person who sells, supplies, or offers for sale serpentine material, shall retain for a period of at least seven years from the date of sale or supply copies of all receipts and copies of any analytical test results from asbestos testing of the serpentine material. All

receipts and test results shall be provided to the Air Pollution Control Officer or his designee for review upon request.

305 If ARB Test Method 435 has been used to perform two or more tests on any one volume of serpentine material, whether by the same or a different person, the arithmetic average of these test results shall be used to determine the asbestos content of the serpentine material.

400 ADMINISTRATIVE REQUIREMENTS

401 Any person subject to this rule shall comply with all the requirements upon May 7, 1991.

500 MONITORING AND RECORDS

501 **ENFORCEMENT:** These rules and regulations shall be enforced by the APCO under authority of California Health and Safety Code Sections 40001, 40702, 40752, and all officers empowered by Section 40120.

502 **PENALTY:** Penalties shall be assessed as stated in Health and Safety Code Sections 39674, 42400, and 42400.1.

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Rule 906, Airborne Toxic Control Measure – Medical Waste Incinerators

RULE 906 AIRBORNE TOXIC CONTROL MEASURE
MEDICAL WASTE INCINERATORS

Adopted 02-04-92
(Rescinded 4-12-12)

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100 GENERAL

101 PURPOSE: The purpose of this rule is to comply with Section 93104, Title 17, California Code of Regulations, for the control of the emission of Dioxins from medical waste incinerators and to establish minimum requirements for operation. Emission limitations are established for hydrochloric acid and particulate matter from medical waste incinerators.

102 APPLICABILITY: Any person who owns or operates a medical waste incinerator shall comply with the requirements of this Rule.

103 EXEMPTION, CREMATORIA: This control measure shall not apply to those incinerators which are exclusively crematoria of human or animal remains.

200 DEFINITIONS

201 ARB: means the State of California Air Resources Board.

202 ARB TEST METHOD 1: means the test method specified in Title 17, California Code of Regulations, Section 94101, Sample and Velocity Traverses for Stationary Sources.

203 ARB TEST METHOD 2: means the test method specified in Title 17, California Code of Regulations, Section 94102, Determination of Stack Gas Velocity and Volumetric Flow Rate.

204 ARB TEST METHOD 3: means the test method specified in Title 17, California Code of Regulations, Section 94103, Gas Analysis for Carbon Dioxide, Oxygen, Excess Air, and Dry Molecular Weight.

205 ARB TEST METHOD 4: means the test method specified in Title 17, California Code of Regulations, Section 94104, Determination of Moisture Content in Stack Gases.

206 ARB TEST METHOD 5: means the test method specified in Title 17, California Code of Regulations, Section 94105, Determination of Particulate Matter Emissions from Stationary Sources.

207 ARB TEST METHOD 421: means the test method specified in Title 17, California Code of Regulations, Section 94131, Determination of Hydrochloric Acid Emissions from Stationary Sources.

208 ARB TEST METHOD 428: means the test method specified in Title 17, California Code of Regulations, Section 94139, Determination of Polychlorinated Dibenzo-p-Dioxin (PCDD), Polychlorinated Dibenzofuran (PCDF), and Polychlorinated Biphenyl (PCB) Emissions from Stationary Sources.

209 CONTROL EQUIPMENT: means any device which reduces emissions from medical waste incinerators.

210 DIOXINS: means dibenzo-p-dioxins and dibenzofurans chlorinated in the 2, 3, 7, and 8 positions and containing 4, 5, 6, or 7 chlorine atoms and is expressed as 2, 3, 7, 8 tetrachlorinated dibenzo-para-dioxin equivalents using current California Department of Health Services toxic equivalency factors.

211 DISTRICT: means the Placer County Air Pollution Control District.

212 EXCESS AIR: means the air supplied in excess of that necessary to completely burn compounds.

213 **FACILITY:** means every building, structure, appurtenance, installation, or improvement located on land which is under the same or common ownership or operation, and is on one or more contiguous or adjacent properties.

214 **MEDICAL FACILITIES:** means medical and dental offices, clinics and hospitals, skilled nursing facilities, research facilities, research laboratories, clinical laboratories, all unlicensed and licensed medical facilities, clinics and hospitals, surgery centers, diagnostic laboratories, and other providers of health care. For the purposes of this Rule, medical facilities include providers of veterinary services.

215 **MEDICAL WASTE INCINERATOR:** means all of the furnaces or other closed fire chambers that are located at a facility and used to dispose of waste generated at medical facilities by burning.

216 **MULTIPLE CHAMBER STARVED AIR INCINERATOR:** or Controlled Air Incinerator, means an incinerator which is designed to burn waste in two independent chambers:

216.1 Primary Chamber: where the majority of waste volume reduction occurs operated at sub-stoichiometric conditions

216.2 Secondary Chamber: operates at excess air conditions; where destruction of gas-phase combustion products occurs. Passage ports, ducts, flues, chimneys, or stacks with burners shall not be considered Controlled Air secondary chambers unless the combustion zone exhibits design measures for the retention of the gas stream in the chamber, turbulence or mixing, and the availability of excess air, as determined by engineering analysis.

217 **STOICHIOMETRIC AIR:** means an amount of air (theoretical combustion air) theoretically required for the complete combustion of compounds with total depletion of oxygen.

218 **SUB-STOICHIOMETRIC AIR:** means an amount of air (theoretical combustion air) less than that required for the complete combustion of compounds.

219 **UNCONTROLLED EMISSIONS:** means the dioxins emissions measured from the incinerator at a location downstream of the last combustion chamber, but prior to the air pollution control equipment.

220 **WASTE:** means all discarded putrescible and nonputrescible solid, semisolid, and liquid materials, including garbage, trash, refuse, paper, rubbish, food, ashes, plastics, industrial wastes, demolition and construction wastes, equipment, instruments, utensils, appliances, manure, and human or animal solid and semi-solid wastes.

221 **WASTE CHARGING RATE:** means the amount of waste charged or fed into the incinerator per unit of time, usually expressed in terms of pounds per hour or kilograms per hour.

300 STANDARDS

301 **EMISSION LIMITATIONS:** No person shall operate a medical waste incinerator unless:

301.1 The dioxins emissions have been reduced to 10 nanograms or less per kilogram of waste burned.

301.2 Hydrochloric acid emissions do not exceed 30 ppmdv, corrected to 12% carbon dioxide (CO_2), for any 1 hour emission rate.

301.3 Particulate Matter emissions do not exceed 0.01 grains per dry cubic foot of gas at standard conditions, corrected to 12% carbon dioxide (CO_2). The concentration limit shall apply to filterable (front half) particulate matter measured using ARB Test Method 5.

302 OPERATING REQUIREMENTS: No person shall operate a medical waste incinerator unless the incinerator and the control equipment required to comply with the limitations of Section 301 are installed and used in a manner which has been demonstrated to and approved by the District Air Pollution Control Officer to meet the following requirements:

302.1 The flue gas temperature at the outlet of the control equipment, or the outlet of incinerator stack if no control equipment installed, shall not exceed 300 degrees Fahrenheit, unless it has been demonstrated to, and approved in writing by, both the ARB and the District Air Pollution Control Officer that lower emissions are achieved at a higher outlet temperature; and

302.2 For a single chamber incinerator, the combustion chamber shall be maintained at no less than 1800 degrees ($\pm$ 200 degrees) Fahrenheit. Single chamber medical waste incinerator not in operation on January 13, 1992 are prohibited.

302.3 For a multiple chamber starved air incinerator, the primary combustion chamber shall be maintained at no less than 1400 degrees Fahrenheit, and the secondary chamber shall be maintained at no less than 1800 degrees ($\pm$ 200 degrees) Fahrenheit. No waste shall be fed into the incinerator during start-up and shut-down unless the incinerator combustion chamber(s) are within the required temperature range.

302.4 The furnace design shall provide for a residence time for combustion gas of at least one second. Residence time shall be calculated using the following equation:

$$\text{Residence Time} = \frac{V}{Q_C}$$

Where:

V = means the volume, as expressed in cubic feet, from the point in the incinerator where the maximum temperature has been reached until the point where the temperature has dropped to 1600°F.

Q_C = means the combustion gas flow through V, as expressed in actual cubic feet per second, which is measured according to ARB Test Method 2, after adjusting the measured flow rate to the maximum combustion chamber temperature (T_C) by using T_C instead of T_{STD} in the ARB Test Method 2 calculation for Q_C.

The volumetric flow rate measured at the sampling points must be adjusted to chamber pressures.

Alternative methods may be used if conditions for determining the combustion gas flow rate by Method 2 are unacceptable. The determination shall be equivalent to, and within the guidelines of, ARB Test Method 2 and at the discretion of the Air Pollution Control Officer.

T_C = means the maximum temperature, in degrees Fahrenheit, that has been reached in the incinerator.

302.5 The discharge of emissions from the combustion chamber, is solely through the control equipment, or solely through the incinerator stack if no control equipment is installed.

303 ASH HANDLING REQUIREMENTS: No person shall operate a medical waste incinerator unless the bottom ash, fly ash and scrubber residuals are handled and stored in a manner that prevents entrainment into ambient air.

304 REQUIRED ANCILLARY EQUIPMENT: No person shall operate a medical waste incinerator unless the following equipment is installed and maintained in an operable condition:

304.1 A continuous data recording system as specified in Section 501.

304.2 Primary and secondary combustion chamber temperature indication.

304.3 Equipment for determining and recording the weight of waste charged to the incinerator.

304.4 An automated ram waste feeder with airlock, for batch fed incinerators, such that no ingress of external air occurs during the process of feeding waste to the primary combustion chamber.

400 ADMINISTRATIVE REQUIREMENTS

401 COMPLIANCE SCHEDULE:

401.1 No later than 90 days after January 13, 1992, the owner or operator of a medical waste incinerator shall submit to the District Air Pollution Control Officer an application for an authority to construct the equipment necessary to meet the requirements of Section 301, and

401.2 No later than 15 months after January 13, 1992, the owner or operator of a medical waste incinerator shall be in compliance with this regulation.

402 DETERMINATION OF COMPLIANCE: For purposes of demonstrating compliance with the emission limits of Section 301 of this Rule the owner or operator of a medical waste incinerator shall conduct the following source tests in the manner specified in Section 502:

402.1 A minimum of two annual source tests for the dioxins stack emissions using ARB Test Method 428, for medical waste incinerators that incinerate more than 25 tons of waste per year . Annual source tests shall be conducted until at least two consecutive tests demonstrate compliance. The high resolution mass spectrometry option of ARB Test Method 428 shall be used.

402.2 One initial source test for stack Dioxin emissions, using ARB Test Method 428, for medical waste incinerators that incinerate 25 tons or less of waste per year. The high resolution mass spectrometry option of ARB Test Method 428 shall be used.

402.3 One initial source test for stack Hydrochloric Acid emissions using ARB Test Method 421.

402.4 One initial source test for stack particulate matter emissions using ARB Test Methods 1 through 5.

Further source testing may be required by the Air Pollution Control Officer in accordance with Rule 507, Provision of Sampling and Testing Facilities.

403 UPSET NOTIFICATION: Any violation, malfunction, or upset condition on the incinerator, the air pollution control equipment, or the continuous data recording system shall be reported to the District within 1 hour of occurrence or by 9:00 AM the next business day if the malfunction occurs outside normal business hours and the District does not maintain a radio room or an answering machine.

404 SHUTDOWN NOTIFICATION: The owner or operator of a medical waste incinerator who intends to permanently shut down operation of the incinerator shall notify the District of the shutdown date within 90 days after January 13, 1992. The shutdown date shall be no later than six months after January 13, 1992.

405 OPERATOR CERTIFICATION: No person shall operate a medical waste incinerator unless each individual who operates or maintains the incinerator obtains either a certificate of training in medical waste incineration issued by the American Society of Mechanical Engineers within nine months of the commencement of the training program, or equivalent training as determined by the Air Pollution Control Officer. Copies of the training certificates for the operators and maintenance engineers shall be submitted to the District and the original certificates shall be available for inspection at the facility with the permit to operate.

500 MONITORING AND RECORDS

501 MONITORING: The owner or operator of a medical waste incinerator shall maintain a continuous data recording system which provides for each day of operation continuous recording of:

501.1 Primary and secondary combustion chamber temperatures;

501.2 Carbon monoxide emissions;

501.3 Hourly waste charging rates;

501.4 The opacity of stack emissions or other indicator of particulate matter which is approved by the District Air Pollution Control Officer; and

501.5 Key operating parameters of the air pollution control equipment, as specified by the Air Pollution Control Officer.

502 TEST REQUIREMENTS:

502.1 Test Plan: At least sixty (60) days prior to the planned conduct of testing, a written test plan (two copies) detailing the test methods and procedures to be used shall be submitted for approval by the Air Pollution Control Officer. The plan shall cite the test methods to be used for the determination of compliance with the emission limitations of this Rule, including any proposed use of alternate test methods. The plan shall provide the proposed procedures for the characterization of the representative waste to be burned during testing.

502.2 Test Performance and Reporting: For purposes of determining compliance with Section 301 of this Rule, the source testing shall be conducted at the stack. Information regarding the composition (moisture content, heating value in British Thermal Units, and amount of the total waste, by weight percent, that is infectious, pathological, hazardous, or radioactive and remaining waste which is paper or cardboard, plastics, glass, wet garbage) and feed rate of the waste and auxiliary fuel charged during the source test shall be provided with the test results. The Air Pollution Control Officer can require additional necessary information regarding the composition of the waste. Source testing shall be conducted at the maximum waste firing capacity (± 10 percent) allowed by the air

district permit. A copy of all source test results conducted for purposes of demonstrating compliance with this rule shall be provided to the ARB at the same time that it is provided to the District.

503 **RECORDKEEPING:** Maintenance records for the incinerator, control equipment, and monitoring equipment; and calibration records for the monitoring equipment. Such records shall be retained on-site for a period of 24 months, and made available to the District upon request.

ATTACHMENT #3

Subject:

Staff Report, Rescission of RACT and Other Rules

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

STAFF REPORT

PROPOSED RESCISSION OF RACT AND OTHER RULES:

RULE 227, PETROLEUM DRY CLEANING OPERATIONS

RULE 229, FIBERBOARD MANUFACTURING

RULE 230, PLASTIC PRODUCTS AND MATERIALS – PAPER TREATING OPERATIONS

RULE 232, BIOMASS SUSPENSION BOILERS

RULE 237, MUNICIPAL LANDFILLS

RULE 241, BOILERS AT PLASTIC LAMINATE MANUFACTURING FACILITIES

RULE 506, BIOMASS EMISSION REDUCTION CREDITS AND BANKING

RULE 805, NOTICE TO COMPLY

April 12, 2012

Purpose

In an effort to clean up the District rule book, staff is proposing to rescind a number of rules that are no longer relevant to the types of sources we currently have in Placer County.

Rule 227, Petroleum Dry Cleaning Operations

Petroleum dry cleaning machines use a cleaning fluid that is derived from petroleum and is considered to be 100% hydrocarbon. Cleaning fluid lost from the machine through leaks and small amounts remaining in the cleaned articles for emission estimation purposes is considered to be VOC that is released to the air. Most petroleum dry cleaning machines use a cleaning fluid named DF 2000.

Dry cleaning machines that use perchloroethylene (Perc) as the cleaning fluid in the past were the predominant type, but these units are being phased out because Perc has been classified as a hazardous air pollutant. There are several dry cleaning fluids that are rated as non-VOC and environmentally friendly and these types of machines do not require District permits.

Rule 227, Petroleum Dry Cleaning Operations, was adopted on February 5, 1991, and forwarded to ARB for approval and then to EPA for incorporation into the SIP. ARB responded that they would approve the rule, but to be forwarded to EPA would require proof of publication of proper public notice for the public hearing where the rule was adopted by the County Board of Supervisors. This proof could not be found, so the rule has not been sent for EPA approval.

The rule was originally intended to mirror the federal New Source Performance Standard (NSPS) for Petroleum Dry Cleaners, 40 CFR 60 Subpart JJJ. The NSPS applies to dry cleaners using petroleum dry cleaning fluid that have a rated dryer capacity of 84 pounds or greater of clothes. ARB comments on the rule during development suggested that the rule could apply to dry cleaners with capacities less than 84 pounds, as South Coast AQMD was doing at the time. The rule was changed to apply to all petroleum dry cleaners, with a phase-in of the requirements for machines with a capacity less than 84 pounds.

The rule requires use of solvent recovery dryers, cartridge filters, immediate transfer of cleaned articles to the dryer, and allows no perceptible fluid leaks from the equipment.

The rule also implies that an initial performance test be conducted on the effectiveness of the dryer, per a test described in NSPS JJJ. The test is implied because the test can be waived by the APCO.

Since Rule 227 was adopted, standard design for petroleum dry cleaning machines has gone to closed-loop, dry-to-dry type equipment. This means that the entire cleaning operation is conducted in a single machine where the dry articles to be cleaned are initially placed in the machine and the cleaned articles are removed from the machine in the dry state. These modern

machines employ solvent recovery dryers, cartridge filters to remove the dirt from the fluid, and stills to recycle the dry cleaning fluid. This standard design meets the requirements of Rule 227.

The performance test described in NSPS JJJ is very burdensome in that the test has a duration of two weeks where the final recovered flow rate of solvent from the dryer for each wash load is measured in a graduated cylinder. The NSPS requires this test for all newly installed machines. The District has been waiving this test.

The current situation concerning petroleum dry cleaning machines is:

1. The District has no SIP commitment for this control measure,

2. The rule has not been approved into the SIP so, rescinding the rule will not be a SIP relaxation,

3. NSPS JJJ will apply to any new units having a rated capacity of 84 pounds or greater of clothes,

4. Currently, there are eleven petroleum dry cleaning permits in the District. These existing dry cleaning systems are all of the closed-loop type that meets the standards of Rule 227. Over the next few years, four dry cleaning systems using perchloroethylene (Perc) fluid will be phased out due to the ARB Airborne Toxic Control Measure and will likely be replaced with new petroleum dry cleaning machines. All new petroleum dry cleaning machines manufactured today meet the standards of Rule 227.

5. The combined eleven permitted petroleum dry cleaning machines in 2010 used 532 gallons of cleaning fluid which consisted of 3,412 pounds of VOC according to the annual throughput reports submitted by the permit holders. From this combined annual usage, it can be seen that dry cleaners are not a significant source of VOC emissions in Placer County.

Accordingly, staff recommends that Rule 227, Petroleum Dry Cleaning Operations, be rescinded as no longer useful in controlling hydrocarbon emissions from dry cleaning operations.

There is no fiscal impact from rescinding Rule 227. Dry Cleaning equipment available for purchase today is designed such that it meets the requirements of the rule. Rescinding Rule 227 should have no effect on costs to dry cleaning businesses or the District.

Rule 229, Fiberboard Manufacturing

Rule 229, Fiberboard Manufacturing, was adopted on June 28, 1994, and never amended. Adoption of this rule was necessary to satisfy a Federal Clean Air Act requirement that Districts adopt regulations for major source volatile organic compound (VOC) Reasonably Available Control Technology (RACT). At that time, the District contained one source subject to this rule;

SierraPine, a manufacturer of Medium Density Fiberboard. The rule controls VOC emissions from the plant and sets minimum VOC control efficiencies for various operations used in the manufacture of fiberboard.

The SierraPine fiberboard manufacturing has been in decline over the past several years, and on December 16, 2011, the last manufacturing line was permanently shut down. SierraPine has surrendered the fiberboard manufacturing permits and filed for Emission Reduction Credits for the shutdown emissions. SierraPine still maintains some permits relative to cutting and sanding of MDF. These remaining operations do not emit VOCs and are not subject to rule 229. SierraPine will no longer be a major source subject to Title V permitting.

SierraPine is dismantling the fiberboard manufacturing equipment and is selling off the emission reduction credits. The company does not expect to operate again in this location. District staff is not aware of any other company with plans to open a fiberboard manufacturing operation in Placer County.

There is no fiscal impact from rescinding Rule 229 since there are no sources subject to the rule in Placer County.

Staff proposes that Rule 229, Fiberboard Manufacturing, be rescinded because there are currently no sources in the District that are subject to this rule. Furthermore, it is not likely that a new fiberboard manufacturing operation would locate in Placer County.

Rule 230, Plastic Products and Materials – Paper Treating operations

Rule 230, Plastic Products and Materials – Paper Treating Operations, was adopted on June 28, 1994, and never amended. Adoption of this rule was necessary to satisfy the Section 182 of the Federal Clean Air Act as amended in 1990 requirement that Districts adopt regulations for major source VOC Reasonably Available Control Technology (RACT). At that time, the District contained one source subject to this rule; Formica, a manufacturer of plastic laminates, commonly used in kitchen countertops. The rule applies to paper treating operations involving the application of melamine and phenolic resins to paper substrates which have a potential to emit 25 tons or more of VOC per year. This rule was approved into the SIP by EPA. The purpose of the rule is to limit emissions of VOC through either use of low-VOC compounds, or through use of control equipment to destroy VOC before being emitted to the atmosphere.

Formica shut down all operations at the facility in June of 2006 and obtained Emission Reduction Credits for the shutdown emissions. Formica has since sold the land.

There is no fiscal impact from rescinding Rule 230 since there are no sources subject to the rule in Placer County.

Staff proposes that Rule 230, Plastic Products and Materials – Paper Treating Operations, be rescinded because there are currently no sources in the District that are subject to this rule.

Furthermore, it is not likely that a new manufacturing operation of this source category would locate in Placer County.

Rule 232, Biomass Suspension Boilers

Rule 232, Biomass Suspension Boilers, was adopted on October 6, 1994, and amended once on December 9, 1999. Adoption of this rule was necessary to satisfy the Section 182 of the Federal Clean Air Act as amended in 1990 requirement that Districts adopt regulations for major source NOx Reasonably Available Control Technology (RACT). At that time, the District contained one source subject to this rule; SierraPine, a manufacturer of Medium Density Fiberboard. The rule applies to biomass suspension boilers which have a potential to emit 25 tons or more of NOx per year, which have as a primary energy source of biomass from a medium density fiberboard (MDF) plant consisting of a minimum of 25 percent of the total annual heat input. SierraPine used sander dust from the final finish sanding of the produced MDF as the biomass fuel. This rule was never approved into the SIP by EPA due to disagreement with the District over what constitutes RACT for this type of biomass boiler.

As was mentioned for Rule 229, Fiberboard Manufacturing, the SierraPine fiberboard manufacturing MDF production had been in decline over the past several years and in 2010 the biomass suspension boiler was permanently shut down and replaced with a natural gas fueled boiler. SierraPine surrendered the biomass suspension boiler permit and filed for Emission Reduction Credits for the shutdown emissions. SierraPine is no longer a major source subject to Title V permitting.

SierraPine is dismantling the fiberboard manufacturing equipment and is selling off the emission reduction credits. The company does not expect to operate again in this location. District staff is not aware of any other company with plans to open a fiberboard manufacturing operation using a biomass suspension boiler in Placer County.

There is no fiscal impact from rescinding Rule 232 since there are no sources subject to the rule in Placer County.

Staff proposes that Rule 232, Biomass Suspension Boilers, be rescinded because there are currently no sources in the District that are subject to this rule. Furthermore, it is not likely that a new fiberboard manufacturing operation using a biomass suspension boiler would locate in Placer County.

Rule 237, Municipal Landfills

Municipal landfills are regulated by two different federal regulations known as New Source Performance Standards (NSPS). These are listed in 40 CFR Part 60 with various subparts. Subpart Cc, Emission Guidelines and Compliance Times for Municipal Solid Waste Landfills, applies to landfills constructed or last modified prior to May 30, 1991. NSPS subpart WWW,

Standards of Performance for Municipal Solid Waste Landfills, applies to landfills constructed or last modified after May 30, 1991.

The two largest landfills in Placer County are the Western Regional Landfill (WRL) and the Eastern Regional Landfill (ERL). WRL was expanded after 1991, so Subpart WWW applies to that landfill. ERL was constructed prior to 1991, and not modified after 1991, so Subpart Cc applies to ERL.

WRL is still an active landfill. ERL was closed in 1995 and converted to a materials recovery facility and a transfer station. Both WRL and ERL have active landfill gas collection and control systems utilizing enclosed flares.

Rule 237 was originally promulgated to mirror the requirement of Subpart Cc for landfills constructed before May 30, 1991, and a similar California Air Resources Board Suggested Control Measure. At that time both WRL and ERL were active landfills and subject to the rule. The rule was last amended on October 9, 2003, and forwarded by ARB to EPA for incorporation into the SIP on May 17, 2010. EPA has not acted on the rule at this time.

WRL was reconstructed to expand the design capacity after 1991, thus making the landfill subject to Subpart WWW instead of Subpart Cc. Rule 237, Section 104, Exemptions, exempts from the requirements of the rule any landfill subject to Subpart WWW. Thus, WRL is no longer subject to Rule 237.

ERL voluntarily installed a gas collection and control system even though the landfill never did reach the emission threshold where the NSPS would require this system. Now that the landfill is closed, ERL will never reach that threshold. ERL has filed a closure report and thus is no longer subject to Subpart Cc or to Rule 237.

There are no other active landfills in Placer County besides WRL. Any new landfills developed in Placer County in the future would be subject to Subpart WWW and therefore not subject to Rule 237.

Both WRL and ERL continue to operate their landfill gas collection and control systems. The California Air Resources Board has recently promulgated a green house gas regulation for landfills that requires continued operation of the control systems at both WRL and ERL and places emission limitations and test requirements on the control devices. For this reason, both landfills will continue to control methane and non-methane emissions for the foreseeable future. The District recently signed a Memorandum of Understanding (MOU) with the California Air Resources Board to take on enforcement of the new green house gas regulation.

There is no fiscal impact from rescinding Rule 237 since no landfills are currently subject to the rule, and there can’t be any new landfills subject to the rule.

Since there are no current landfills subject to Rule 237 and it is not possible for a potential new landfill to be subject to the rule, staff recommends that Rule 237, Municipal Landfills, be rescinded as no longer useful in controlling hydrocarbon emissions from landfills.

Rule 241, Boilers at Plastic Laminate Manufacturing Facilities

Rule 241, Boilers at Plastic Laminate Manufacturing Facilities, was adopted on April 8, 1999, and never amended. Adoption of this rule was necessary to satisfy the Section 182 of the Federal Clean Air Act as amended in 1990 requiring that districts adopt regulations for major source NOx Reasonably Available Control Technology (RACT). At that time, the District contained one source subject to this rule; Formica, a manufacturer of plastic laminates, commonly used in kitchen countertops. The rule applies to boilers fueled with a combination of natural gas and waste fuel from paper treating operations at plastic laminate manufacturing facilities which have a potential to emit 25 tons or more of NOx per year. A paper treating operation is defined as a paper coating process in which a uniform layer of phenolic or melamine resin is applied either by (a) dipping a continuous, moving paper substrate into the resin and then using rollers to squeeze the excess resin from the paper, or (b) applying the resin directly to the paper substrate with a roll applicator. Paper treating operations also include lamination of resin-impregnated paper and trimming, cutting, and sanding of laminated sheets and related processes. Waste fuel for the boiler is defined as material from trimming, cutting and sanding of laminated sheets of resin impregnated paper. This rule was never submitted to EPA for inclusion in the SIP. The purpose of the rule is to limit emissions of NOx through use of low-NOx burners and flue gas recirculation on the boiler.

Formica shut down all operations at the facility in June of 2006, and obtained Emission Reduction Credits for the shutdown emissions. Formica has since sold the land.

There is no fiscal impact from rescinding Rule 241 since there are no sources subject to the rule in Placer County.

Staff proposes that Rule 241, Boilers at Plastic Laminate Manufacturing Facilities, be rescinded because there are currently no sources in the District that are subject to this rule. Furthermore, it is not likely that a new manufacturing operation of this source category would locate in Placer County.

Rule 506, Biomass Emission Reduction Credits and Banking

The Connelly-Areias-Chandler Rice Straw Burning Reduction Act of 1991 required the reduction of rice straw burning in the Sacramento Valley and provided that the reductions in emissions resulting from the rice straw burning phase down are eligible for Emission Reduction Credits (ERCs). The District's general ERC rule, Rule 504, did not contain the protocols for determining biomass burning emissions and resulting credits, so a new rule was required. A model rule was developed by the Sacramento Valley Basin Control Council which became the basis for Rule 506.

Rule 506 was adopted on August 8, 1996. This rule has provisions for the issuance of ERCs from rice straw burning, but also provides for orchard trimmings, field crop residue, and forest wastes.

The rule was advertised to the rice-growing community, but the District only received serious interest from one grower. ERCs were issued to this grower in 2003. ERCs have not been issued for other crop residue burning.

As a result of EPA's review of Rule 506, and similar rules adopted by other districts that were based on the same model rule, EPA would not approve these rules into the SIP. This meant that ERC's issued to these rules could not be used for offsets for federal purposes. The ERCs could still be used for minor projects, but most of the demand for ERCs is for federal major projects. This severely reduced the demand and value of these ERCs.

A joint committee was set up including EPA, ARB, air districts in rice growing areas, and the Rice Commission to work out a new model rule. This committee met over the course of four years (2004 – 2008) before crafting a model rule that was acceptable to all parties. The District adopted new Rule 516, Rice Straw Emission Reduction Credits, based on this model rule on February 19, 2009. The new rule only applied to rice straw burning and not other types of biomass such as field crops or orchard trimmings.

New Rule 516 has a provision that allows owners of ERCs issued to old Rule 506 to turn them in to the District and receive new ERCs issued to the new rule, thus making the ERCs good for federal purposes. All the old existing rice straw burning ERCs were converted to the new ERCs.

The District has not received interest from growers in obtaining ERCs from other crops such as wheat, Sudan grass, or orchard trimmings. Orchard trimmings are now mostly sold for fuel for biomass energy plants. Burning of wheat and Sudan grass in the county has declined sharply from previous decades. In addition, any ERCs that may have been issued in the future would not be recognized by EPA and therefore could not be used as offsets for major projects; severely limiting the monetary value of these ERCs.

For these reasons, staff recommends that Rule 506, Biomass Emission Reduction Credits and Banking, be rescinded as no longer useful.

Rule 805, Notice to Comply

Rule 805, Notice to Comply, was adopted on August 12, 1999, and never amended. Adoption of this rule was required by the California Health and Safety Code (H&SC) section 39150. That section of the H&SC defined a procedure called Notice to Comply to address minor violations in permitted sources without going through the formal process of a Notice of Violation (NOV). The H&SC required that districts adopt a similar regulation or rule.

The Notice to Comply regulations in the H&SC had a sunset date unless extended by the state legislature. The sunset date was extended once and then the statute was allowed to expire on January 1, 2006. Since Notice to Comply (NTC) is no longer required by state regulations, the District has not been using NTCs. The NTC process was viewed as being overly cumbersome and difficult for both District staff and clients to understand. It is possible that the legislature at some future date may chose to reinstate some form of the NTC or other limits upon District enforcement discretion and the District will comply at that time.

The District has implemented an alternate method for addressing minor violations discovered during inspections that do not warrant the issuance of an NOV. This is called a Corrective Action Notice (CAN). In addition the District utilizes an array of approaches to resolve violations before and after violation discovery - from verbal or written warnings, to Notices of Violations. For example, upon receiving new information through the process of mutual settlement negotiations the District may:

- Rescind the Notice of Violation;
- Issue a warning;
- Seek monetary penalties - as a penalty, for fire cost recovery, or to for any costs avoided through the violation;
- Agree to stipulations where all or a portion of penalties are deferred and will be forgiven upon continued compliance; or
- Agree to supplemental environmental projects by the violator in lieu of monetary penalties.

There is no fiscal impact from rescinding Rule 805 since it is no longer being used in Placer County.

Staff proposes that Rule 805, Notice to Comply, be rescinded because it is no longer mandated by the state H&SC and the District has been using an alternate method of addressing minor violations discovered during source inspections.

Analysis and Findings

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

Cost-Effectiveness of a Control Measure

California Health & Safety Code (H&S) Section 40703 requires a District to consider and make public “the cost-effectiveness of a control measure”. The rescission of these rules should have no financial impact on the public because the rules no longer apply to sources in the District. Therefore, there is no cost-effectiveness of this rule.

Socioeconomic Impact

H&S Section 40728, in relevant part, requires the Board to consider the socioeconomic impact of any new rule if air quality or emission limits are significantly affected. However, Districts with a population of less than 500,000 persons are exempted from the socioeconomic analysis. In 2010, the population of Placer County was approximately 348,000 persons.

California Environmental Quality Act (CEQA)

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

Findings

A. **Necessity** – The rescission of these rules is necessary in order to delete District rules that are no longer relevant to current stationary sources.

B. **Authority** – California Health and Safety Code, Sections 40000, 40001, 40702, and 39666 are provisions of law that provide the District with the authority to adopt, amend, or rescind Rules.

C. **Clarity** – There is no indication, at this time, that the proposed Rule is written in such a manner that persons affected by the Rule cannot easily understand them.

D. **Consistency** – The regulation is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.

E. **Non-duplication** – The regulation does not impose the same requirements as an existing state or federal regulation.

F. **Reference** – All statutes, court decisions, and other provisions of law used by PCAPCD in interpreting this regulation is incorporated into this analysis and this finding by reference.

Exhibits:
Rule 227, Petroleum Dry Cleaning Operations
Rule 229, Fiberboard Manufacturing
Rule 230, Plastic Products and Materials – Paper Treating Operations
Rule 232, Biomass Suspension Boilers
Rule 237, Municipal Landfills
Rule 241, Boilers at Plastic Laminate Manufacturing Facilities
Rule 506, Biomass Emission Reduction Credits and Banking
Rule 805, Notice to Comply

Rule 227, Petroleum Dry Cleaning Operations

RULE 227 PETROLEUM DRY CLEANING OPERATIONS

Adopted 02-05-91 (Rescinded 4-12-12)

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1. MONITORING AND RECORD KEEPING REQUIREMENTS
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A. GENERAL

1. PURPOSE

To limit the emission of volatile organic compounds from the following affected facilities located at a petroleum dry cleaning plant; dryers, washers, filters, stills and settling tanks. This rule applies to petroleum dry cleaning plants, constructed, reconstructed, or modified after December 14, 1982.

2. EXEMPTION

SMALL DRY CLEANING PLANTS - DRY CLEANING PLANTS WITH A TOTAL MANUFACTURER'S RATED DRYER capacity less than 38 kilograms (84 pounds) shall comply with this rule within five (5) years of the date of adoption..

B. DEFINITIONS

1. CARTRIDGE FILTER - A discrete filter unit containing both filter paper and activated carbon that traps and removes contaminants from petroleum solvent, together with the piping and ductwork used in the installation of this device.

2. DRYER - A machine used to remove petroleum solvent from articles of clothing, leather goods or other textiles, after washing and removing of excess petroleum solvent, together with the piping and ductwork used in the installation of this device.

3. MANUFACTURER'S RATED DRYER CAPACITY - The dryer's rated capacity of articles, in pounds or kilograms of clothing articles per load, dry basis, that is typically found on each dryer, on the manufacturer's name-plate or in the specifications.

4. PERCEPTIBLE LEAKS - Any petroleum solvent vapor or liquid leaks that are conspicuous from visual observation or that bubble after application of a soap solution, such as pools or droplets of liquid or containers of solvent or solvent laden waste standing open to the atmosphere.

5. PETROLEUM DRY CLEANER - A dry cleaning facility that uses petroleum solvent in a combination of washers, dryers, filters, stills, and settling tanks.

6. SETTLING TANK - A container that gravimetrically separates oils, grease, and dirt from petroleum solvent, together with the piping and ductwork used in the installation of this device.

7. SOLVENT FILTER - A discrete solvent filter unit containing a porous medium that traps and removes contaminants from petroleum solvent, together with the piping and ductwork used in the installation of this device.

8. SOLVENT RECOVERY DRYER - A class of dry cleaning dryer that employs a condenser to condense and recover solvent vapors evaporated in a closed loop stream of heated air, together with the piping and ductwork used in the installation of this device.

9. STILL - A device used to volatilize, separate, and recover petroleum solvent from contaminated solvent, together with the piping and ductwork used in the installation of this device.

10. WASHER - A machine which agitates fabric articles in a petroleum solvent bath and spins the articles to remove the solvent, together with the piping and ductwork used in the installation of this device.

C. STANDARDS

1. EQUIPMENT INSTALLATION AND OPERATION - A person shall comply with the following requirements:

   a. Solvent Recovery Dryers - A dryer that is installed in a petroleum dry cleaning facility shall be a solvent recovery dryer. The solvent recovery dryer(s) shall be properly installed, operated, and maintained.

   b. Cartridge Filters - The petroleum solvent filter installed shall be a cartridge filter. Cartridge filters shall be drained in their sealed housing for at least 24 hours prior to their removal.

   c. Transfer of Cleaned Articles - Cleaned articles must be immediately transferred from the washer to the dryer, or stored in enclosed transfer carts.

   d. Operating Requirement - There is no perceptible leak from any portion of the equipment.

2. OTHER REQUIREMENTS - The requirements prescribed in this rule apply on and after the date on which the performance test is required to be conducted, as given in Regulation V, Rule 501, Section 307, Performance Testing. If any other rule in these rules and regulations is more restrictive, that shall apply.

D. ADMINISTRATIVE REQUIREMENTS

1. LABELING REQUIREMENTS - A dry cleaning plant owner or operator shall post a clearly visible label specifying information for solvent recovery dryers. Such information should state: "To protect against fire hazards, loss of valuable solvents, and emissions of solvent to the atmosphere, periodic inspection of this equipment for evidence of leaks and prompt repair of any leaks is recommended." This District recommends that the equipment be inspected every 15 days and all vapor or liquid leaks be repaired within the subsequent 15 day period.

E. MONITORING AND RECORDS

1. MONITORING AND RECORD KEEPING REQUIREMENTS - A person subject to the requirements of this rule shall maintain a record of the performance test required under Regulation IV, Rule 410.

2. TEST METHODS AND PROCEDURES - A person subject to the requirements of this rule shall comply with the test methods and procedures contained in Section 60.624 of 40 CFR Part 60, Subpart JJJ.

Rule 229, Fiberboard Manufacturing

RULE 229 FIBERBOARD MANUFACTURING

Adopted 06-28-94 (Rescinded 4-12-12)

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100 GENERAL

101 APPLICABILITY: The provisions of this rule shall apply to Medium Density Fiberboard (MDF) plants.

200 DEFINITIONS

201 FIBER DRYER: A device that uses steam-generated heat to reduce the moisture content of wood fibers.

202 FIBERBOARD PRESS: A device that uses heat and pressure to form fiberboard from a preformed mat of wood fiber and resin.

203 MEDIUM DENSITY FIBERBOARD PLANT: A plant that manufactures medium density fiberboard consisting of a composite wood product created from digested and refined wood fibers bonded with urea-formaldehyde resin.

204 PRESS LINE: A series of operations occurring within the press building including mat forming, fiberboard pressing, board unloading, and board cooling.

205 PRESS VENT: A building opening through which emissions from fiberboard press lines are exhausted from the press line building.

206 VOLATILE ORGANIC COMPOUND (VOC): Any compound that contains at least one atom of carbon, except:

206.1 Methane
206.2 Carbon dioxide
206.3 Carbon monoxide
206.4 Carbonic acid
206.5 Metallic carbides or carbonates
206.6 Ammonium carbonate
206.7 1,1,1-trichloroethane
206.8 Methylene chloride
206.9 2,2-dichloro-1,1,1-trifluoroethane (HCFC-123)
206.10 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124)
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206.21 1,1,1-trifluoroethane (HFC-143a)
206.22 Chlorodifluoromethane (HCFC-22)
206.23 Trifluoromethane (HFC-23)
206.24 Difluoroethane (HFC-152a)
206.25 The following four classes of perfluorocarbon compounds:

a. Cyclic, branched, or linear, completely fluorinated alkanes.
b. Cyclic, branched, or linear, completely fluorinated ethers with no unsaturations.
c. Cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations.

d. Sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.

Perfluorocarbon compounds will be assumed to be absent from a product or process unless a manufacturer or facility operator identifies the specific individual compounds (from the broad classes of perfluorocarbon compounds) and the amounts present in the product or process and provides a validated test method which can be used to quantify the specific compounds.

300 STANDARDS

301 LIMITATIONS: Any person operating an affected MDF plant shall meet the following VOC emission limits:

301.1 Wood Fiber Dryers: A capture and control system shall be in operation to reduce VOC emissions from wood fiber dryers. The capture and control system shall be maintained and operated at all times during the operation of the wood fiber dryers. The overall efficiency of the system (capture efficiency multiplied by control efficiency) shall not be less than 50% by weight in reducing VOC emissions.

301.2 Press Vents: A capture and control system shall be in operation to reduce VOC emissions from press vents. The capture and control system shall be maintained and operated at all times during the operation of the press vents. The overall efficiency of the system (capture efficiency multiplied by control efficiency) shall not be less than 57% by weight in reducing VOC emissions.

301.3 Maximum Achieved Reduction Limitation: In the event that the overall efficiency of the control systems for the Wood Fiber Dryers and/or the Press Vents result in actual efficiencies equal to or greater than the minimum required efficiencies of Section 301.1 or Section 301.2 for the Wood Fiber Dryers and the Press Vents, respectively, the required emission limitation shall be equal to the highest overall control system efficiency demonstrated.

301.4 Allowable Emission Rate: The VOC emission limits satisfying the requirements of Sections 301.1, 301.2, or 301.3, shall be incorporated into the permit to operate of the stationary source and shall be a limiting condition of operation. The emission limitation represented by the application of the overall control system efficiency to the source emissions at the maximum permitted process rate may be expressed in the permit to operate as an emission rate or emission concentration limit.

400 ADMINISTRATIVE REQUIREMENTS

401 COMPLIANCE SCHEDULE: The limits specified in Sections 301.1 and 301.2 shall be achieved on or before May 31, 1995.

402 OPERATION AND MAINTENANCE PLAN: A person shall submit an Operation and Maintenance Plan for the emission control device with the application for Authority to Construct or by May 31, 1995, for existing facilities permitted by the District prior to June 28, 1994.

402.1 The Operation and Maintenance Plan shall specify:

a. Operation and maintenance procedures that will demonstrate continuous operation of the emission control device during emission-producing operations; and

b. Records that must be kept to document the operation and maintenance procedures.

402.2 The records must comply with Sections 501 and 502.

402.3 The Operation and Maintenance Plan shall be implemented upon approval by the Air Pollution Control Officer.

402.4 After completing the construction of the emission control device, the Operation and Maintenance Plan shall be resubmitted annually, or as otherwise requested by the Air Pollution Control Officer, for approval.

500 MONITORING AND RECORDS

501 CONTROL EQUIPMENT RECORDS:

501.1 Any person using an emission control device shall maintain such records as required by the Operation and Maintenance Plan specified in Section 402 on a daily basis.

501.2 Compliance with the standards of Sections 301.1 and 301.2 shall be demonstrated by conducting annual source testing of the emission control equipment as specified in Section 503.

501.3 An annual certification of compliance shall be submitted to the Air Pollution Control Officer on or before February 1 of each year. The certification of compliance shall include:

a. A declaration that the facility is in compliance with all applicable requirements of this rule.

b. The results of any compliance testing performed during the previous year.

c. A description of any process upsets that occurred during the previous year that resulted in noncompliance with an emission limit or proper combustion conditions.

502 DURATION OF RECORDS: All records maintained pursuant to this rule shall be retained for at least two years from the date of entry, with the exception that sources subject to the requirements of Rule 507, FEDERAL OPERATING PERMIT PROGRAM, shall retain records at least five years. Records shall be made available for inspection by the Air Pollution Control Officer upon request.

503 TEST METHODS FOR CAPTURE AND CONTROL EFFICIENCY:

503.1 Capture efficiency of the emission control system, as specified in Sections 301.1 and 301.2, shall be conducted and reported in accordance with U.S. EPA protocols referenced in 50 CFR 52.741(a)(4)(iii).

503.2 Control efficiency, as specified in Sections 301.1 and 301.2, shall be determined by U.S. EPA Reference Methods 25 or 25A as found in 40 CFR Part 60, Appendix A.

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Rule 230, Plastic Products and Materials – Paper Treating Operations

RULE 230 PLASTIC PRODUCTS AND MATERIALS - PAPER TREATING OPERATIONS

Adopted 06-28-94 (Rescinded 4-12-12)

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100 GENERAL

101 APPLICABILITY: The provisions of this rule shall apply to paper treating operations involving the application of melamine and phenolic resins to paper substrates.

200 DEFINITIONS

201 COATING APPLICATOR: An apparatus used to apply a surface coating.

202 EXEMPT COMPOUNDS: For the purposes of this rule, exempt compounds are the following:

202.1 Methane
202.2 Carbon dioxide
202.3 Carbon monoxide
202.4 Carbonic acid
202.5 Metallic carbides or carbonates
202.6 Ammonium carbonate
202.7 1,1,1-trichloroethane
202.8 Methylene chloride
202.9 2,2-dichloro-1,1,1-trifluoroethane (HCFC-123)
202.10 2-chloro-1,1,1,2-tetrafluoroethane (HCFC-124)
202.11 Trichlorofluoromethane (CFC-11)
202.12 Dichlorodifluoromethane (CFC-12)
202.13 1,1,1-trichloro-2,2,2-trifluoroethane (CFC-113)
202.14 1-chloro-1,1-difluoro-2-chloro-2,2-difluoroethane (CFC-114)
202.15 Chloropentafluoroethane (CFC-115)
202.16 Pentafluoroethane (HFC-125)
202.17 1,1,2,2-tetrafluoroethane (HFC-134)
202.18 Tetrafluoroethane (HFC-134a)
202.19 1,1-dichloro-1-fluoroethane (HCFC-141b)
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202.21 1,1,1-trifluoroethane (HFC-143a)
202.22 Chlorodifluoromethane (HCFC-22)
202.23 Trifluoromethane (HFC-23)
202.24 Difluoroethane (HFC-152a)
202.25 The following four classes of perfluorocarbon compounds:

a. Cyclic, branched, or linear, completely fluorinated alkanes.
b. Cyclic, branched, or linear, completely fluorinated ethers with no unsaturations.
c. Cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations.
d. Sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.

Perfluorocarbon compounds will be assumed to be absent from a product or process unless a manufacturer or facility operator identifies the specific individual compounds (from the broad classes of perfluorocarbon compounds) and the amounts present in the product or process and provides a validated test method which can be used to quantify the specific compounds.

203 MELAMINE TREATER: A coating line process where a melamine resin is applied to a paper substrate.

204 OVEN: A chamber within which heat is used for one or more of the following purposes: to dry, bake, cure, or polymerize a surface coating or ink.

205 PAPER TREATING OPERATION: The coating line process in which a uniform layer of phenolic or melamine resin is applied either by a) dipping a continuous, moving paper substrate into the resin and then using rollers to squeeze the excess resin from the paper, or b) applying the resin directly to the paper substrate with a roll applicator. Paper treating operations also include associated oven equipment used for drying the resin coating.

206 PHENOLIC TREATER: The coating line process where a phenolic resin is applied to the paper substrate.

207 POUNDS OF VOC PER GALLON OF COATING LESS WATER AND LESS EXEMPT COMPOUNDS: The weight of VOC per combined volume of VOC and coating solids and is calculated by the following equation:

$$G_{voc} = (W_v - W_w - W_{ec} / (V_m - V_w - V_{ec})$$

where:

G_{voc}= Pounds VOC per gallon coating less water and exempt compounds
W_v = Weight of all volatile compounds in pounds
W_w = Weight of water in pounds
W_{ec} = Weight of exempt compounds in pounds
V_m = Volume of coating material in gallons
V_w = Volume of water in gallons
V_{ec} = Volume of exempt compounds in gallons

208 VOLATILE ORGANIC COMPOUND (VOC): Any compound that contains at least one atom of carbon, except exempt compounds.

300 STANDARDS

301 VOC LIMITATIONS: Except as provided in Section 302, the VOC content of coatings applied in paper treating operations shall not exceed 1.75 pounds of VOC per gallon of coating less water and exempt compounds for phenolic treaters, and 0.1 pounds of VOC per gallon of coating less water and exempt compounds for melamine treaters.

302 EMISSION CONTROL SYSTEM: Alternatively, a person may comply with the provisions of Section 301 by using an emission control system, provided that the overall efficiency of the system (capture efficiency multiplied by control efficiency) shall not be less than 85 percent by weight in reducing emissions of organic compounds. The total VOC emissions from paper treating operations under this section, considering capture and control efficiencies, shall be equivalent to or less than the VOC emissions level that would be achieved by complying with Section 301. The emission control system shall be approved in writing by the Air Pollution Control Officer in accordance with Rule 501 (General Permit Requirements).

400 ADMINISTRATIVE REQUIREMENTS

401 COMPLIANCE SCHEDULE: The VOC limitations specified in Section 301, or alternatively Section 302, shall be achieved on or before February 1, 1995.

402 OPERATION AND MAINTENANCE PLAN: Any person using an emission control device as a means of complying with this rule, as provided in Section 302, shall submit an Operation and Maintenance Plan with the application for Authority to Construct for the emission control device.

402.1 The Operation and Maintenance Plan shall specify:

a. Operation and maintenance procedures that will demonstrate continuous operation of the emission control device during emission-producing operations; and

b. Records that must be kept to document the operation and maintenance procedures.

402.2 The records must comply with Sections 502 and 503.

402.3 The Operation and Maintenance Plan shall be implemented upon approval by the Air Pollution Control Officer.

402.4 After completing the construction of the emission control device, the Operation and Maintenance Plan shall be resubmitted annually for approval.

500 MONITORING AND RECORDS

501 COATING AND SOLVENT RECORDS

501.1 Any person subject to the provisions of this rule shall maintain a current list of coatings and solvents used in paper treating operations that includes the information required below. This information shall be updated whenever the coating/solvent formulation is changed, and may be obtained from the coating/solvent manufacturer or from data collected in accordance with the provisions of this rule.

a. name and manufacturer information;

b. mixing instructions;

c. density;

d. weight percent VOC as applied;

e. weight percent water;

f. weight percent exempt compounds;

g. volume percent water; and

h. volume percent exempt compounds.

501.2 Any person subject to the provisions of this rule shall maintain records of the amounts of coatings and VOCs used in paper treating operations according to the following schedule:

a. monthly records showing the types and amounts of coatings used that meet the VOC limitations in Section 301 and

b. daily records showing the types and amounts of coatings used in paper treating operations when such usage was in conjunction with an emission control system as provided in Section 302.

502 CONTROL EQUIPMENT RECORDS

502.1 Any person using an emission control device pursuant to Section 302 as a means of complying with this rule shall maintain such records as required by the Operation and Maintenance Plan specified in Section 402 on a daily basis.

502.2 Compliance with the standards of Section 302 shall be demonstrated by conducting annual source testing of any emission control equipment as specified in Section 505 and by analyzing resin VOC content as specified in Section 504.

503 DURATION OF RECORDS: All records maintained pursuant to this rule shall be retained for at least two years from the date of entry, with the exception that sources subject to the requirements of Rule 507, FEDERAL OPERATING PERMIT PROGRAM, shall retain records at least five years. Records shall be made available for inspection by the Air Pollution Control Officer upon request.

504 TEST METHODS FOR VOC CONTENT

504.1 The VOC content of coatings subject to the provisions of this rule shall be analyzed as prescribed in U.S. EPA Reference Method 24 as found in 40 CFR 60, Appendix A.

504.2 The water content of coatings subject to the provisions of this rule shall be analyzed as prescribed in ASTM Method D3792-79.

504.3 Measurement of exempt compounds shall be conducted and reported in accordance with ASTM Method D4457-85. For exempt compounds where no reference test method is available, any person requesting the exemption shall provide appropriate alternative test methods approved by the Air Pollution Control Officer and the U.S. EPA.

505 TEST METHODS FOR CAPTURE AND CONTROL EFFICIENCY

505.1 Capture efficiency of the emission control system, as specified in Section 302, shall be determined in accordance with the U.S. EPA protocols referenced in 50 CFR 52.741(a)(4)(iii).

505.2 Control efficiency, as specified in Section 302, shall be determined by U.S. EPA Reference Methods 25 or 25A as found in 40 CFR Part 60, Appendix A.

Rule 232, Biomass Suspension Boilers

RULE 232 BIOMASS SUSPENSION BOILERS

Adopted 10-6-94
(Amended 12-9-99, Rescinded 4-12-12))

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100 GENERAL

101 APPLICABILITY: This rule applies to biomass suspension boilers and steam generators which have a potential to emit, as defined in Rule 502, New Source Review, 25 tons or more of NO_x emissions; which have a primary energy source of biomass from a medium density fiberboard plant consisting of a minimum of 25 percent of the total annual heat input; and which use suspension-type burners.

102 FEDERAL REGULATIONS: Compliance with this rule shall not exempt a person from complying with any federal regulation promulgated pursuant to the Clean Air Act (42 U.S.C. Section 7401 et seq.).

103 EXEMPTION, BOILERS, STEAM GENERATORS, AND PROCESS HEATERS: This rule shall not apply to boilers, steam generators, and process heaters subject to Rule 231, INDUSTRIAL, INSTITUTIONAL, AND COMMERCIAL BOILERS, STEAM GENERATORS, AND PROCESS HEATERS.

104 EXEMPTION, BIOMASS BOILERS: This rule shall not apply to boilers and steam generators subject to Rule 233, BIOMASS BOILERS.

105 EXEMPTION, MUNICIPAL SOLID WASTE: This rule shall not apply to combustion units whose primary purpose is to burn municipal solid waste, as defined in Section 207.

106 EXEMPTION, WASTE HEAT RECOVERY BOILERS: This rule shall not apply to waste heat recovery boilers used to recover sensible heat from the exhaust of combustion turbines or unfired waste heat recovery boilers used to recover sensible heat from the exhaust of any combustion equipment.

200 DEFINITIONS

201 BIOMASS: Any organic material not derived from fossil fuels, such as agricultural crop residues, bark, lawn, yard and garden clippings, leaves, silvicultural residue, tree and brush pruning, wood and wood chips, and wood waste, including these materials when separated from other waste streams. Biomass does not include material containing sewage sludge, industrial sludge, medical waste, hazardous waste, or radioactive waste.

202 BIOMASS SUSPENSION BOILER OR STEAM GENERATOR: Any combustion equipment used in any industrial, institutional, or commercial operation which uses a suspension-type burner to combust biomass to produce steam, heat water or other fluids, and/or produce electricity.

203 BRITISH THERMAL UNIT (BTU): The amount of heat required to raise the temperature of one pound of water from 59□F to 60□F at one atmosphere.

204 HEAT INPUT: The chemical heat released due to fuel combustion in a boiler, using the higher heating value of the fuel. This does not include the sensible heat of incoming combustion air.

205 HIGHER HEATING VALUE (HHV): The total heat liberated per mass of fuel burned (BTU per pound), when fuel and dry air at standard conditions undergo complete combustion and all resultant products are brought to their standard states at standard conditions. HHV shall be determined by one of the following test methods:

205.1 ASTM D 2015-85 for solid fuels; or

205.2 ASTM D 240-87 or ASTM D 2382-82 for liquid hydrocarbon fuels; or

205.3 ASTM D 1826-88 or ASTM D 1945-81 in conjunction with ASTM D 3588-89 for gaseous fuels.

206 MEDIUM DENSITY FIBERBOARD PLANT: A plant that manufactures medium density fiberboard consisting of a composite wood product created from digested and refined wood fibers bonded with urea-formaldehyde resin.

207 MUNICIPAL SOLID WASTE: Household, commercial/retail, and/or institutional waste. Household waste includes material discarded by single or multiple residential dwellings, hotels, motels, and other similar permanent or temporary housing establishments or facilities. Commercial/retail waste includes material discarded by stores, offices, restaurants, warehouses, non-manufacturing activities at industrial facilities, and other similar establishments or facilities. Institutional waste includes material discarded by schools, hospitals, prisons, and government facilities and other similar establishments or facilities.

208 NO_X EMISSIONS: The sum of nitric oxides and nitrogen dioxide in the flue gas, collectively expressed as nitrogen dioxide (NO_2).

209 PARTS PER MILLION BY VOLUME (PPMV): The ratio of the number of gas molecules of a given species, or group, to the number of millions of total gas molecules.

210 RATED HEAT INPUT CAPACITY: The heat input capacity, in million BTU per hour, specified on the nameplate of the combustion unit. If the combustion unit has been altered or modified such that its maximum heat input is different than the input capacity specified on the nameplate, and this alteration or modification has been approved by the Air Pollution Control Officer and made a limiting condition of operation, then the new maximum heat input shall be considered as the rated heat input capacity.

211 RESPONSIBLE OFFICIAL: An individual with the authority to certify that a source complies with all applicable requirements, including the conditions of permits issued to sources in accordance with Regulation 5, PERMITS. A "responsible official" means one of the following:

211.1 For a corporation, a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit and either:

a. The facilities employ more than 250 persons or have gross annual sales or expenditures exceeding $25 million (in second quarter 1980 dollars); or

b. The delegation of authority to such representative is approved in advance by the Air Pollution Control Officer;

211.2 For a partnership or sole proprietorship, a general partner or the proprietor, respectively; or

211.3 For a municipality, state, federal, or other public agency, either a principal executive officer or a ranking elected official; or

211.4 For an acid rain unit subject to Title IV (Acid Deposition Control) of the Clean Air Act, the "responsible official" is the designated representative of that unit for any purposes under Title IV and Rule 507, FEDERAL OPERATING PERMITS PROGRAM.

212 SHUTDOWN: The period of time a unit is cooled from its normal operating temperature to cold or ambient temperature.

213 STARTUP: The period of time a unit is heated from cold or ambient temperature to its normal operating temperature as specified by the manufacturer.

214 SUSPENSION-TYPE BURNER: A burner in which solid fuel, in particle form, is combusted in suspension in air.

215 UNIT: Any biomass suspension boiler or steam generator as defined in Sections 202.

216 WOOD: Wood, wood residue, bark, or any derivative fuel or residue thereof, in any form, including but not limited to sawdust, sanderdust, wood chips, scraps, slabs, millings, shavings, and processed pellets made from wood or other forest residues.

300 STANDARDS

301 LIMITATIONS:

301.1 The nitrogen oxide emissions into the atmosphere from a biomass suspension boiler or steam generator shall not exceed 568 ppmv corrected to 12 percent by volume stack gas CO_2 on a three-hour average dry basis.

301.2 The carbon monoxide emissions into the atmosphere from a biomass suspension boiler or steam generator shall not exceed 400 ppmv corrected to 12 percent by volume stack gas CO_2 on a three-hour average dry basis.

400 ADMINISTRATIVE REQUIREMENTS

401 COMPLIANCE SCHEDULE: Full compliance with all applicable standards and requirements of Section 300 and the Continuous Emissions Monitoring System requirements of Section 502 is required upon adoption of this Rule.

402 OPERATION AND MAINTENANCE PLAN: Any person installing an emission control device as a means of complying with the emission limitations of Section 301 shall submit an Operation and Maintenance Plan with the application for Authority to Construct for the emission control device.

402.1 The Operation and Maintenance Plan shall specify:

a. Operation and maintenance procedures that will demonstrate continuous operation of the emission control device during emission-producing operations; and

b. Records that must be kept to document the operation and maintenance procedures.

402.2 The records must comply with Sections 501, 502, and 505.

402.3 The Operation and Maintenance Plan shall be implemented upon approval by the Air Pollution Control Officer.

402.4 Subsequent to the construction of any emission control device used for demonstrating compliance with the emission limitation of Section 301, an Operation and Maintenance Plan shall be submitted or resubmitted in conjunction with any

changes in the procedures addressed in the plan, or upon the request of the Air Pollution Control Officer.

403 COMPLIANCE COSTS: A person operating a unit subject to this rule shall bear all expenses associated with compliance with the monitoring and reporting provisions of this rule.

404 CERTIFICATION: All reports submitted in accordance with this rule shall be signed by a responsible official who shall certify the truth, accuracy, and completeness of the report.

500 MONITORING AND RECORDS

501 RECORDKEEPING: A person operating a unit subject to this rule shall keep the following records for each unit:

501.1 Calendar date of record.

501.2 Number of hours the unit is operated during each day.

501.3 Boiler load.

501.4 Fuel types, including supplementary gaseous or liquid fuels.

501.5 Duration of startups and shutdowns.

501.6 Type and duration of maintenance and repairs.

501.7 Results of compliance tests.

501.8 Three-hour average NO_x emission concentration (expressed as NO_2 and corrected to 12 percent by volume stack gas CO_2).

501.9 Three-hour average CO emission concentration (corrected to 12 percent by volume stack gas CO_2).

501.10 Identification of time periods during which NO_x and CO emission limitations are exceeded, the reason for the exceedance, and a description of corrective action taken.

501.11 Identification of time periods during which operating condition and pollutant emission data were not obtained, the reason for not obtaining this information, and a description of corrective action taken.

502 CONTINUOUS EMISSIONS MONITORING

502.1 A person operating a unit subject to this rule shall install, calibrate, operate, and maintain a Continuous Emissions Monitoring System (CEMS) in accordance with applicable requirements of Appendices B and F of Title 40 Code of Federal Regulations Part 60 (40 CFR 60).

502.2 The CEMS shall include equipment that measures and records the following:

a. Continuous exhaust gas NO_x and CO concentrations corrected to 12 percent by volume stack gas CO_2 dry basis.

b. Average NO_x and CO concentrations calculated on a three-hour average basis.

502.3 A person operating a CEMS shall submit an excess emissions and monitoring systems performance report to the Air Pollution Control Officer within 30 days after the end of each calendar quarter in accordance with 40 CFR 60, Section 60.7(c) and (d) and Section 60.13.

502.4 A relative accuracy test audit (RATA) is required each calendar year.

502.5 The enhanced monitoring requirements of Sections 113 and 114 of the Federal Clean Air Act shall take precedence over the requirements of this Section for facilities subject to Rule 507, FEDERAL OPERATING PERMIT PROGRAM.

503 COMPLIANCE TEST

503.1 A person who operates a unit subject to this rule shall conduct an annual compliance test.

a. Each emission test run shall be conducted while the unit is operated within 10% of the rated heat input capacity. No emission test shall be conducted during startup, shutdown, or under breakdown conditions for the purpose of the initial compliance test.

b. The compliance test shall be conducted for NO_x and CO using the test methods specified in Section 504.

503.2 At least sixty (60) days prior to the compliance test, a written test plan detailing the test methods and procedures to be used shall be submitted for approval by the Air Pollution Control Officer. The plan shall cite the test methods to be used for the determination of compliance with the emission limitations of this rule. The plan shall provide the proposed procedures for the characterization of the representative biomass materials to be burned during testing.

504 TEST METHODS - A person conducting source tests in accordance with Section 503 shall use the following test methods:

504.1 Nitrogen Oxides (NO_X): ARB Test Method 100, Title 17, CCR, Section 94114, Procedures for Continuous Emission Stack Sampling, or EPA Test Method 7E, 40 CFR 60, Appendix A. A violation determined by any of these test methods shall constitute a violation of this rule

504.2 Carbon Monoxide (CO): ARB Test Method 10, Title 17, CCR, Section 94109, Determination of Carbon Monoxide Emissions from Stationary Sources, or ARB Test Method 100, or EPA Test Method 10, 40 CFR 60, Appendix A. A violation determined by any of these test methods shall constitute a violation of this rule.

504.3 Carbon Dioxide (CO_2): ARB Test Method 100, or EPA Test Method 3A.

505 DURATION OF RECORDS: All records maintained pursuant to this rule shall be retained for at least two years from date of entry, with the exception that sources subject to the requirements of Rule 507, FEDERAL OPERATING PERMIT PROGRAM, shall retain records at least five years. Records shall be made available for inspection by the Air Pollution Control Officer upon request.

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Rule 237, Municipal Landfills

RULE 237 MUNICIPAL LANDFILLS

Adopted 11-03-94
(Amended 02-09-95, 08-14-97, 10-09-03 Rescinded 4-12-12)

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100 GENERAL

101 PURPOSE: To limit non-methane organic compounds (NMOC) emissions from municipal solid waste (MSW) landfills by implementing the provisions of 40 Code of Federal Regulations (CFR) Part 60, Subpart Cc Emission Guidelines and Compliance Times for MSW Landfills.

102 APPLICABILITY:

102.1 Geographic: The provisions of this rule shall apply to all facilities located in Placer County.

102.2 Business Category: The provisions of this rule shall apply to all Municipal Solid Waste (MSW) Landfills that meet both of the following conditions:

102.2.1 Construction, reconstruction, or modification that was commenced before May 30, 1991; and

102.2.2 Has accepted waste at any time since November 8, 1987 or has additional design capacity available for future waste deposition.

103 REFERENCES: The standards specified in this rule are required by the provisions of the federal Clean Air Act and its amendments (42 U.S.C. 7401 et seq.) and EPA regulations setting forth the emissions guidelines for MSW Landfills (40 CFR § 60.36c).

104 EXEMPTIONS: Any MSW Landfill that is subject to the requirements of the New Source Performance Standard, Subpart WWW - Standards of Performance for Municipal Solid Waste Landfills (40 CFR Section 60.750), is exempt from the requirements of this rule.

200 DEFINITIONS

Terms used but not defined in this rule have the meaning given them in 40 CFR Part 60.751 (Definitions) except:

201 ADMINISTRATOR: The Placer County Air Pollution Control Officer is the Administrator for the purposes of this rule and referenced provisions of the Code of Federal Regulations, except that the APCO shall not be empowered to approve:

201.1 Alternative or equivalent test methods, alternative standards; or

201.2 Alternative work practices unless included in the site specific design plan as provided in 40 CFR Section 60.752 (b)(2)(I).

202 DESIGN PLAN OR PLAN: The site-specific design plan for the gas collection and control system submitted under Section 303 of this rule.

203 MUNICIPAL SOLID WASTE LANDFILL OR MSW LANDFILL: An entire disposal facility in a contiguous geographical space where household waste is placed in or on land. A MSW landfill may also receive other types of RCRA Subtitle D wastes such as commercial solid waste, nonhazardous sludge, conditionally exempt small quantity generator waste, and industrial solid waste. Portions of an MSW landfill may be separated by access roads. A MSW landfill may be publicly or privately owned. A MSW landfill may be a new MSW landfill, an existing MSW landfill or a lateral expansion.

300 STANDARDS

301 DESIGN CAPACITY AND EMISSIONS REPORT: The owner or operator of each MSW landfill shall submit an initial design capacity and emissions report and amended design capacity emissions report as specified in 40 CFR 60.752 (Standards for Air Emissions from MSW Landfills). Any density conversions shall be documented and submitted with the report.

302 COLLECTION AND CONTROL SYSTEM: The owner or operator of a MSW landfill that has either a design capacity equal to or greater than 2.5 million megagrams (2.75 million tons) or 2.5 million cubic meters, or a non-methane organic compounds (NMOC) emission rate of 50 megagrams per year (55.1 tons per year), or more as calculated pursuant to 40 Code of Federal Regulations (CFR) 60.754, shall install a collection and control system meeting the conditions provided in 40 CFR 60.752(b)(2)(ii) and (iii), except as provided in Section 304 of this rule.

303 COLLECTION AND CONTROL SYSTEM DESIGN PLAN: The owner or operator of a MSW landfill required to install a gas collection and control system pursuant to Section 302 shall submit a site-specific collection and control system design plan to the APCO as provided under 40 CFR 60.752(b)(2)(I)(B), and an Authority to Construct application pursuant to Rule 501, General Permit Requirements, and meet all of the following conditions.

303.1 The design plan shall include any alternatives to the operational standards, test methods, procedures, compliance measures, monitoring, record keeping or reporting provisions of 40 CFR 60.753 through 60.758.

303.2 The APCO shall review and either approve or disapprove the plan, or request that additional information be submitted. The design plan shall either conform with specifications for active collection systems in 40 CFR 60.759 or include a demonstration to the APCO's satisfaction of the sufficiency of the alternative provisions to 40 CFR 60.759. The design plan may include alternatives as specified in 40 CFR 60.752(b)(2)(B).

The design plan shall provide for the control of collected MSW landfill emissions through the use of a collection and control system meeting the collection and control system requirements of 40 CFR 60.752(b)(2)(ii) and (iii) except that paragraphs (b)(2)(ii)(B) and (b)(2)(iii)(A) of 40 CFR 60.752 concerning the use of passive collection systems and open flares do not apply to MSW landfills subject to this rule. Sources shall route all collected gas to a collection and control system that complies with the requirements of 40 CFR 60.752(b)(2)(ii)(A) for active collection systems or 40 CFR 60.752(b)(2)(iii)(B) or (C), concerning control devices and treatment systems other than an open flare.

304 COLLECTION AND CONTROL SYSTEM OPERATIONAL STANDARDS: Each MSW landfill required to install a gas collection and control system pursuant to Section 302 shall meet the operational standards in 40 CFR 60.753; the compliance provisions in 40 CFR 60.755 and the monitoring provisions in 40 CFR 60.756, except that the APCO may approve alternatives in the design plan as provided in Section 303 of this rule.

400 ADMINISTRATIVE REQUIREMENTS

401 COMPLIANCE SCHEDULE

401.1 The design capacity and the NMOC emissions reports required pursuant to 40 CFR 60.752 and 40 CFR 60.754 shall be submitted within ninety (90) days after August 8, 1997.

401.2 The site-specific collection and control system design plan required under Section 303 of this rule shall be submitted within one year after the District determines that the MSW landfill has a NMOC emission rate equal to or greater than fifty (50) megagrams per year.

401.3 The planning, awarding of contracts, and installation of the collection and control equipment required pursuant to Section 302 of this rule shall be accomplished within thirty (30) months after August 8, 1997.

401.4 The initial performance test of the collection and control system equipment shall be accomplished within six (6) months of control system startup.

500 MONITORING AND RECORDS

501 RECORD KEEPING: The owner or operator of each MSW landfill shall meet the record keeping and reporting requirements of 40 CFR 60.757 and 40 CFR 60.758, as applicable, except that the APCO may approve alternative record keeping and reporting provisions as provided in Section 304 of this rule. Any records or reports required to be submitted pursuant to 40 CFR 60.757 or 40 CFR 60.758 shall be submitted to the APCO.

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Rule 241, Boilers at Plastic Laminate Manufacturing Facilities

RULE 241 BOILERS AT PLASTIC LAMINATE MANUFACTURING FACILITIES

Adopted 04-08-99
(Rescinded 4-12-12)

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100 GENERAL

101 PURPOSE: To limit the emissions of Nitrogen Oxides (NOx) from boilers and steam generators fueled with a combination of natural gas and waste fuel from paper treating operations at plastic laminate manufacturing facilities.

102 APPLICABILITY

102.1 Geographic: The provisions of this rule apply to facilities in all of Placer County.

102.2 Business Category: This rule applies to boilers and steam generators that have a primary energy source of natural gas and waste fuel from paper treating operations at plastic laminate manufacturing facilities with Standard Industrial Classification (SIC) of 3083.

103 EXEMPTIONS

103.1 Exemption, Boilers, Steam Generators, and Process Heaters: This rule shall not apply to boilers, steam generators, and process heaters subject to Rule 231, Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters. Boilers at plastic laminate manufacturing facilities that use gaseous or liquid fuels exclusively shall be subject to Rule 231.

103.2 Exemption, Boilers and Steam Generators Subject to Rule 241: Rule 231 shall not apply to boilers subject to Rule 241.

103.3 Exemption, Municipal Solid Waste: This rule shall not apply to combustion units whose primary purpose is to burn municipal solid waste, as defined in Section 201.

200 DEFINITIONS

201 MUNICIPAL SOLID WASTE: Municipal waste includes household, commercial/retail, or institutional waste. Household waste includes material discarded by single or multiple residential dwellings, hotels, motels, and other similar permanent or temporary housing establishments or facilities. Commercial/retail waste includes material discarded by stores, offices, restaurants, warehouses, nonmanufacturing activities at industrial facilities, and other similar establishments or facilities. Institutional waste includes material discarded by schools, hospitals, prisons, and government facilities and other similar establishments or facilities.

202 NOX EMISSIONS: The sum of nitric oxides and nitrogen dioxide in the flue gas, collectively expressed as nitrogen dioxide (NO_2).

203 PAPER TREATING OPERATIONS: A paper coating process in which a uniform layer of phenolic or melamine resin is applied either by (a) dipping a continuous, moving paper substrate into the resin and then using rollers to squeeze the excess resin from the paper, or (b) applying the resin directly to the paper substrate with a roll applicator. Paper treating operations also include lamination of resin-impregnated paper and trimming, cutting, and sanding of laminated sheets and related processes.

204 **PARTS PER MILLION BY VOLUME (PPMV):** The ratio of the number of gas molecules of a given species, or group, to the number of millions of total gas molecules.

205 **RESPONSIBLE OFFICIAL:** An individual with the authority to certify that a source complies with all applicable requirements, including the conditions of permits issued to sources in accordance with Regulation 5, PERMITS. A "responsible official" means one of the following:

205.1 For a corporation, a president, secretary, treasurer, or vice-president of the corporation in charge of a principal business function, or any other person who performs similar policy or decision-making functions for the corporation, or a duly authorized representative of such person if the representative is responsible for the overall operation of one or more manufacturing, production, or operating facilities applying for or subject to a permit and either:

205.1.1 The facilities employ more than 250 persons or have gross annual sales or expenditures exceeding $25 million (in second quarter 1980 dollars); or

205.1.2 The delegation of authority to such representative is approved in advance by the Air Pollution Control Officer.

205.2 For a partnership or sole proprietorship, a general partner or the proprietor, respectively; or

205.3 For a municipality, state, federal, or other public agency, either a principal executive officer or a ranking elected official; or

205.4 For an acid rain unit subject to Title IV (Acid Deposition Control) of the Clean Air Act, the "responsible official" is the designated representative of that unit for any purposes under Title V and Rule 507, Federal Operating Permits Program.

206 **WASTE FUEL:** Material from trimming, cutting and sanding of laminated sheets of resin impregnated paper.

207 **UNIT:** Any boiler or steam generator subject to this rule.

300 STANDARDS

301 LIMITATIONS

301.1 No person shall allow the discharge of NOX emissions into the atmosphere from a unit subject to this rule in excess of the following limitations, whichever is less stringent:

301.1.1 An exhaust concentration of 150 parts per million by volume (ppmv) referenced at dry stack-gas conditions and 3.00 percent by volume stack-gas oxygen on a three-hour average basis.

301.1.2 An exhaust emission rate of 15.5 pounds per hour on a three-hour average basis.

301.2 No person shall allow the discharge of carbon monoxide (CO) emissions from units subject to this rule in excess of 400 parts per million by volume (ppmv referenced at dry stack-gas conditions and 3.00 percent by volume stack-gas oxygen, on a three-hour average basis.

400 ADMINISTRATIVE REQUIREMENTS

401 COMPLIANCE SCHEDULE

401.1 Any person operating a unit subject to this rule shall demonstrate full compliance with the requirements of Section 301 by November 26, 1999.

401.2 Any person operating a unit subject to this rule shall demonstrate compliance with the requirements of Section 301 in accordance with the following schedule:

401.2.1 By August 31, 1999, complete all modifications necessary to allow compliance with the requirements of this rule.

401.2.2 By September 30, 1999, complete compliance source tests in accordance with Section 502.

401.2.3 By November 26, 1999, achieve full compliance with the requirements of Section 301.

402 OPERATION AND MAINTENANCE PLAN: Any person operating a unit subject to this rule shall submit an Operation and Maintenance Plan by September 30, 1999.

402.1 The Operation and Maintenance Plan shall specify:

402.1.1 Operation and maintenance procedures that will demonstrate continuous operation of the emission control system during emission-producing operations; and

402.1.2 Records that must be kept to document the operation and maintenance procedures.

402.2 All records must comply with Section 501.

402.3 A revised Operation and Maintenance Plan shall be submitted or resubmitted in conjunction with any changes in the procedures addressed in the plan, or upon the request of the Air Pollution Control Officer.

403 COMPLIANCE COSTS: A person operating a unit subject to this rule shall bear all expenses associated with compliance with the monitoring and reporting provisions of this rule.

404 CERTIFICATION: All reports and plans submitted in accordance with this rule shall be signed by a responsible official who shall certify the truth, accuracy, and completeness of the report.

500 MONITORING AND RECORDS

501 RECORDKEEPING: A person operating a unit subject to this rule shall keep the following records for each unit:

501.1 Calendar date of record.

501.2 Number of hours the unit is operated during each day.

501.3 Boiler steam load.

501.4 Fuel types, including gaseous, liquid, or solid fuels, and amounts on a monthly basis.

501.5 Duration of startups and shutdowns.

501.6 Type and duration of maintenance and repairs.

501.7 Results of compliance tests.

502 COMPLIANCE TESTS

502.1 A person operating a unit subject to this rule shall conduct an initial compliance test no later than September 30, 1999. Additional source testing may be required by the Air Pollution Control Officer as necessary to ensure compliance with the standards set forth in Section 301. Compliance source testing is required on an annual basis for sources subject to Rule 507, Federal Operating Permit Program.

502.1.1 All source tests shall be made in the as-found operating condition, except that source tests shall include at least one test conducted at the maximum feasible firing rate allowed by the District permit. No source test shall be conducted within two hours after a continuous period in which fuel flow to the unit is zero, or shut off, for thirty minutes or longer.

502.1.2 The compliance tests shall be conducted for Nitrogen Oxides (NOx), Carbon Monoxide (CO), Carbon Dioxide (CO_2), and Oxygen (O_2) using the test methods specified in Section 503.

502.2 At least thirty (30) days prior to the compliance source tests, a written test plan detailing the test methods and procedures to be used shall be submitted for approval by the Air Pollution Control Officer. The plan shall cite the test methods to be used for the determination of compliance with the emission limitations of this rule. The plan shall provide the proposed procedures for the characterization of the waste materials to be burned during testing.

502.3 A report of the compliance test shall be submitted to the District within sixty (60) days of completion of the source test.

503 TEST METHODS: A person conducting source tests in accordance with Section 502 shall use the following test methods:

503.1 Nitrogen Oxides (NOX): ARB Test Method 100, Title 17, CCR, Section 94114, Procedures for Continuous Emission Stack Sampling, or EPA Test Method 7E, 40 CFR 60, Appendix A. A violation determined by any of these test methods shall constitute a violation of this rule.

503.2 Carbon Monoxide (CO): ARB Test Method 10, Title 17, CCR, Section 94109, Determination of Carbon Monoxide Emissions from Stationary Sources, or ARB Test Method 100, or EPA Test Method 10, 40 CFR 60, Appendix A. A violation determined by any of these test methods shall constitute a violation of this rule.

503.3 Oxygen (O_2): ARB Test Method 100, Title 17, CCR, Section 94114, Procedures for Continuous Emission Stack Sampling, or EPA Test Method 3A, 40 CFR 60, Appendix A.

503.4 Carbon Dioxide (CO_2): ARB Test Method 100, Title 17, CCR, Section 94114, Procedures for Continuous Emission Stack Sampling, or EPA Test Method 3A, 40 CFR 60, Appendix A.

504 EMISSION REDUCTION CREDITS: For the purpose of Rule 504, Emission Reduction Credits, emission reductions from such shutdown or modification or from a reduction of waste fuel shall be considered surplus only to the extent that the historical actual emissions do not exceed those which would be achieved by a boiler operating in compliance with Rule 231. Reductions in emissions from retrofitting a boiler to meet the requirements of Rule 241 shall not be available as emission reduction credits.

505 DURATION OF RECORDS: All records maintained pursuant to this rule shall be retained for at least two years from date of entry, with the exception that sources subject to the requirements of Rule 507, Federal Operating Permit Program, shall retain records at least five years. Records shall be made available for inspection by the Air Pollution Control Officer upon request.

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Rule 506, Biomass Emission Reduction Credits and Banking

RULE 506 BIOMASS EMISSION REDUCTION CREDITS AND BANKING

Adopted: 08-08-96 (Rescinded 4-12-12)

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100 GENERAL

101 PURPOSE:

101.1 To provide a mechanism for open biomass burning sources to quantify, certify and deposit biomass emission reduction credits, including reductions in burning as part of the required phasedown of rice straw burning.

101.2 To ensure that open biomass burning is prohibited for a parcel for which an Emission Reduction Credit exists.

102 APPLICABILITY OF THIS RULE:

This rule applies only to the quantification, certification, and deposit of Emission Reduction Credits (ERCs) from open biomass burning. Emission reductions which are not derived from the open burning of biomass are subject to Rule 504, EMISSION REDUCTION CREDITS. The use of emission reduction credits for offsets is subject to the requirements of Rule 502, NEW SOURCE REVIEW.

110 EXEMPTIONS, PUBLIC NOTICE REQUIREMENTS:

Biomass burning credits for applied for less than 7,500 pounds per quarter per pollutant (less than 49,500 pounds for Carbon Monoxide), or for parcels smaller than 500 acres are exempt from the public notice requirements of Section 402.6.

200 DEFINITIONS

201 ACTUAL EMISSIONS: The measured or estimated emissions that most accurately represent the emissions from a parcel.

202 ACTUAL EMISSION REDUCTIONS: A reduction in actual emissions from a parcel selected for banking. Actual emission reductions shall be calculated on a quarterly basis, pursuant to Section 405.7 of this rule and shall be expressed as pounds per calendar quarter.

203 AFFECTED POLLUTANT: Reactive organic compounds (ROC), nitrogen oxides (NOx), sulfur oxides (SOx), particulate matter (PM10), carbon monoxide (CO), lead, vinyl chloride, sulfuric acid mist, hydrogen sulfide, total reduced sulfur, and reduced sulfur compounds, or any other pollutant or precursor for which an ambient air quality standard has been established by the U.S. Environmental Protection Agency (EPA) or the California Air Resources Board (ARB).

204 APPLICANT: A person, entity, landowner or their designee applying for an ERC Certificate.

205 BANKING: The system of quantifying, adjusting, certifying, recording, and storing ERCs for future use or transfer. This system shall be called the Emission Reduction Credit Bank (ERC Bank).

206 BIOMASS: Material derived from the harvesting of crops or removal of vegetation, including timber, except for material from processed dimensional timber.

207 ENFORCEABLE: Verifiable and legally binding.

208 **EMISSION REDUCTION CREDITS (ERCs):** Actual Emission Reductions that are registered with the District in accordance with this rule. Reductions will be specified by pollutant, by location, and in units of pounds per calendar quarter.

209 **ERC CERTIFICATE:** A document certifying title to defined quantity and type of emission reduction credits issued by the District to the owner(s) identified on the Certificate.

210 **HISTORICAL ACTUAL EMISSIONS:** For the purposes of this rule, historical actual emissions are those emissions which occurred during the baseline years (1988 through 1992).

211 **MANUAL OF PROCEDURES:** A document which sets forth procedures relating to the application, calculation, review, registration, tracking and use of emission reduction credits arising from the reduction in open burning of biomass material as provided in this rule.

212 **NO BURN LIST:** A list of parcels for which ERCs exist and which will not receive burn permits.

213 **OFFSET:** The use of an emission reduction credit to compensate for an emission increase of an affected pollutant from a new or modified source subject to the requirements of Rule 502, NEW SOURCE REVIEW.

214 **PARCEL:** For purposes of this rule, is a legally identifiable piece of land, or a portion of that land, as registered with the County Assessor's office for property tax purposes.

215 **PERMANENT:** The quality associated with ERCs which endure for the life of the project utilizing said ERCs as offsets, or for the length of time such ERCs are certified in the District's Register. Only permanent reductions in emissions can qualify for emission reduction credit.

216 **PRIORITY RESERVE BANK:** A depository for preserving emission reduction credits pursuant to Rule 505, PRIORITY RESERVE.

217 **QUARTERLY:** Pertaining to any calendar quarter beginning in January, April, July, and October.

218 **REAL:** Actually occurring, implemented, and not artificially devised.

219 **REGISTER:** For purposes of this rule, the Register is the document that records all ERC applications, deposits, withdrawals, transfers, and other transactions including the claiming of open biomass burning offset credits by stationary sources existing prior to the adoption of this rule.

220 **REGISTERED OWNER:** The person, entity, landowner or their designee in whose name the ERC Certificate is issued and listed in the Register.

221 **SOURCE:** For purposes of this rule, open biomass burning on a parcel will be considered a source and such activity requires an annual burning permit issued by the District.

222 **TRANSFER:** The change in ownership of an emission reduction credit from one person or legal entity to another.

300 STANDARDS

301 ELIGIBILITY OF EMISSIONS REDUCTIONS FOR CREDITS:

Only actual emission reductions as defined in Section 202 of this rule, will be eligible for credits. Such reductions will be deemed to have occurred when such parcel(s) has been put onto the no burn list. The District may claim emission reductions not applied for as ERCs under this rule, from any source, and use such emission reductions toward attainment of air quality standards or deposit the emission reductions into the Priority Reserve Bank. Emission reductions shall be real, enforceable, quantifiable, and permanent.

302 TRANSFER AND USE OF EMISSION REDUCTION CREDITS:

Except as provided below, registration and transfer of emission reduction credits shall be pursuant to Section 410 of Rule 504, EMISSION REDUCTION CREDITS and the Manual of Procedures.

302.1 Nothing in this rule prevents the lease or temporary transfer, in whole or in part, of ERCs certified pursuant to this rule. However, no leases or transfers of ERCs shall be made until application is made to the District and approval given by the APCO.

400 ADMINISTRATIVE REQUIREMENTS

401 APPLICATION PROCEDURES:

401.1 Any person, entity, landowner, or authorized agent, who is eligible for an emission reduction which has occurred, or will occur, may apply for an ERC Certificate in accordance with the requirements of this rule. If the applicant is not the landowner, written authorization from the landowner must be included with the application for an ERC Certificate.

401.2 The person or entity requesting the ERC Certificate shall make an application on forms supplied by the District.

401.3 The application may be for reductions in one or more affected pollutants. The application shall contain sufficient information to allow for adequate evaluation of actual emission reductions. The application for an ERC Certificate may include more than one parcel but must have separate emission calculations for each parcel or portion of a parcel covered in the application.

401.4 In accordance with applicable provisions of the Federal Clean Air Act, California Government Code, and the California Health and Safety Code applicants may claim confidentiality of information contained in the application.

401.5 Initial applications for emission reduction credits from historical actual emissions shall be submitted by December 1, 1996.

401.6 Subsequent applications for reductions in open biomass burning must be submitted by May 1 of each year. The application may be submitted for any burning reductions occurring in the previous or current calendar year ending December 31.

401.7 At the time of application, the applicant for ERCs must provide information to the District on the disposition of the biomass.

401.8 Verification of actual emission reductions, including historic actual emission reductions, shall be in accordance with Section 405 and the Manual of Procedures.

402 ADMINISTRATIVE PROCEDURES AND TIMETABLE:

402.1 The APCO shall determine whether an ERC application is complete no later than thirty (30) calendar days following receipt of the application, or after a longer time period agreed upon in writing by both the applicant and the APCO.

402.2 Upon determination that the application is complete, the APCO shall notify the applicant in writing. Thereafter, only information to clarify, correct, or otherwise supplement the information submitted in the application may be requested by the District. No notification regarding application completeness need be made if the District determines that the ERC may be issued within fifteen (15) calendar days of the receipt of an original or a revised application, and the issuance of ERC Certificate(s) will serve notice of application completeness.

402.3 If the APCO determines that the application is not complete, the applicant shall be notified, in writing, of the decision, specifying the additional information that is required. The applicant shall have sixty (60) days, or a longer time period agreed upon in writing by both the applicant and the APCO, to submit the requested information. Upon receipt of additional information, the APCO shall have another thirty (30) days to determine completeness. If no information is submitted or the application is still incomplete, the APCO may cancel the application with written notification to applicant.

402.4 Withdrawal of a ERC application by an applicant shall result in cancellation of the application. Any re-submittal will be processed as a new application.

402.5 Upon determination that an application is complete, the APCO shall have 180 calendar days to take final action. During this time period, the District shall follow the public notification procedures in Subsections 402.6 and 402.7.

402.6 Except as provided in Section 110, upon completion of the preliminary evaluation of the application, the APCO shall provide written notice of such to the applicant and shall also provide written notice to the ARB and the EPA and publish notice in a local newspaper of general circulation. The notice shall specify the applicant, the quantity of emission reduction credits requested and a copy of the preliminary evaluation.

402.7 Publication of the notice required in Subsection 402.6 shall commence a thirty (30) day public comment period during which the APCO shall accept written comments on the merits of the preliminary evaluation. Upon conclusion of this thirty (30) day period, the APCO shall have another thirty (30) days to render a final decision to approve, conditionally approve, or deny the application taking into consideration all written comments. This final decision shall be provided in writing to the applicant.

402.8 The applicant or any other party may appeal the APCO's final decision following provisions specified in Regulation 7, PROCEDURE BEFORE THE HEARING BOARD.

403 REGISTRATION OF EMISSION REDUCTION CREDITS:

403.1 The District shall maintain a Register, which shall consist of the following:

a. A record of all deposits, withdrawals, and other transactions with regard to the District's banking system.

b. A record of all emission reduction credits derived from reduced burning within the District which are claimed by stationary sources existing prior to the adoption of this rule (pre-existing source).

403.2 In the event that emission reduction credits are claimed by a pre-existing stationary source and obtained from outside the District, the District shall report the claiming of such credits to the District of origin of the biomass material.

403.3 In the event that emission reduction credits are claimed by a new or modified stationary source as offsets and obtained from outside the District, the District shall report the claiming of such credits to the District of origin of the biomass material.

403.4 The APCO may grant an ERC Certificate only after the parcel which will have the ERCs is placed on the no burn list.

403.5 When all the requirements of this rule have been satisfied and the parcel is on the no burn list, the APCO shall issue the ERC Certificate. After granting an ERC Certificate, title to such Certificate shall be entered into the Register. Such information may be made available for public inspection.

403.6 All ERC Certificate information concerning titles, interests, liens, restrictions, encumbrances, and other changes of record shall be identified in the District's Register until the Certificate is canceled or nullified by operation of law.

403.7 Each ERC Certificate shall be numbered, bear the date of issuance, be signed by the APCO, bear the seal of the District, and contain information regarding the quantity and type of ERCs. One copy of the ERC Certificate shall be retained by the District and the original shall be delivered to the applicant. Transmittal of the ERC Certificate to the owner shall be accomplished in person or by registered mail. The person accepting the ERC Certificate shall sign a receipt therefor and provide such proof of identity as the APCO may require.

403.8 At the option of joint owners of ERCs, such joint owners may receive one ERC Certificate for the entirety or separate ERC Certificates reflecting each proportional share. The District's register shall reflect the consolidation or separation of the ERCs.

403.9 Title to an ERC Certificate shall be deemed registered at the time the required information concerning the ERC is entered into the Register. The title for ERC's will be vested with the landowner or the landowner's designee and shall inure to the benefit of his or her heirs.

403.10 All dealings with ERCs and all liens, restrictions, encumbrances, and changes subsequent to the first registration shall be deemed to be subject to the terms of this rule, and to such amendments and alterations as may hereafter be made.

403.11 The APCO may reissue lost or destroyed ERC Certificates after the owner certifies in writing that the original has been lost or destroyed.

404 ADJUSTMENTS TO EMISSION REDUCTION CREDITS:

404.1 Except as provided in Subsection 404.2, below, the District shall place five percent (5%) of the emissions reductions before ERCs are granted in the Priority Reserve Bank pursuant to Rule 505, PRIORITY RESERVE.

404.2 An applicant may restrict use of the ERCs only for applicant's own future use, at the same parcel or site, in which case the District will not adjust the ERCs pursuant to Subsection 404.1. The applicant may have the restriction removed by the District upon payment of costs incurred by the District to re-issue an unrestricted ERC Certificate.

404.3 Deposits are permanent until used by the depositor or any party to whom the ERC Certificate has been transferred. After issuance of the Certificate, subsequent changes in the District's Rules and Regulations to require the type of emission reduction which has been banked shall not reduce or eliminate the ERC.

404.4 Owners of ERC Certificates may donate their ERCs to the District for purposes of assisting the District towards attainment of the air quality standards.

405 OPEN BIOMASS BURNING ERC CALCULATIONS:

The Manual of Procedures contains emission factors (EF), fuel loading factors (FL), default historical burn fractions (HBF), and default quarterly burn fractions (QBF). Default HBFs and QBFs shall be used to calculate the ERCs. An alternative use of parcel specific HBFs and QBFs may be used after a methodology is developed and receives written ARB concurrence. The alternative method is to address specific geographic areas with specific air quality problems. The following information will be used in the calculation of ERCs, however when using default HBF and QBF factors, paragraphs 405.3 and 405.4 below do not apply:

405.1 Basic information: The applicant shall provide data on the crop type, exact location of the parcel including assessor's parcel number and other information regarding parcel location required in the Manual of Procedures, acreage burned (AB), and date(s) of open biomass burning within the historical actual emissions period. The applicant shall use District burn permit/authorization records or other verifiable records to validate the information as specified in the Manual of Procedures.

405.2 Acreage Burned (AB): The applicant for emission reductions credits shall provide the acreage burned for each parcel(s) of land for which ERCs are applied. Acreage must have been burned for at least one of the five (5) years from 1988 through 1992. The applicant shall use District burn permit/authorization records or other verifiable records to determine the acreage.

405.3 Historical Burn Fraction (HBF): The applicant shall provide data on historical biomass burn percentage, set forth in the Manual of Procedures, for the parcel(s) during the five (5) baseline years of 1988 through 1992. The historical burn fraction (0-1) is an adjustment to the amount of ERC available. The applicant may use District burn permit/authorization records or other

verifiable records to determine the amounts of prior burning. For rice straw burning a historical burn fraction of one (1) will be used for the parcel(s).

405.4 Quarterly Burn Fraction (QBF): The applicant shall provide available data on quarterly biomass burning, set forth in the Manual of Procedures, for the parcel(s) during the five (5) baseline years of 1988 through 1992. The QBF represents the quarterly distribution of historical burning for the baseline years. The applicant may use District burn permit/authorization records or other verifiable records to determine the date(s) of burning.

405.5 The biomass Fuel Loading (FL) and Emission Factors (EF) set forth in the Manual of Procedures shall be used for the crops indicated. Alternatively, the applicant may propose, and the District shall select, the appropriate biomass fuel loading and emission factors to be used in the calculations from the Annual Agricultural Burning Plan for the Sacramento Valley Air Basin or the applicant may propose other best available data which is acceptable to the APCO.

405.6 Discount Acreage (DA): The applicant may reduce the total acreage covered by the ERC Certificate to allow for continued burning of a portion of the total acreage of the parcel. This reduction will be reflected in the emission reduction credits applicable to the parcel(s). The portion of the parcel withheld from the ERC calculation (i.e. the acreage eligible for a burn permit) must be clearly identified. This portion will not be allowed to change without prior District notification and approval.

405.7 The District will determine a quarterly ERC value for each pollutant based on the following calculation:

$$ERCs = (AB - DA) * HBF * FL * EF * QBF$$

405.8 Stationary sources which have applied for an Authority to Construct prior to the date of adoption of this rule, and which thereafter apply for ERC(s), may utilize the calculation procedures contained in the Manual of Procedures on the date of first adoption of this rule.

406 REVISION OR CANCELLATION OF ERC CERTIFICATES:

Revision or cancellation of ERC Certificates at the request of the registered owner to allow burning of a parcel(s) for which ERCs have been granted may be handled as follows, with prior written approval from the APCO:

406.1 The registered owner may request that the District reduce the quantities of the emissions covered by the ERC Certificate by the amount of emissions associated with the reduced acreage requested. After the District revises the ERC Certificate that portion of the parcel may be burned in accordance with current agricultural burning regulations. The portion of the parcel that is covered by the discount acreage (i.e. the acreage eligible for a burn permit) must be clearly identified. This portion will not be allowed to change without prior District notification and approval.

406.2 The registered owner may surrender the ERC Certificate to the District for cancellation and burn the parcel(s) pursuant to current agricultural burning regulations. Priority Reserve ERCs acreage may not be burned.

407 DISTRICT ENFORCEMENT CONSIDERATIONS:

District enforcement considerations related to ERCs are the following:

407.1 To meet the requirement of enforceability, a contract, permit conditions, no burn list, and/or other means shall be utilized.

a. The primary means of ensuring that biomass ERCs are permanent will be by placing the parcels on a no burn list. No burn permit will be issued for a parcel if an ERC is currently in effect for that parcel unless the registered owner applies for cancellation, modification or substitution of the ERC under Section 406.

b. To further ensure the enforceability of ERCs and offsets from open biomass burning, an owner of a parcel with ERCs who is preparing to sell that property shall either:

1. Place a restriction on the parcel title, prior to sale, foregoing all open biomass burning on the parcel, or

2. Submit an application for transfer of ownership of the ERCs to the new landowner, within 14 days after the transfer of title to the parcel, consistent with the transfer procedures of this rule. The ERCs shall automatically terminate 15 days after transfer of the land to a new owner unless the registered owner has complied with either of the two options in this Subsection (2).

3. Emission reduction credits used to offset project emissions in another district shall be implemented through an interdistrict agreement to ensure their enforceability and permanence.

407.2 To further ensure enforceability of this rule refer to the Manual of Procedures which contains ERC and offset tracking, open biomass burn permitting, and other procedures related to the implementation of the rule.

500 RECORDS AND MONITORING

501 RECORDKEEPING:

The owner or operator of any project which claims open burning emission reduction credits pursuant to Health & Safety Code Sections 41605.5 or 42314.5 must keep a daily log of biomass received by type, origin, quantity, and date.

501.1 Biomass cogeneration or resource recovery facilities shall be required to prepare, and submit to the District, a quarterly report on their emissions and corresponding biomass offsets.

501.2 Biomass cogeneration or resource recovery facilities shall provide an annual status report on biomass contracts for the following year prior to the annual renewal of the Permit to Operate.

Rule 805, Notice to Comply

RULE 805 NOTICE TO COMPLY

Adopted 08-12-99 (Rescinded 4-12-12)

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100 GENERAL

101 PURPOSE: The purpose of this rule is to implement the provisions of Chapter 3 of Part 1 of Division 26 of the California Health and Safety Code (commencing with Section 39150) which define a minor violation and establish guidelines for issuing a Notice to Comply.

102 APPLICABILITY: This rule applies to any person subject to state requirements, District rules or regulations, administrative or procedural plan or permit conditions, or requests for information or records by the District.

103 REINSPECTION: Nothing in this rule shall be construed as preventing the reinspection of a site or facility to ensure compliance or to ensure that minor violations cited in a Notice to Comply have been corrected.

104 ENFORCEMENT OF FEDERAL LAWS: The issuance of a Notice to Comply for a violation of state law will not interfere with an agency's ability to enforce all federal requirements or laws.

200 DEFINITIONS

For the purposes of this rule the following definitions apply.

201 CHRONIC VIOLATION: A violation that reflects a pattern of neglect or disregard that results in the same or similar violation at the same source, facility, or same piece of equipment.

202 INFORMATION: Data, records, photographs, maintenance records, analyses, plans, or specifications which will disclose the nature, extent, quantity, or degree of air contaminants which are, or may be, discharged by the source for which a permit was issued or applied or which is subject to state or federal requirements, District rules or regulations, administrative or procedural plan or permit conditions, or requests for information or records by the District.

203 MINOR VIOLATION: The failure of any person to comply with administrative or procedural requirements of applicable state requirements, District rules or regulations, administrative or procedural plan or permit conditions, or requests for information or records by the District which meets the following criteria:

203.1 Does not result in an increase of emissions of air contaminants;

203.2 Does not endanger the health, safety, or welfare of any person or persons;

203.3 Does not endanger the environment;

203.4 Does not cause or contribute to the violation of any State or National Ambient Air Quality Standard;

203.5 Does not preclude or hinder the District's ability to determine compliance with other applicable state or federal requirements, District rules and regulations, administrative or procedural plan or permit conditions, or requests for information or records.

204 NOTICE TO COMPLY: A written method of alleging a minor violation that meets the requirements of Health and Safety Code Section 39151.

205 PROCEDURAL REQUIREMENT: A provision of a rule or regulation that establishes a manner, method, or course of action, but does not specify, limit, or otherwise address direct air contaminant emissions.

206 RECALCITRANT VIOLATOR: A person or facility where there is evidence indicating that the person or facility has engaged in a pattern of neglect or disregard with respect to the requirements of District rules and regulations, permit conditions, or other applicable provisions of state or federal law or regulations.

300 STANDARDS

301 MINOR VIOLATIONS: Except as otherwise provided in Section 306, a Notice to Comply shall be the only means by which the APCO shall cite a minor violation. The APCO shall not take any other enforcement action specified in this rule to enforce the minor violation against a person or facility who has received a Notice to Comply if the person or facility is in compliance with these Standards.

301.1 Notwithstanding Section 203, above, no violation of an applicable state or federal requirement, District rule or regulation, administrative or procedural plan or permit condition, or request for information or records shall be considered a minor violation if:

301.1.1 The violation involves failure to comply with the emission standards in the applicable rule or regulation, including requirements for control equipment, emissions rates, concentration limits, product material limitations, and other rule provisions directly associated with emissions; or

301.1.2 The violation is knowing, willful, or intentional; or

301.1.3 The violation enables the violator to benefit economically from noncompliance, either by realizing reduced costs or by gaining a competitive advantage; or

301.1.4 The violation is chronic; or

301.1.5 The violation is committed by a recalcitrant violator; or

301.1.6 The violation results in a nuisance.

302 IMMEDIATE CORRECTION OF MINOR VIOLATIONS: A Notice to Comply shall not be issued for any minor violation that is corrected immediately in the presence of the inspector. Immediate compliance in that manner may be noted in the inspection report or other District documents, but the person or facility shall not be subject to any further action by the District's representative or an authorized or designated officer. Corrected minor violations may be used to show a pattern of disregard or neglect by a recalcitrant violator.

303 CORRECTION REQUIREMENTS FOR NOTICES TO COMPLY: Any person who receives a Notice to Comply shall have up to 30 days or the period specified in the Notice to Comply, whichever is less, from the date of receipt of the Notice to Comply in which to achieve compliance with the requirement cited on the Notice to Comply.

304 FAILURE TO RESPOND: Within five (5) working days of achieving compliance, the person who received the Notice to Comply shall sign and return it to the District, stating that the person has complied with the Notice to Comply. The returned Notice to Comply shall also include a written statement describing when and how compliance was achieved. Failure to respond or a false statement that compliance has been achieved is a violation subject to further legal action pursuant to the Health and Safety Code, Section 42400, et seq.

305 TESTING: If testing is required by the state board or District or an authorized or designated officer to determine compliance, and the testing cannot be conducted during the course of the inspection, the APCO shall have a reasonable period of time to conduct the required testing.

305.1 If, after the test results are available, the APCO determines that the issuance of a Notice to Comply is warranted, the APCO shall immediately notify the person or facility owner or operator in writing.

305.2 If off-site testing is required pursuant to this Section, a copy of the Notice to Comply may be mailed to the person or owner or operator of the facility.

306 FAILURE TO COMPLY: Notwithstanding any other provision of this rule, if a person or facility fails to comply with a Notice to Comply within the prescribed period, or if the APCO determines that the circumstances surrounding a particular minor violation are such that immediate enforcement is warranted to prevent harm to the public health or safety or to the environment, the APCO may take any needed enforcement action authorized by law.

307 NECESSARY INFORMATION: Nothing in this rule shall be construed as preventing the APCO, on a case-by-case basis, from requiring a person or facility subject to a Notice to Comply to submit reasonable and necessary information to support a claim of compliance by the person or facility.

400 ADMINISTRATIVE REQUIREMENTS

401 CITING A NOTICE TO COMPLY: A single Notice to Comply shall be issued for all minor violations cited during the same inspection and the Notice to Comply shall separately list each cited minor violation and the manner in which each minor violation may be brought into compliance.

402 APPEALS: Any person who is issued a Notice to Comply may appeal the issuance by filing a written appeal with the APCO within five (5) working days of receipt of the Notice. The appeal shall state the grounds and basis for the appeal and include any evidence as to why the Notice to Comply should not have been issued. The APCO shall grant or deny the appeal within ten (10) working days of the filing of the Appeal. If the APCO fails to respond, the appeal shall be deemed denied. The APCO's decision shall be final.

403 PENALTY FOR FAILURE TO COMPLY: Any person or facility who fails to comply by the date specified on the Notice to Comply shall be subject to further enforcement action pursuant to the Health and Safety Code, Section 42400, et seq., or any other applicable law.

404 ADDITIONAL PENALTIES: Notwithstanding any other provision of this rule, if the APCO determines that the circumstances surrounding a particular minor violation are such that the assessment of a penalty pursuant to this rule is warranted or required by federal law, in addition to issuance of a Notice to Comply, the District shall assess a penalty in accordance with Division 26 of the Health and Safety Code, Section 42400, et seq., if the APCO makes written findings that set forth the basis for the determination of the District.

405 EXPIRATION: This rule shall remain in effect only until January 1, 2001, and as of that date is repealed unless a later enacted rule, which is enacted on or before January 1, 2001, deletes or extends that date, or unless Health and Safety Code Sections 39150 - 39153 are extended beyond that date by an act of the Legislature which is signed into law by the Governor.

500 MONITORING AND RECORDS: (None)

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Placer County
AIR POLLUTION CONTROL DISTRICT

Board Agenda Item

Information

Agenda Date: April 12, 2012

Prepared By: Jane Bailey, Fiscal Officer

Topic: Biennial Audit Report for Period Ended June 30, 2011 (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, 2010, and June 30, 2011.

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

On December 12, 1996, the District Board of Directors requested that the Placer County Board of Supervisors approve the replacement of the annual special audit for the Placer County Air Pollution Control District with a biennial audit covering a two-year period (Resolution #96-26). This request was approved and since that time the bi-annual 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, 2011. 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, 2012).

The District had the necessary audit performed this year under an agreement between Placer County and Macias Gini & O'Connell LLP; with the cost of the audit by Macias Gini & O'Connell LLP charged to the District. The biennial audit of the District for the period beginning July 1, 2009, and ended June 30, 2011, was done during the months of October 2011, to February 2012. It is the opinion of the independent auditors that: "… in all material respects, the respective financial position of the governmental activities and major fund of the District as of June 30, 2011, and the respective changes in financial position thereof for the two fiscal years then ended in conformity with accounting principles generally accepted in the United States of America." (Page 1 of the Independent Auditor's Report for period ended June 30, 2011 – Enclosure.)

Concerning the subject <u>Internal Control Over Financial Reporting,</u> found on page 25 of the audit, it is the auditors' opinion that: "We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above."

Under <u>Compliance and Other Matters</u> (page 26 of the audit) the auditors noted "…no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*."

The audit shows that the District ended the July 1, 2010 to June 30, 2011 fiscal period with a decrease of $900,827 to the Net Assets (page 10 of the audit). All fund balances shown on page 11 of the audit are reflective of the fund balances as of June 30, 2011, which were reported by the District to the Board in the District's fiscal reports. No differences between the audit and the District's fiscal reports were found except for changes in classification of fund balances under the new GASB 54 Statement. This Statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

Fiscal Impact: The budget for this audit was $7,700 and the District paid $7,774.00 on March 7, 2012.

Recommendation: A copy of the Independent Auditor's Report is enclosed. A bound copy is provided for the information to the District Board of Directors. There were no deficiency findings. No action is necessary.

Enclosure: Placer County Air Pollution Control District Independent Auditor's Reports for the Two Fiscal Years Ended June 30, 2011

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

Report to the Board of Directors

For the Two Fiscal Years Ended June 30, 2011

MGO Certified Public Accountants.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
Report to the Board of Directors
For the Two Fiscal Years Ended June 30, 2011

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

We have audited the financial statements of the governmental activities and major fund of the Placer County Air Pollution Control District (District) as of and for the two fiscal years ended June 30, 2011, and have issued our report thereon dated April 5, 2012. 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.

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control over financial reporting, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

During our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. Those matters are discussed in the Current Year Comments and Recommendations section of this report.

In addition, professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 6, 2012. Professional standards also require that we communicate to you information related to our audit as discussed in the Required Communications section of this report.

We would like to thank the District's management and staff for the courtesy and cooperation extended to us during the course of our engagement.

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

Macias Gini & O'Connell LLP

Sacramento, California
April 5, 2012

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
Report to the Board of Directors
Required Communications
For the Two Fiscal Years Ended June 30, 2011

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. As described in Note A to the financial statements, effective July 1, 2010, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We noted no transactions entered into by the District during the period for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimate affecting the financial statements was as follows:

- Depreciation estimates on capital assets

Management's estimate of depreciation of capital assets is based upon the estimated useful lives of the related capital assets. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes the uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 5, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
Report to the Board of Directors
Current Year Comments and Recommendations
For the Two Fiscal Years Ended June 30, 2011

ITEM 2011-1 INTERGOVERNMENTAL REVENUE ACCRUALS

During our audit of the District's intergovernmental revenue related to monthly vehicle license fees collected by the State of California Department of Motor Vehicles (DMV), we noted the District estimates its accrual of revenues for the months of May and June for each two fiscal year period under audit. The District historically accrues $180,000 per month for a total of $360,000 at the end of each two fiscal year period under audit. The District's actual revenue received from the DMV for those months varies based upon actual monthly activity. The effect on the District's financial statements resulting from the difference between the estimated revenue and the actual amounts received is summarized in the schedule of uncorrected misstatements on page 7.

RECOMMENDATION

We recommend the District establish procedures and design internal controls over the recording of its period-end accruals to ensure the amounts recorded are based upon the actual amounts received.

MANAGEMENT'S RESPONSE

The District historically is due revenues on the average of $180,000 per month for May and June from the DMV for vehicle registrations fees. The District receives those fees in the months of July and August in the next fiscal period as there is a two month lag time between fee remittance by the vehicle owner and the receipt of the revenue by the District. In July and August of fiscal year 2011-2012, the District did not collect the usual $360,000. This was an anomaly in the collection process because the governor of the State of California requested a review of the DMV fee collection process so DMV billings were not made as usual. All fees normally collected in May and June of 2011 were actually received by the District by the end of October 2011. The District management has agreed to reverse the accrual for these fees annually after the close of the fiscal year in which the fees were accrued. This should correctly state the revenue collected for each fiscal period.

ITEM 2011-2 CAPITAL ASSETS

During the period ended June 30, 2011, the District acquired its new administrative headquarters. Per review of the recording of the acquisition, the District did not record as land the portion of the acquisition price attributable to the parcel. The entire purchase of the land and the building was recorded as additions to building and improvements. Also, certain equipment acquired to furnish the facility was improperly classified as buildings and improvements. Furthermore, the District failed to remove from its accounting records the historical cost and accumulated depreciation of fully depreciated assets disposed of during the period.

RECOMMENDATION

We recommend the District establish procedures and design internal controls over the recording of its capital assets to ensure the accounting records are complete and accurate.

MANAGEMENT'S RESPONSE

Management agrees to follow the recommendation of the County Auditors on how these capital assets are to be recorded. The acquisition of the land and the capital assets will be recorded according to the recommendations of the MGO auditors based upon depreciation schedules. The District reports the capital outlays to the Placer County Auditors Department. How the assets are recorded are at the County's direction and entry into the system. All depreciated asset schedules are handled by the County Auditor's. Fully depreciated assets are removed by the Placer County Auditor Department. The District will review those assets and request that the County remove those fully depreciated assets from the schedule. This was the procedure that should have been followed for the two fiscal years ended June 30, 2011 and had been so noted on the depreciation schedule. It is the responsibility of the District to make sure that these recommendations happen.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT
Report to the Board of Directors
Schedule of Uncorrected Misstatements
For the Two Fiscal Years Ended June 30, 2011

Government Wide Statements - Governmental Activities

Impact of Adjustments on Government-Wide Statement Financial Statement - Increase (Decrease)

Description (Nature) of Audit Difference	Statement of Net Assets			Changes in Net Assets			
	Assets	Liabilities	Net Assets	Revenues	Expenses	Beginning Net assets	Ending Net Assets
To properly record intergovernmental receivable and revenue as of and for the two-fiscal years ended June 30, 2011.	$ (96,088)	$ -	$ (96,088)	$ 112,085	$ -	$ (15,997)	$ 96,088
Total	$ (96,088)	$ -	$ (96,088)	$ 112,085	$ -	$ (15,997)	$ 96,088
Financial statement amounts	$ 6,946,101	$ 661,691	$ 6,284,410	$ 7,723,612	$ 8,624,439	$ 7,185,237	$ 6,284,410
Impact as a percentage of financial statement amounts	-1.38%	0.00%	-1.53%	1.45%	0.00%	-0.22%	1.53%

Governmental Funds - Special Revenue Fund

Impact of Adjustments on Fund Financial Statement - Increase (Decrease)

Description (Nature) of Audit Difference	Balance Sheet			Changes in Fund Balance			
	Assets	Liabilities	Fund Balance	Revenues	Expenditures	Beginning Fund Balance	Ending Fund Balance
To properly record intergovernmental receivable and revenue as of and for the two-fiscal years ended June 30, 2011.	$ (96,088)	$ -	$ (96,088)	$ 112,085	$ -	$ (15,997)	$ 96,088
Total	$ (96,088)	$ -	$ (96,088)	$ 112,085	$ -	$ (15,997)	$ 96,088
Financial statement amounts	$ 4,920,386	$ 502,287	$ 4,418,099	$ 7,723,612	$ 10,449,660	$ 7,144,147	$ 4,418,099
Impact as a percentage of financial statement amounts	-1.95%	0.00%	-2.17%	1.45%	0.00%	-0.22%	2.17%

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

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

For the Two Fiscal Years Ended June 30, 2011

MGO Certified Public Accountants.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities and the major fund of the Placer County Air Pollution Control District (District), as of and for the two fiscal years ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit 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 District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 major fund of the District as of June 30, 2011, and the respective changes in financial position thereof for the two fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in 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 of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Macias Gini & O'Connell LLP

Sacramento, California
April 5, 2012

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011 (UNAUDITED)

As management of the Placer County Air Pollution Control District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the two fiscal years ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements commencing on page 9.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $6,284,410 (net assets).
- As of the close of the current fiscal year, the District reported ending fund balance of $4,418,099.
- The District had program and general revenues of $7,723,612 and program expenses of $8,624,439 for the two fiscal years ended June 30, 2011.

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 assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 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.

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 governmental 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, governmental 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 governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds 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 government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and *governmental activities.* The governmental fund financial statements can be found on pages 11 through 14 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 22 of this report.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011 (UNAUDITED)

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $6,284,410 at the close of the most recent fiscal year. The District's net assets consist of the following at June 30, 2011 and June 30, 2009:

	Two Fiscal Years Ended June 30, 2011	Two Fiscal Years Ended June 30, 2009
Current and other assets	$ 4,920,386	$ 7,464,392
Capital assets, net	2,025,715	171,071
Total assets	6,946,101	7,635,463
Current and other liabilities	502,287	320,245
Long-term liabilities	159,404	129,981
Total liabilities	661,691	450,226
Invested in capital assets	2,025,715	171,071
Restricted net assets	2,118,170	1,975,026
Unrestricted	2,140,525	5,039,140
Total net assets	$ 6,284,410	$ 7,185,237

The net assets of the District decreased by $900,827 during the two fiscal years ended June 30, 2011. This decrease is primarily a result of a reduction in charges for services (fines and penalties and mitigation fees), due to the downturn in the economy. In addition, investment earnings decreased due to the annual interest yield that was at a high of 4.52% during the prior two-year period compared to the low of 1.89% at the end of the current two-year period.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011 (UNAUDITED)

For the two fiscal years ending June 30, 2011 and June 30, 2009, the District's change in net assets is as follows:

	Two Fiscal Years Ended June 30, 2011	Two Fiscal Years Ended June 30, 2009*
Program Expenses		
Governmental activities:		
Air pollution control	$ 8,624,439	$ 9,709,760
Program Revenue:		
Charges for services	2,538,901	3,396,689
Capital grants and contributions	-	46,933
Operating grants and contributions	4,452,616	4,572,793
Total program revenue	6,991,517	8,016,415
Net Program Expense	(1,632,922)	(1,693,345)
General Revenue:		
Investment earnings	266,263	614,705
Settlement	465,832	329,844
Total general revenue	732,095	944,549
Change in net assets before extraordinary item	(900,827)	(748,796)
Extraordinary item	-	3,442,500
Change in net assets	(900,827)	2,693,704
Net assets, beginning of year	7,185,237	4,491,533
Net assets, end of year	$ 6,284,410	$ 7,185,237

*Certain amounts have been reclassified from those previously reported to conform with the current year's presentation.

Fund Financial Analysis

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

GOVERNMENTAL FUNDS

The focus of the District's *governmental 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 a government's net resources available for spending for program purposes at the end of the fiscal year.

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011 (UNAUDITED)

As of the end of the current fiscal year, the District's governmental funds reported an ending fund balance of $4,418,099. Revenues by source and expenditures by function in the governmental funds are as follows for the two fiscal years ending June 30, 2011 and June 30, 2009:

Revenues Classified by Source

	Two Fiscal Years Ended June 30, 2011		Two Fiscal Years Ended June 30, 2009		Total Increase (Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Licenses and permits	$1,633,705	21%	$1,605,465	18%	$ 28,240	-2%
Fines, forfeitures and penalties	219,158	3%	654,046	7%	(434,888)	37%
Investment earnings	266,263	3%	614,705	7%	(348,442)	29%
Intergovernmental	4,414,662	57%	4,545,017	51%	(130,355)	11%
Mitigation fees	221,196	3%	600,307	7%	(379,111)	32%
Charges for services	464,842	6%	520,131	6%	(55,289)	5%
Miscellaneous	503,786	7%	374,360	4%	129,426	-11%
Total	$7,723,612	100%	$8,914,031	100%	$(1,190,419)	100%

Expenditures by Function

	Two Fiscal Years Ended June 30, 2011	Two Fiscal Years Ended June 30, 2009	Total Increase (Decrease)
Air pollution control:			
County professional services	$ 4,405,625	$ 4,197,654	$ 207,971
Services and supplies	4,139,355	5,454,482	(1,315,127)
Capital outlay	1,904,680	63,057	1,841,623
Total	$ 10,449,660	$ 9,715,193	$ 734,467

The key factors to the revenue changes were as follows:

- An approximate $435,000 decrease in fines and penalties as a result of the downturn in the economy.
- An approximate $350,000 decrease in investment earnings from the County's pooled investments due to a significant decrease in the annual interest yield from the prior two-year period.
- An approximate $380,000 decrease in mitigation fees as a result of the downturn in the economy.

The key factors to the expenditure changes were as follows:

- Services and supplies decreased approximately $1.2 million as a result of less DMV and mitigation projects conducted during the current two-year period.
- Capital outlay increased $1.8 million as a result of the purchase of a new District building.

CAPITAL ASSETS

The District's investment in capital assets is $2,025,715 comprised of land, equipment, and building and improvements. Refer to Note C for additional details on capital assets.

BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an increase of approximately $2,142,274 in appropriations. This increase was due to additional mitigation funds (unpredictable in budgeting) collected and used for additional Clean Air Grants. The major increase to the Budget was for the purchase of the land and building at 110 Maple Street for approximately $1.5 million. An additional $404,000 was used for equipment and building improvements for the newly acquired property. The funding for these expenditures came mainly from the District's Settlement Fund and the Litigation Cost Recovery Fund.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the District's budget for the 2011-12 fiscal year:

- Planned Clean Air Grants to worthy projects are to be continued at $600,000 from the AB2766 DMV and AB923 funds $203,000 from the approved mitigation plan funds. As mitigation plans are approved, the funds from these plans will be available to increase the amount granted to those worthy projects. These Clean Air Grants are to be issued to entities that have projects that lower the emission of air pollutants in Placer County.

- Significant professional services agreements (PSA's) of $227,539 will continue to be funded to provide support to the District in accomplishing and completing the existing projects.

- No additional hiring of permanent staff and not filling an allocated position for an Air Specialist unless the funding becomes available. The District instead uses the extra-help part time positions to support the existing permanent staff. Extra-help can be utilized as needed at the discretion of the District Air Pollution Control Officer. The Air Pollution Control Officer cannot utilize Extra-help personnel beyond the funding approved by the Board of Directors for that purpose.

FUTURE EVENTS THAT WILL FINANCIALLY IMPACT THE DISTRICT

The economic down turn has further increased the District's cautious approach in regards to the revenue source for permitted facilities. Initial Permits are likely to slow and the District is watchful for business closures of permitted facilities. There has been little indication of declined business but the District will use 75% of the Fiscal Year 2010-11 Initial Permit revenue as the budgeted amount for Fiscal Year 2011-12 and no increase for the Renewal Permits over Fiscal Year 2010-11 except for a CPI adjustment. Initial

Permits and Renewal Permits make up the amount budgeted for the Revenue Source called "Licenses and Permits" on the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

STATEMENT OF NET ASSETS
JUNE 30, 2011

Assets		
Cash and investments	$	2,431,042
Restricted cash and investments		2,118,170
Due from other governments		364,906
Interest receivable		6,268
Capital assets, net		2,025,715
Total assets		6,946,101
Liabilities		
Accounts payable and accrued expenses		329,276
Unearned revenue		173,011
Long-term liabilities:		
Due within one year		15,940
Due in more than one year		143,464
Total liabilities		661,691
Net Assets		
Invested in capital assets		2,025,715
Restricted		2,118,170
Unrestricted		2,140,525
	$	6,284,410

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

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011

District Program Expenses	
Governmental activities:	
Air pollution control	$ 8,624,439
Program Revenue:	
Charges for services	2,538,901
Operating grants and contributions	4,452,616
Total program revenue	6,991,517
Net Program Expense	(1,632,922)
General Revenue:	
Investment earnings	266,263
Settlement	465,832
Total general revenue	732,095
Change in net assets	(900,827)
Net assets - beginning of year	7,185,237
Net assets - end of year	$ 6,284,410

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

PLACER COUNTY AIR POLLUTION
CONTROL DISTRICT

BALANCE SHEET
JUNE 30, 2011

Assets		
Cash and investments	$	2,431,042
Restricted cash and investments		2,118,170
Due from other governments		364,906
Interest receivable		6,268
Total assets	$	4,920,386
Liabilities and fund balance		
Liabilities:		
Accounts payable	$	177,903
Accrued salaries and benefits payable		151,373
Unearned revenue		173,011
Total liabilities		502,287
Fund balance:		
Restricted for DMV program		1,434,198
Restricted for mitigation fees		683,972
Assigned for contingencies		205,000
Committed for operations		64,345
Unassigned		2,030,584
Total fund balance		4,418,099
Total liabilities and fund balance	$	4,920,386

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

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Fund balance		$	4,418,099
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund. These assets consist of:			
Capital assets	2,193,023		
Accumulated depreciation	(167,308)		
Net capital assets			2,025,715
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			(159,404)
Net assets of governmental activities		$	6,284,410

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

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011

Revenues:	
Licenses and permits	$ 1,633,705
Fines, forfeitures and penalties	219,158
Investment earnings	266,263
Intergovernmental	4,414,662
Mitigation fees	221,196
Charges for services	464,842
Miscellaneous	503,786
Total revenues	7,723,612
Expenditures:	
Air pollution control:	
County professional services	4,405,625
DMV projects	2,088,566
Other professional services	746,674
Mitigation	612,721
Rents and leases	351,865
Communications and postage	85,363
Special department	56,056
Office supplies	55,102
Insurance	40,867
Travel and transportation	32,630
Maintenance	30,122
Publications and legal notices	16,081
Vehicle	14,046
Membership dues and subscriptions	8,646
Special training	616
Capital outlay	1,904,680
Total expenditures	10,449,660
Net change in fund balance	(2,726,048)
Fund balance - July 1, 2009	7,144,147
Fund balance - June 30, 2011	$ 4,418,099

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 TO THE STATEMENT OF ACTIVITIES FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011

Net change in fund balance	$ (2,726,048)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds 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	1,904,680
Depreciation expense	(50,036)
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 governmental funds.	
Change in compensated absences	(29,423)
Change in net assets of governmental activities	$ (900,827)

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, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Placer County Air Pollution Control District (District) is one of the 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.

Prior to July 1, 1994, the District was governed by the Placer County Board of Supervisors. Effective July 1, 1994, the new governing board of the District is composed of six members, three members from the Placer County Board of Supervisors and three members who are Mayors or City Council Members of Cities incorporated within Placer County (County). Effective January 1, 2007, the District's governing board was changed to a composition of nine members, three members from the Placer County Board of Supervisors and six members, who are Mayors or City Council Members of cities incorporated within Placer County: Auburn, Colfax, Lincoln, Loomis, Rocklin and Roseville.

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

Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures of the County of Placer. The accounting policies of the District conform with 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 assets 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 revenues from licenses and permits.

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 programs 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.

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. Governmental funds are accounted for on a spending or "financial flow" measurement focus. Their reported fund balance is considered a measure of "available spendable resources."

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

Capital Assets

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

Capital assets are depreciated using the straight-line method. The estimated useful lives are as follows: building and improvements – 10 to 50 years; equipment – 2 to 5 years.

Compensated Absences

The County reports a liability for compensated absences attributable to services already rendered as of June 30, 2011, and which are not contingent on a specific event that is outside the control of the County, such as employee illness. This liability is based on the probability that the County 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 on June 30, 2011, 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. Refer to the County's Comprehensive Annual Financial Report (CAFR) for additional details.

Receivables

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unearned Revenue

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

Use of Estimates

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are 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 assets are available.

> ***Invested in capital assets, net of related debt*** – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the net asset balance.
>
> ***Restricted net assets*** – This category represents the portion of the District's net assets which have 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 assets of the District, not restricted for any project or other purpose.

Fund Balance

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

> *Nonspendable fund* balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
>
> *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

New Accounting Pronouncements

In February 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting standards for all governments that report governmental funds. This Statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

NOTE B – CASH AND INVESTMENTS

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

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

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

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

NOTE B – CASH AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. The weighted average to maturity of the County's external investment pool as of June 30, 2011 was 1,480 days.

Credit Risk

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

Custodial Credit Risk and Concentration of Credit Risk

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

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

NOTE C – CAPITAL ASSETS

Capital asset activity for the two fiscal years ended June 30, 2011 was as follows:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2011
Capital assets, not being depreciated				
Land	$ -	$ 275,000	$ -	$ 275,000
Capital assets, being depreciated				
Building and improvements	-	1,480,515	-	1,480,515
Equipment	300,745	149,165	(12,402)	437,508
Total capital assets being depreciated	300,745	1,629,680	(12,402)	1,918,023
Less accumulated depreciation for:				
Equipment	(129,674)	(50,036)	12,402	(167,308)
Total capital assets being depreciated, net	171,071	1,579,644	-	1,750,715
Total capital assets, net	$ 171,071	$ 1,854,644	$ -	$ 2,025,715

NOTE D – LONG-TERM LIABILITIES

Long-term liabilities activity for the two fiscal years ended June 30, 2011 was as follows:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2011	Amounts Due Within One Year
Compensated absences	$ 129,981	$ 210,860	$ (181,437)	$ 159,404	$ 15,940

NOTE F – 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 G – 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, 2011, the total amount charged was $383,219.

REQUIRED SUPPLEMENTARY INFORMATION

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenues:				
Licenses and permits	$ 1,559,873	1,559,873	$ 1,633,705	$ 73,832
Fines, forfeitures and penalties	170,200	170,200	219,158	48,958
Investment earnings	440,000	440,000	266,263	(173,737)
Intergovernmental	4,523,743	4,603,219	4,414,662	(188,557)
Mitigation fees	-	152,275	221,196	68,921
Charges for services	428,144	428,144	464,842	36,698
Miscellaneous	202,000	51,500	503,786	452,286
Total revenues	7,323,960	7,405,211	7,723,612	318,401
Expenditures:				
Air pollution control:				
County professional services	4,584,273	4,584,273	4,405,625	178,648
DMV projects	2,287,449	2,359,925	2,088,566	271,359
Other professional services	848,280	855,280	746,674	108,606
Mitigation	297,946	450,221	612,721	(162,500)
Rents and leases	358,891	358,891	351,865	7,026
Communications and postage	232,244	232,244	85,363	146,881
Special department	56,000	56,000	56,056	(56)
Office supplies	93,000	93,000	55,102	37,898
Insurance	41,188	41,188	40,867	321
Travel and transportation	30,000	30,000	32,630	(2,630)
Maintenance	44,750	44,750	30,122	14,628
Publications and legal notices	12,500	12,500	16,081	(3,581)
Vehicle	20,000	20,000	14,046	5,954
Membership dues and subscriptions	8,800	8,800	8,646	154
Special training	4,750	4,750	616	4,134
Miscellaneous	3,000	3,000	-	3,000
Capital outlay	10,000	1,920,523	1,904,680	15,843
Total expenditures	8,933,071	11,075,345	10,449,660	625,685
Net change in fund balance	$ (1,609,111)	$ (3,670,134)	$ (2,726,048)	$ (307,284)
Fund balance - July 1, 2009			7,144,147	
Fund balance - June 30, 2011			$ 4,418,099	

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

PLACER COUNTY AIR POLLUTION CONTROL DISTRICT

NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2011

Budgets and Budgetary Accounting

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

OTHER REPORT

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

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*

We have audited the financial statements of the governmental activities and the major fund of the Placer County Air Pollution Control District (District) as of and for the two fiscal years ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 5, 2012. Our report contained an explanatory paragraph discussing the District's implementation of a new governmental accounting standard. 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 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

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated April 5, 2012.

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

Macias Gini & O'Connell LLP

Sacramento, California
April 5, 2012

Placer County
AIR POLLUTION CONTROL DISTRICT

Board Agenda Item

Closed Session/Action

Agenda Date: April 12, 2012

Prepared By: Thomas Christofk, Air Pollution Control Officer

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

Action Requested: Conduct the annual performance evaluation of the Air Pollution Control Officer for the period April 14, 2011, through the present.

Discussion: The Employment Agreement between Placer County, the Placer County Air Pollution Control District and Thomas Christofk (Air Pollution Control Officer/Director of Air Pollution Control) specifies that the Employer shall evaluate the Employee's performance at least annually. Section 3 of the Memorandum of Understanding (MOU) between the District and the County specifies that with respect to District business: 1) the APCO receives his/her direction from and reports only to the District Board (§3B); 2) the District Board shall have the authority to set the salary of the APCO (§3C); 3) All performance and other personnel-type related evaluations of the APCO will be performed by the District Board (§3D).

The Board of Directors and the Placer County Executive Officer (CEO) are identified in the Employment Agreement as Employers, and in the past the CEO has asked that the Board conduct the evaluation. The MOU indicates that the CEO may, at the CEO's discretion, provide input to the District Board and/or the APCO, and that input may be given to the District Board in closed session. Furthermore, when authorized by the Chairperson, such input may be given to the Board in closed session without the APCO present.

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

Attachment #2 contains a listing of functions and work related goals by section for the District for FY 2011-12. These goals were established or updated in concert with the annual budget process and define the basis of the resource allocations for the fiscal year. Many of the items listed are projects or initiatives beyond the mandated regulatory functions required of our District, and their accomplishment will enhance internal business processes and efficiencies or provide cost savings, generate direct public service benefits, or provide for air quality improvements. Progress towards accomplishment on the majority of the items has been satisfactory, with a number of them completed. Others are evolving, sometimes as a result of changing circumstances, and may require additional resource investments. In my opinion, overall District Operations are relatively efficient, with the numerous regulatory functions and service delivery requirements being accomplished within appropriate resource allocations, and that the District is making steady progress towards the vision of achieving and maintaining clean air standards throughout Placer County.

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

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

Attachments #1: Annual Evaluation Form
#2: PCAPCD FY 2011-12 Specific Section Goals

ATTACHMENT #1

Subject:

APCO Evaluation Form

Annual Performance Evaluation for Thomas Christofk, APCO, for FY 2011-12

	1 unacceptable	2 needs improvement	3 standard	4 exceeds standard	5 outstanding
COMMUNICATIONS	☐	☐	☐	☐	☐
Clearly states staff positions during Board meetings	☐	☐	☐	☐	☐
Keeps Board Members informed of his activities	☐	☐	☐	☐	☐
Responds to communications in a timely manner	☐	☐	☐	☐	☐
Provides concise, clean and sound advise	☐	☐	☐	☐	☐
	1	2	3	4	5
DECISION MAKING	☐	☐	☐	☐	☐
Effectively defends Board positions	☐	☐	☐	☐	☐
Considers the needs of all Board Members	☐	☐	☐	☐	☐
Accepts responsibility for decisions	☐	☐	☐	☐	☐
Protects the Air Pollution Control District interests	☐	☐	☐	☐	☐
	1	2	3	4	5
BUDGET	☐	☐	☐	☐	☐
Keeps the Air Pollution Control District within budget	☐	☐	☐	☐	☐
Implements budget saving measures	☐	☐	☐	☐	☐
	1	2	3	4	5
PERSONNEL	☐	☐	☐	☐	☐
Effectively delegates tasks and responsibilities	☐	☐	☐	☐	☐
Monitors staff for their effectiveness	☐	☐	☐	☐	☐
Maintains good relationships with Board Members	☐	☐	☐	☐	☐
	1	2	3	4	5
RESOURCE ALLOCATION AND PLANNING	☐	☐	☐	☐	☐
Develops and implements plans to achieve District goals and objectives	☐	☐	☐	☐	☐
Establishes cooperative Agreements with governmental and private agencies	☐	☐	☐	☐	☐
Leverages District resources to meet regulatory and operational commitments	☐	☐	☐	☐	☐

ASSETS AND STRENGTHS: _____

_____

_____

_____

AREAS FOR IMPROVEMENT: _____

_____

_____

_____

Carol Garcia, Chair
PCAPCD Board of Directors

_____
Date

Thomas Christofk
Air Pollution Control Officer

_____
Date

ATTACHMENT #2

Subject:

PCAPCD FY 2011-12 Specific Section Goals

Placer County Air Pollution Control District
FY 2011-12 Specific Section Goals

Administrative Services Section

The Administrative Services Section is responsible for providing overall administrative services and support for the District. Specific responsibilities of the Section include:

- Clerk of the Board functions including preparation of the Board Meeting Agenda and preparation of the Board Packet.
- 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).
- Handling of payroll, accounts receivable, accounts payable, purchasing, cost accounting/cost allocation.
- Supporting a biannual outside audit and analyzing the findings, and supporting periodic financial audits by the California Air Resources Board (CARB).
- Preparation, oversight, and management of grant and professional services contracts that have been approved by the District Board.
- Assisting the APCO in the preparation of the annual budget and providing the APCO with fiscal status summaries each month and performance statistics for the District each quarter.
- Maintenance of the District's networked computers and office equipment and recommendations for equipment replacement.
- Maintenance and upgrade of the District database program and training of District Staff on the use of this in-house program.
- Overseeing the maintenance of District motor vehicles and their sign-out by staff.
- Maintaining records of equipment assigned to staff and the fixed asset inventory.
- Preparation of administrative policies and procedures and gathering and distributing all District policies and procedures.
- Maintenance and control of personnel files and training logs (Personnel Liaison).
- Overall office management functions including answering caller inquiries and directing the public to the proper staff and facilitating all business transactions with the District.

In addition to the section functions noted above, specific tasks to be completed within the Fiscal Year 2011-12 are:

- ❑ Electronic Document Handling System: Continue with the implementation of an electronic document handling system (EDHS) that will electronically file all documents and track both electronic copies and filed hardcopies through the District database program.
- ❑ Central Filing System Enhancement: Upgrade the District's centralized filing system by revising the current manual filing system to include document tracking support by the use of the EDHS.
- ❑ Document Retention: Develop and implement a "Retention Policy and Archiving Policy".
- ❑ Database Improvements: E nhance the functionality of the existing in-house database_program through screen and data reporting improvements, and data QA/QC checks. P repare for future upgrades by researching the needs of technical staff and scoping programming requirements for development time and cost for development contracts.
- ❑ New Office Building Service Request Guidelines: The Administrative Services Section will support the District's Building Superintendent, to establish the guidelines for the request of services related to new facility operations, maintenance needs, and supplies, once the District office is relocated to 110 Maple Street in Auburn.
- ❑ New Office Building O & M Procedures: Development of procedures and processes, to

address the many operational, maintenance, and contingency needs of the District that are created by the District's owning the office building and being responsible for all facets of daily operation, short and long term maintenance, and tenant relations.

- Public Information and Outreach: Management will direct the Public Information Team in an outreach effort to better inform the residents of Placer County of the District's function, accomplishments, and availability of services. T his may include informational brochures, speaking engagements, and webpage enhancements.
- County-District MOU Update: Propose revisions to the County-District MOU to address recent revisions to the County policies and their organization, as well as, changes required by the District to facilitate its operations.
- IIPP Update: Update the District Injury and Illness Prevention Program (IIPP) to comply with all of the CAL-OSHA and state and federal guidelines specific to the District. The District currently complies with the guidelines established by the Placer County Risk Management Department.

Compliance and Enforcement Section

The Compliance and Enforcement Section is responsible for ensuring compliance with permit conditions, District rules and regulations, and applicable state and federal air pollution laws through investigations and on-site inspections, and if violations are found pursuing enforcement actions. Specific responsibilities of the Section include:

- Inspection of permitted and unpermitted stationary sources of air pollution (i.e. facilities) for compliance with applicable rules and regulations, including the inspection of Portable Equipment that is registered with the state.
- Inspection of new home construction in the unincorporated areas of Placer County for compliance with land use mitigation conditions on wood burning appliances.
- Investigation and resolution of air pollution complaints from the public regarding odors or air pollutant emissions from any source, including smoke from burning and dust from construction and other activities.
- Review and observation of source tests, monitoring data, and reports, for compliance with applicable rules and regulations.
- Issuing Notices of Violation or Corrective Action Notices.
- Resolving enforcement cases for violations of District, state, and federal air pollution laws and regulations through mutual civil settlement, orders of abatement through the District's Hearing Board, or by referral of the case to the Placer County District attorney's Office or the State Attorney General's Office.
- Initiation and resolution of enforcement cases through mutual civil settlement or referral to the District Attorney or Attorney General.
- Education of the public and permitted sources on a ir pollution rules and regulations.
- Assistance with control measure and rule development.

Additional tasks to be accomplished or to be moved significantly further toward completion in this fiscal year include:

- Inspections: Complete inspections of permitted sources which are overdue. T his will be achieved by continuing to improve inspection efficiency through: further automation enhancements of forms and reporting used for inspection preparation, conduct, and final documentation; continued development of staff expertise through training activities; and database utilization to optimize inspection assignments.
- Enforcement Settlement: Improve the Notice of Violation form to increase efficiency of issuance and processing and improve violation settlement tracking. Develop a m onetary penalty assessment structure and/or schedule to assist in the establishment of consistent and defensible fines for enforcement case settlement.

- Greenhouse Gases (GHG): Provide and develop staff expertise for greenhouse gas emissions verification services, and to implement the requirements of GHG "Early Action Measures" adopted by the CARB.
- Biomass: Support biomass and forest management projects that reduce criteria air emissions, hazardous air pollutants, and greenhouse gas emissions through: utilization of waste biomass for energy as an alternative to disposal through open burning; hazardous fuel reduction thinning and defensible space clearing, which mitigate the size and severity of wildfire; and the development of tools that quantify and provide monetary value to emission reductions.
- Complaint Response: Develop procedure to accommodate complaints to be filled out and/or submitted on-line via the District website. Improve coordination and cooperation with local partner agencies, including Fire Districts, code enforcement, weights and measures, animal control, and environmental health.

Permitting and Engineering Section

The Permitting and Engineering Section has the primary responsibility of permitting stationary sources of emissions in accordance with applicable state and federal laws and District regulations. S pecific responsibilities of the Section include:

- Evaluation of new Authority to Construct applications and annually review Permits to Operate prior to renewal.
- Supporting the Hearing Board's consideration of Variances and Abatement Orders.
- Administering the Emission Reduction Credit (ERCs) banking program by issuing ERCs and tracking in a Registry.
- Implementing the AB 2588 H ot Spots program and evaluation of airborne toxic emissions from new and modified facilities.
- Preparation and review of annual information requests sent to stationary sources to gather information used to calculate emissions and determine compliance.
- Conducting comparison of state and federal control measure guidelines to adopted District rules and emission sources in order to demonstrate compliance or rule deficiencies that will need to be corrected though new future rules or rule amendments.
- Reviewing state and federal regulations for applicability to District emission sources that would need to be regulated.
- Assisting in regulation compliance education and response to business inquiries and public information requests about sources.
- Identifying business operations that should be permitted by the District through a permitting outreach effort, or "Harvest" program, in conjunction with Compliance and Enforcement Section staff.

In addition to the section general functions noted above, specific tasks to be completed in the 2011-2012 fiscal year are:

- Rule 412 A mendment: The amendment of Rule 412, Registration Requirements for Stationary and Portable Compression Ignition Engines Used in Agricultural Operations.
- Rule 233 Amendment: The amendment of Rule 233, Biomass Boilers, in response to deficiency findings by the United States Environmental Protection Agency (US EPA).
- GDF Permitting: Complete the transition of permitting of gasoline dispensing facilities to the engineering section from the Compliance and Enforcement Section.
- Document Handling System Support: Testing and review of the document processing system in cooperation with the Administrative Services Section to manage documents by scanning them and linking to the database for easy access.
- Air Toxics: Complete a review of stationary sources for compliance with AB 2588 "Air Toxics Hot Spots" program requirements

and develop a Toxics Program Plan to guide future work in this area. Update the toxic emission inventory for reporting to CARB.

- Tahoe Biomass Facility: Support the air permitting aspects of the Placer County proposed Tahoe Biomass Plant through the EIR and public meeting process. G ive consideration to the Tahoe Regional Planning Authority (TRPA) air regulations in the engineering evaluation and any resulting District permit.
- GHG Early Action Measures: Implementation of greenhouse gas issues and requirements that may need to be implemented. These include the Refrigerant Management Program, Semiconductor, and Landfill Gas regulations.
- Unpermitted Sources: Implementation of a new initiative to aid other land use permitting agencies to identify businesses that may require air permits by preparing a supplemental questionnaire that may be used by other agencies to identify air pollution issues subject to the District's jurisdiction.
- California Environmental Quality Act (CEQA) Requirements for Permitting: Development of CEQA compliance procedures, such as ministerial permit evaluation procedures, and CEQA checklists, with the assistance of the Planning and Monitoring Section.

Planning and Monitoring Section

The Planning and Monitoring Section is responsible for air quality planning that is required to guide local emission reduction efforts and to demonstrate that these efforts satisfy state and federal planning requirements, and evaluation of land use projects with respect to their impact on air quality.

The air quality planning effort, and the determination of whether state and local emission control measures have been successful, is guided by the air monitors that measure ambient air quality in the District. S pecific responsibilitiesof the Section include:

- Developing regional planning documents to attain state and federal ambient air quality standards.
- Ensuring compliance with federal conformity requirements.
- Developing emission inventories and rules for adoption.
- Regulating open burningwood burning appliances.
- Implementing the annual Clean Air Grant Program (CAG) and other incentive programs.
- Assisting in the development of specific and general land use plans.
- Reviewing environmental documents submitted by lead agencies in compliance with CEQA.
- Preparing environmental documents when the District is the lead agency.
- Inspecting new development projects to verify mitigation measures were implemented.
- Administering the Clean Air Grant and Offsite Mitigation Programs.
- Providing public outreach and information.
- Managing District office maintenance and services (Building Superintendent function), and developing request for services guidelines with the support of the Administrative Services Section.
- Operating air monitoring equipment at existing locations in each air basin and developing additional air monitoring sites.
- Submitting air monitoring data to the state and federal governments.

In addition to the section functions noted above, specific tasks to be completed during the 2011-2012 fiscal year are:

- Rule 225 Point of Sale Provision: Establish an advisory committee consisting of representatives of the real estate community and the other interested stakeholders to help draft a policy implementing the District Rule 225 Point of Sale provision. T he Point of Sale provision is effective on J anuary 1, 2012 and will require noncertified free-stand wood-burning stoves to be removed or upgraded upon the sale/transfer of property.

- Emission Inventory Evaluation: Evaluate criteria pollutants and air toxics in the County. Currently, some emission data discrepancies exist between the District's information and CARB emission inventories. A reconciliation of the datasets is required in order to produce more accurate baseline emissions data for future rule development and regional planning work.
- Regional $PM_{2.5}$ Air Quality Plan: Work with CARB and other local air districts in the Sacramento Region to prepare a regional air quality plan addressing the federal 24-hour $PM_{2.5}$ standard which was promulgated in 2006 by US EPA. The $PM_{2.5}$ plan should be submitted to US EPA by a 2012 deadline.
- Second Tahoe Area Air Monitoring Site: Work with Tahoe-Truckee Unified School District to construct an air monitoring station at the Kings Beach Elementary School campus within the Placer County portion of the Lake Tahoe Air Basin.
- Air Monitoring Improvements: Improve the existing monitoring stations operated by the District. The improvement includes adding and upgrading monitoring instruments to enhance the ability for providing air monitoring data instantly to the officials and public.
- CalEEMod Working Group: Join the working group with the other air districts for CalEEMod model future upgrades. CalEEMod is an all-new design model for land use project related air quality analysis that provides a simple platform to calculate the project related pollutant emissions including criteria pollutants, GHG, and air toxics. The modeling results can be used in support of analyses in CEQA documents such as Environmental Impact Reports (EIRs) and Negative Declarations.
- CEQA Handbook: Continue the development of the District CEQA Guide/Handbook for facilitating the evaluation and review of air quality impacts for land use development projects in the County. The handbook will contain the review process, existing significant thresholds, available analyzing tools, and the list of feasible mitigation measures for project related criteria pollutant impacts.
- CEQA GHG Thresholds: Continue working with the other local air districts within the Sacramento area to develop CEQA GHG thresholds of significance for land use development projects. The assignment includes investigating the methodology to set the thresholds of significance and developing the approach to address the project's related GHG impacts. The final output will be the guideline to provide the recommendations to the lead agencies on ways to determine the level of the land use project's related GHG impacts and to identify the appropriate mitigation measures to offset the project's impacts within the project's environmental documents.
- Clean Air Grant and Wood Stove Incentives: Continue implementation of the District's Clean Air Grant and Wood Stove Replacement Incentive programs.