



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

The Board of Directors of the Placer County Air Pollution Control District met for a regular meeting at 2:30 PM, Thursday, June 11, 2020, via Zoom Webinar ID 987-1915-0787.

Public participation procedures due to COVID-19 concerns:

Public participation was encouraged at this public hearing, but in order to protect public health and safety due to concerns regarding COVID-19, the Placer County Board of Supervisors Chambers was closed to public attendance. In accordance with Governor Newsom's Executive Order N-29-20, citizens who wished to comment or listen to the meeting were able to do so via a dial in phone number or via remote computer access to a Zoom meeting. The public was also encouraged to submit comments prior to the meeting to the Clerk of the Board at sharroun@placer.ca.gov. No written comments were received.

The meeting was called to order by Chairperson, Trinity Burruss. Roll call was taken by the Clerk of the Board, with the following members in attendance: Kirk Uhler, Jim Holmes, Alyssa Silhi, Scott Alvord, Greg Janda, Jeff Duncan, Trinity Burruss. Daniel Berlant was on the phone, but unable to participate. A quorum was established.

Representing the District were: Erik White, Air Pollution Control Officer; Adam Baughman, Deputy Air pollution Control Officer; A.J. Nunez, Senior Administrative Services Officer; Bruce Springsteen, Manager of Compliance and Enforcement, and Permitting and Engineering; Mr. Yushuo Chang, Planning and Monitoring Section Manager; Russell Moore, I.T. Technician; and Shannon Harroun, Clerk of the Board.

Flag Salute: Led by Scott Alvord

Statement of Meeting Procedures

Approval of Minutes: February 13, 2020 Regular Meeting

Motion: Janda/Duncan

Action: Approved 2/13/20 Minutes via Roll Call Vote / Unanimous Vote 7:0

Ayes: Uhler, Holmes, Silhi, Alvord, Janda, Duncan, Burruss

Public Comment: No public comment.

Public Hearing / No Action: Item 1

- 1. Proposed Preliminary Budget FY 2020-21 Public Hearing.** *Conducted a Public Hearing for the District's Proposed Preliminary FY 2020-21 Budget in accordance with the Health and Safety Code §40131(3)(A) that states: "The district shall notice and hold a public hearing for the exclusive purpose of reviewing its budget and of providing the public with the opportunity to comment upon the proposed district budget." District management also seeked guidance from the Board regarding any changes to this Proposed Preliminary Budget for FY 2020-21 for inclusion*

in the Final Proposed Budget, which will be presented to the District Board for adoption on August 13, 2020.

Chair Burruss opened the public hearing for the District's Proposed Preliminary FY 2020-21 Budget. Ms. A.J. Nunez then presented the Proposed Preliminary Budget for FY 20-21, stating that the District continues to budget revenues conservatively, and budgets expenditures that are adequate to cover cost, with amounts included for contingencies. Historically, the District ends each fiscal year above revenue projections and below proposed expenditures. This creates the fund balance that provides seed money for the upcoming year.

Ms. Nunez stated that in 2018, the Board proactively approved fee increases in anticipation of the change in the CalPERS discount rate. Because the District is well positioned fiscally for the upcoming year. Therefore, staff recommends delaying for one year all discretionary fee increases. An item considering this change will be brought to the Board at the August 13, 2020 meeting.

Ms. Nunez described the District budget's Operations Fund, which has four sub-funds, the Department of Motor Vehicles (DMV) fund, mitigation fund, black carbon research fund, and the wildfire mitigation fund.

Ms. Nunez indicated that the Proposed Preliminary Budget for FY 20-21 of \$10 million dollars includes the Total Projected Revenue of \$5.9 million, which combined with the projected Fund Carry-Over of \$4.1 Million Dollars, provides the 10 Million in Total Funds Available. The FY 20-21 revenue budget is increased by 9.57% from the approved FY 19-20 budget. The total proposed expenditures are \$7.7 Million, which is a 7% increase from the approved FY 19-20 budget.

Ms. Nunez also described FARMER fund, which is a pass-through account and is not included in the District budget. The FARMER Fund is a separate fund that your Board approved for the District to manage on behalf of the California Air Resources Board for 18 of the small to medium air districts. The FARMER Fund has a current balance of \$1.6 million and over the last two years, the District has paid out approximately \$4.9 million in project costs. Our District will receive \$161,000 in FY 20-21 for administering these funds. The interest for this grant goes back into the FARMER fund.

Ms. Nunez stated that the PARS account totals \$508,000 and will be used for net pension liability in future years. The settlement fund and the litigation cost recovery fund that total \$1.8 million are not shown in the budget, and are classified as unassigned extraordinary funds by the County Auditor-Controller. These funds can only be used at the discretion of the Board. The interest from these two funds is included in the District's budget.

Ms. Nunez provided an informational slide on grant funding in FY 20-21. These grants plus unused prior grant funds of \$379,000 will provide \$2.9 million dollars in funding for eligible projects and administrative support, providing the District with \$324,000 for Administrative costs, which include staff time, advertising and outreach.

Ms. Nunez stated that we are closely monitoring our budget for any potential impacts to revenue. However, we don't anticipate impacts to revenue in the upcoming year. State funded programs or grants may be reduced or eliminated in coming years, and we have identified the potential expenditure reduction strategies.

Ms. Nunez concluded with describing the next steps in the budget process, which include incorporating direction from the Board into the Final Proposed FY 20-21 budget; finalizing the District's fiscal position at the close of FY 19-20 on June 30, 2020; then using actual revenues and expenditures to obtain the fund carry over for the FY 20-21 Final Proposed Budget; and bringing the Final Proposed FY 20-21 Budget to the Board on August 13, 2020 for a public hearing and to request Board approval.

There were no questions or comments from the Board or the public, and Director Burruss closed the public hearing.

Consent: Items 2 and 3

- 2. Hearing Board Members Term Expiration and Reappointments.** *Reappointed current District Hearing Board members, Mr. D. Steven Parks, Mr. Timothy Woodall, and Dr. Gabriele Windgasse. extending their terms of office an additional three years, to August 10, 2023.*

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

Motion: Alvord/Janda

Action: Approved Consent Items 2 and 3 via Roll Call Vote / Unanimous Vote 7:0

Ayes: Uhler, Holmes, Silhi, Alvord, Janda, Duncan, Burruss

Information: Item 4

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

Mr. Andrew Sisk, Placer County Auditor-Controller, presented the biennial audit report for the period ended June 30, 2019. Pursuant to GC 26909, the County Auditor-Controller is required to ensure that special districts in the County are audited on a periodic basis. Mr. Sisk stated that the District received an unmodified clean opinion on the financial statements for the audit period.

Public Hearing / Action: Items 5 and 6

- 5. Amendment of Rule 102, Definitions.** *Conducted a Public Hearing regarding the amendment of District Rule 102, Definitions, and adopted Resolution #20-03, thereby approving Rule 102, Definitions, as amended and as shown in Resolution Exhibit I.*

Mr. Bruce Springsteen provided a description of the proposed Rule 102 amendment. He explained that our District programs limit the use of emissions of Volatile Organic Compounds (VOC). However, there are exempt VOCs which do not have a harmful impact or contribute to ground level ozone. The list of these exempt compounds identified in District Rule 102 is outdated. Therefore, the District is proposing to amend the definition to reference the U.S. EPA list which is updated as science advances. The proposed amendment is consistent with other air districts, and reduces compliance costs. The District completed the required public notice and no comments were received. The CARB and EPA have reviewed the proposed amendment, and it is supported by industry stakeholders and the associated trade association.

Motion: Holmes/Silhi

Action: Approved Item 5 via Roll Call Vote / Unanimous Vote 7:0

Ayes: Uhler, Holmes, Silhi, Alvord, Janda, Duncan, Burruss

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

Mr. Bruce Springsteen presented an overview of the District’s 2020 Reasonably Available Control Technology (RACT) State Implementation Plan Analysis. He explained that because the District’s Sacramento Valley Region is classified as non-attainment for the 2015 Federal ozone standard, the District is required to review and evaluate its rules, and assure they reflect and implement RACT for VOCs and Nitrogen Oxides (NOx). This RACT analysis will be submitted to EPA for approval and inclusion in the Statement Implementation Plan (SIP). District rules must meet EPA Control Technique Guidelines (CTG), consider similar rules of regional Districts, and address all Major sources of NOx and VOC. The District’s evaluation concluded that no new District rules are required, and that current District VOC/NOx prohibitory rules are consistent with RACT. Therefore, the District will make a “Negative Declaration” confirming that the District does not have operating sources in CTG categories where we do not have a rule. One small exception is that the EPA has noticed that the District has an exemption in our organic solvent rule that needs to be removed at a later date. This change will have no impact on District sources.

Motion: Uhler/Alvord

Action: Approved Item 6 via Roll Call Vote / Unanimous Vote 7:0

Ayes: Uhler, Holmes, Silhi, Alvord, Janda, Duncan, Burruss

Air Pollution Control Officer Report

A. General APCO Updates

Mr. Erik White noted that the District office has been closed to the public since March 16th, and that a successful telework program has been instituted, enabling the District to meet all of our requirements while teleworking. He stated that he expected to open up on a limited basis to the public once ordered plexiglass was received. The District's COVID-19 reopening response plan and County policies are guiding the District's COVID response. He stated that the District was preparing to fully resume facility inspections and field work.

B. COVID Impacts Update

Mr. White and Mr. Yushuo Chang provided data from the District's air quality monitoring sites in Placer County to understand potential air quality benefits due to COVID-19 related changes in commute and vehicle activity.

C. Incentive Program Update

Mr. White stated that the District had approximately \$2.5 Million available for its 2020 incentive grant program. He discussed the Carl Moyer Program, for which the District expects to complete project selections by late summer; the Community Air Protection Program (AB617), which will be coordinated with oversubscribed Moyer requests; and the FARMER program, for which the District is continuing to develop an online reporting tool, and which recently awarded \$4.5 Million in projects, with solicitations for up to additional \$2.3 Million in progress.

D. Bi-annual Woodstove Program Update

Mr. White stated that \$113,000 in woodstove replacement project funds have been redirected to El Dorado County to administer, as approved by the District Board, noting that at least half of these funds are slated to go to Placer County woodstove change-outs.

E. Fiscal Update

Ms. Nunez provided a fiscal update as of April 30, 2020. She explained that there is a decrease in expenditures as compared to budget of -37.14%, and an increase in revenues as compared to budget of 26.21%. The District had received 107% of budgeted revenues, and expended 71% of anticipated expenditures.

Meeting Adjournment at 3:55 pm

Minutes prepared by:

Shannon Harroun

Shannon Harroun, Clerk of the Board

Minutes approved by Board of Directors:

Attest: *Shannon Harroun*
Clerk of the Board

8/13/2020

Date