

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**

**Headquarters**

**200 Litton Drive, Ste. 320**

**Grass Valley, CA 95945**

**(530) 274-9360/ FAX: (530) 274-7546**

**Gretchen G. Bennett, APCO**

**Northern Field Office**

**257 E. Sierra Street, Suite E**

**Portola, CA 96122**

**(530)832-0102 FAX:(530) 832-0101**

***NORTHERN SIERRA  
AIR QUALITY MANAGEMENT DISTRICT  
BOARD OF DIRECTORS  
REGULAR BOARD MEETING***

***MONDAY***

**November 25, 2019**

**1:00 p.m.**

NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING

November 25, 2019

1:00 p.m.

This meeting will be held by Video/Telephone Conference at the following locations:

(Site A) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Headquarters)

200 Litton Drive, Conference Room 316

Grass Valley, California

(Site B) VIDEOCONFERENCE/TELEPHONE CONFERENCE

Northern Sierra Air Quality Management District (Northern Office)

257 E. Sierra Street, Unit E

Portola, California

(Site C) TELEPHONE CONFERENCE

10879A Donner Pass Road, CONFERENCE ROOM

Truckee, California

All items on the agenda may be acted upon by the Board of Directors. No action will be taken nor discussion held at the meeting on business not appearing on the posted agenda.

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I. **Standing Orders:**

Call to Order.

Roll call and determination of quorum.

II. **Public Comment:** For items **NOT** appearing on the agenda and within the jurisdiction of the Board. The public may comment on Agenda items as they are discussed.

III. **Consent Calendar** These Items Are Expected to Be Routine and Noncontroversial. They Will Be Acted on By the Board at One Time Without Discussion. Any Board Member, Staff Member, or Interested Party May Request That an Item Be Removed From the Consent Calendar for Discussion.

- A. Approval of regular meeting minutes – September 23, 2019 *Page 5*
- B. Authorization for Signing Nevada County Auditor Controller's Warrant Request Signatures for 2020 *Page 8*
- C. 2020 Board of Directors Calendar *Page 10*
- D. Approval of Subvention Request to CARB for FY 2019/2020 *Page 12*
- E. Solicitation for Application to Receive Funding From the Carl Moyer Memorial Program (Fiscal Year 2019/2020 - Year 22) Funds *Page 32*

**IV. Administrative Report**

- A. Public Hearing and Proposed Adoption of District Rule 428 – New Source Review Requirements for New and Modified Major Sources in Federally Designated Nonattainment Areas. Proposed Rescinding of Rule 428 (adopted in 2016). *Page 34*
- B. Quarterly Budget Report for FY 2019-2020 (First Quarter) *Page 76*
- C. Request for Extension for AB 2018-04 Project (Town of Truckee) *Page 84*
- D. Wood Smoke Reduction Program Grant Agreement with California Air Resources Board FY 2018-2019 *Page 85*

**V. Director's Report**

- A. Andrew Wheelers' Letter to the Chair of California Air Resources Board *Page 141*
- B. EPA's proposed approval of Northern Sierra's RACT SIP for the 2008 ozone standard. *Page 155*
- C. Air District Information for Emergency Generators *Page 186*
- D. CARB Sponsored Truck and Bus Workshop in 2020 *Page 188*
- E. Status on Portola PM2.5 Nonattainment Area *Page 189*
- F. Green Waste Disposal *Page 191*

**VI. Concerns of Board** - The Board may at this time bring up matters it wishes to discuss at the next Board Meeting, as long as no discussions are conducted and no actions are taken, in compliance with the Brown Act.

**VII. Schedule next Meeting** – January 27, 2020

**VIII. Adjournment**

### **PERSONS DESIRING TO ADDRESS THE BOARD**

Meetings of the Board of Directors shall be conducted by the Chairperson in a manner consistent with the policies of the District. The latest edition of Robert's Rules of Order, Revised shall also be used as a general guideline for meeting protocol. District policies shall prevail whenever they are in conflict with Robert's Rules of Order, Revised. All Board meetings shall commence at the time stated on the agenda and shall be guided by same.

### **PUBLIC COMMENT:**

Provisions for permitting any individual or group to address the Board concerning any item on the agenda of a special meeting, or to address the Board at a regular meeting on any subject that lies within the jurisdiction of the Board of Directors, shall be as follows:

Three (3) minutes may be allotted to each speaker and a maximum of fifteen (15) minutes to each subject matter;

No boisterous conduct shall be permitted at any Board meeting. Persistence in boisterous conduct shall be grounds for summary termination, by the Chairperson, of that person's privilege of address.

No oral presentation shall include charges or complaints against any District employee, regardless of whether or not the employee is identified in the presentation by name or by another reference which tends to identify. All charges or complaints against employees shall be submitted to the Board of Directors under provisions contained in District Policy 1030.

Willful disruption of any of the meetings of the Board of Directors shall not be permitted. If the Chairperson finds that there is in fact willful disruption of any meeting of the Board, he/she may order the room cleared and subsequently conduct the Board's business without the audience present. In such an event, only matters appearing on the agenda may be considered in such a session.

After clearing the room, the Chairperson may permit those persons who, in his/her opinion, were not responsible for the willful disruption to re-enter the meeting room.

Duly accredited representatives of the news media, whom the Chairperson finds not to have participated in the disruption, shall be admitted to the remainder of the meeting.

Members of the public are given the opportunity to address the Board of Directors directly at each teleconference location.

### **POSTING AGENDA:**

This agenda was posted at least 72 hours prior to the regular meeting at the following locations: Eric Rood Government Center in Nevada City, The Plumas County Courthouse in Quincy, the Litton Building in Grass Valley, the Plumas County Board of Supervisors Chambers in Quincy, Sierra County Courthouse Square in Downieville. **The agenda and board packet are available on-line prior to the Board Meeting at [www.myairstdistrict.com](http://www.myairstdistrict.com)**

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**To:** Northern Sierra Air Quality Management District Board of Directors

**From:** Gretchen Bennitt, Air Pollution Control Officer

**Date:** November 25, 2019

**Agenda Item: III.A**

**Agenda Description:** Approval of regular meeting minutes – September 23, 2019

**Requested Action:** The minutes are attached for Board comment/approval

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. September 23, 2019 Minutes

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DISTRICT HEADQUARTERS

200 Litton Drive, Suite 320

Mailing Address:

Grass Valley, CA 95945

(530) 274-9360 / FAX: (530) 274-7546

email: [office@myairdistrict.com](mailto:office@myairdistrict.com) or [www.myairdistrict.com](http://www.myairdistrict.com)

NORTHERN FIELD OFFICE

257 E. Sierra, Unit E

Mailing Address: P.O. Box 2227

Portola, CA 96122

(530) 832-0102 / FAX: (530) 832-0101

email: [Julie@myairdistrict.com](mailto:Julie@myairdistrict.com) or [www.myairdistrict.com](http://www.myairdistrict.com)

**MINUTES**

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**

**BOARD OF DIRECTORS REGULAR MEETING**

September 23, 2019

1:00 p.m.

(Site A) VIDEOCONFERENCE/TELEPHONE CONFERENCE  
Northern Sierra Air Quality Management District (Headquarters)

200 Litton Drive, Conference Room 316

Grass Valley, California

(Site B) VIDEOCONFERENCE/TELEPHONE CONFERENCE  
Northern Sierra Air Quality Management District (Northern Office)

257 E. Sierra Street, Unit E

Portola, California

**Members Present:**

**Supervisor Scofield, Chair**  
**Supervisor Anderson, Vice Chair**  
**Supervisor Roen**  
**Supervisor Huebner**  
**Supervisor Thrall**  
**Supervisor Simpson**

**Members Absent:**

**none**

**I. Standing Orders:**

**Call to Order. Roll Call and Determination of Quorum.**

Chair Scofield called the meeting to order at 1:01 P.M. A quorum was confirmed. Gretchen Bennett, APCO; Julie Ruiz, APCSII, Joe Fish, Deputy APCO and Meliss Klundby, APCSI were also in attendance.

**II. Public Comment: For Items NOT Appearing on the Agenda and Within the Jurisdiction of the Board. The Public May Comment on Agenda Items As They Are Discussed. Both Teleconference Sites are Allowed an Opportunity for Public Comment.**

Chair Scofield called for public comment. There was no public present.

**III. Consent Calendar These Items Are Expected to Be Routine and Noncontroversial. They Will Be Acted on By the Board at One Time Without Discussion. Any Board Member, Staff**

Member, or Interested Party May Request That an Item Be Removed From the Consent Calendar for Discussion.

**A. Approval of regular meeting minutes – August 26, 2019**

There was a motion to approve the consent calendar by Supervisor Roen.

Supervisor Thrall seconded the motion. The motion was approved with a roll call vote, it was approved unanimously with a roll call vote.

**IV. Administrative Report**

**A. Discussion and Adoption of the AB2766 DMV Surcharge Proposals for 2019/2020**

Each project manager for the proposed AB2766 grants gave a short presentation to the Board and answered specific questions from the Board. Following the presentations, the Board took the following actions:

Supervisor Thrall made a motion to approve \$26,000 of AB2766 funds be allocated to Hansen Bros. to replace an older diesel truck with a CARB compliant diesel vehicle; \$24,000 allocated to Sierra Commons for the purchase and installation of telecommuting equipment; \$26,000 to Sierra Commons for the purchase and installation of a natural gas powered generator for a business critical response center; \$37,800 to Senior Services, Truckee for the purchase of an electric vehicle; \$36,000 to the Nevada County Fire Safe Council for the purchase of an electric vehicle; \$15,000 to the Bear Yuba Land Trust for the construction of a public trail; \$5,721 to the Inc. Senior Citizens of Sierra County for a subsidized van pool service for senior citizens; \$67,060.45 to McGarr Excavation for the purchase of a cleaner diesel truck; and \$3,622.55 to Plumas County Department of Public Works for the purchase of 2 diesel particulate filters.

Supervisor Anderson seconded the motion. The motion was unanimously approved with a roll call vote.

**V. Director's Report**

**A. Status on Portola PM2.5 Nonattainment Area**

Gretchen Bennitt updated the Board.

**B. Green Waste Disposal**

Gretchen Bennitt updated the Board.

**VI. Concerns of Board** - The Board may at this time bring up matters it wishes to discuss at the next Board Meeting, as long as no discussions are conducted and no actions are taken, in compliance with the Brown Act.

**VII. Schedule next Meeting** – October 28, 2019 – Videoconference/Telephone

**VIII. Adjournment**

The meeting was adjourned at 2:20 P.M.

**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennitt, Air Pollution Control Officer  
**Date:** November 25, 2019

**Agenda Item: III.B**

**Agenda Description:** Authorization for Signing Nevada County Auditor Controller's Warrant Request Signatures for 2020

**Issues:** Annual approval of the warrant request signature form is required by the Nevada County Auditor-Controller's office no later than January 31, 2020 to ensure continual processing of payment requests.

The District is requesting that the Board authorize the Chair and APCO to sign the warrant request signature form and submit it to the office prior to January 31, 2020.

**Requested Action:**

1. Authorize Chair and APCO to sign Authorized Signature Form for Warrant Requests for 2020 and submit to Nevada County Auditor/Controller's office prior to the January 31 deadline.

***ROLL CALL VOTE REQUESTED***

**Attachments:**

1. Authorized Signature Form for Warrant Requests for 2020





**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennitt, Air Pollution Control Officer  
**Date:** November 25, 2019

**Agenda Item: III.C**

**Agenda Description:** 2020 Board of Directors Calendar

**Issues:** The schedule for 2020 is being presented for review, discussion and adoption. The Board meeting in July and December will be cancelled unless a need arises.

**Requested Action:**

1. Discuss and approve the calendar

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. Board Meeting Schedule for 2020

**AIR QUALITY BOARD OF DIRECTORS MEETING SCHEDULE FOR 2020**

The Northern Sierra Air Quality Management District Board of Directors meetings are scheduled on the fourth Monday of every month at 1:00 P.M. on the date and places listed below:

<b><u>DATE</u></b>	<b><u>LOCATION</u></b>
January 27	Video/Teleconference – Grass Valley and Portola
February 24	Video/Teleconference – Grass Valley and Portola
March 23	Video/Teleconference – Grass Valley and Portola
April 27	Video/Teleconference – Grass Valley and Portola
*May 18	Video/Teleconference – Grass Valley and Portola
June 22	In Person – To Be Determined
**July 27	Video/Teleconference – Grass Valley and Portola
August 24	Video/Teleconference – Grass Valley and Portola
September 28	Video/Teleconference – Grass Valley and Portola
October 26	Video/Teleconference – Grass Valley and Portola
November 23	Video/Teleconference – Grass Valley and Portola
***December 28	Video/Teleconference – Grass Valley and Portola

\* The May 18, 2020 meeting will be on the third Monday due to the Holiday.

\*\* The July 27, 2020 meeting will be cancelled unless an urgent need arises.

\*\*\* The December 28, 2020 meeting will be cancelled due to the Holiday.

**BOARD MEETING LOCATIONS**

**Grass Valley:** Northern Sierra Air Quality Management District Headquarters, Room 316, 200 Litton Drive, Grass Valley, CA 95945

**Portola:** Northern Sierra Air Quality Management District Northern Field Office, 257 E. Sierra, Unit E, Portola, CA 96122

November 25, 2019

**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennitt, Air Pollution Control Officer  
**Date:** November 25, 2019

**Agenda Item: III.D**

**Agenda Description:** Approval of Subvention Request to CARB for FY 2019/2020

**Issues:** The District has been informed by the California Air Resources Board that Subvention Funding similar to the FY 2017-2018 amounts are available. The District has applied for a total amount of \$140,543 Subvention.

**Requested Action:**

1. Approve the FY 2019-2020 Subvention Request

***ROLL CALL VOTE REQUESTED***

**Attachments:**

1. Fiscal Year 2019-2020 Application for Subvention Funds
2. Fiscal Year 2018-2019 Year-End Financial Report

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**

200 Litton Drive, Ste. 320  
Grass Valley, CA 95945  
(530) 274-9360, FAX: (530) 274-7546

**Gretchen G. Bennett, APCO**

September 20, 2019

California Air Resources Board  
P.O. Box 1436  
Sacramento, CA 95812-1436  
Attention: Research and Process Control Unit

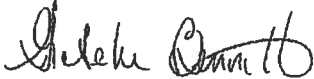
Re: FY 2019-2020 Application for Subvention

To Whom it May Concern,

Enclosed please find the District's application for the FY 2019-2020 subvention funds and supplemental funds. Also, the District has included the Year End Financial Report for FY 2018-2019. The District has included its Final Adopted Budget for FY 2019-2020.

Please feel free to call me at (530) 274-9360 X 102 if you have any questions or comments.

Sincerely,



Gretchen Bennett,  
Air Pollution Control Officer

**Enclosures:**

FY 2019-2020 Subvention Application  
FY 2019-2020 Supplemental Application  
FY 2018-2019 Year End Financial Report  
FY 2019-2020 Capital and Operating Budget

**Air Resources Board  
Subvention Program**

Form  
SP-1

**2019/2020 Subvention Application**

**APPLICANT DISTRICT:**

District Name: Northern Sierra Air Quality Management District  
 Street Address: 200 Lilton Drive, Suite 320  
 City: Grass Valley Zip: 95945  
 Contact Person: Gretchen Bennitt Phone: 530 274 9360

Type of Subvention: Coordinated  Special   
 Rural  Non-Rural

**Expenditures**

1	Salaries and Benefits	721,787.00
2	Operating Expenses	1,479,075.00
3	Fixed Assets	5,000.00
4	<b>Total Expenditures (Total of Lines 1 thru 3)</b>	<b>2,205,862.00</b>

**Revenue (Local Matching Funds)**

5	County Contributions	62,669.00
6	Fees	746,000.00
7	Fines	12,500.00
8	Interest Earned	20,000.00
9	Other (Non-Grants): (Specify) -	841,169.00
10	<b>Total Local Matching Funds (Total of Lines 5 thru 9)</b>	<b>1,682,338.00</b>

**State Subvention Funds**

11	State Subvention Funds (Refer to Subvention Funds Worksheet Form SP-2)	103,200.00
12	State Supplemental Funds (Refer to Supplemental Funds Request form SP-3)	37,430.00
13	<b>Total State Subvention Funds (Total of lines 11 thru 12)</b>	<b>140,630.00</b>

**Local Non-Matching Funds**

14	ARB Contracts	0.00
15	Federal Grants/Contract	184,198.00
16	Other: (Specify) perp, admin	179,950.00
17	<b>Total Local Non-Matching Funds (add lines 14 thru 16)</b>	<b>364,148.00</b>
18	<b>Total Subvention Program Revenue (Total of Lines 10 &amp; 13)</b>	<b>1,822,968.00</b>

**FEE SYSTEM CERTIFICATION:** The district has a fee system in place as required by Health and Safety Code Section 39802

Yes  No

I certify under penalty of perjury that to the best of my knowledge and belief, data in this application are true and correct. The document has been duly approved and authorized by the governing board of the applicant and the applicant will maintain a program in compliance with Title 17, Subchapter 3, Sections 90050 to 90500 of the California Code of Regulations.

I hereby certify under penalty of perjury that the receipt of these funds shall not result in the reduction of fees paid by permittees to the district and understand that any unspent or unencumbered state subvention funds must be returned to the Air Resources Board upon request pursuant to California Cod of Regulations §903060(d) and shall revert to the State General Fund.

**DISTRICT AUTHORIZATION**

Print (Name) Gretchen Bennitt  
 Signature: *Gretchen Bennitt*  
 Title: APCO  
 Date: 9-20-19

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**Air Resources Board  
Subvention Program**

Form  
SP-2

**2019/2020 Subvention Funds Worksheet**

**APPLICANT DISTRICT:**

District Name: Northern Sierra Air Quality Management District  
 Street Address: 200 Lilton Drive, Suite 320  
 City: Grass Valley Zip: 95945  
 Contact Person: Gretchen Bennett Phone: 530 274 9360

**COORDINATED BASE SUBVENTION**

Non-Rural

It is estimated that the per capita rate will be \$0.23 if the appropriate match (one to one) is provided

Rural

It is estimated that the per-capita rate will be \$0.23 but not less than \$34,400 if the appropriate match (one to one) is provided and a fee system is in place.

**A. Coordinated Base Subvention:**

(Enter) District Population - 121,389 X 0.23 27,919.47

**OR**

**B. Enter - \$34,400 (rural districts)** 103,200.00

**C. Enter the greater amount (Between A & B)** 103,200.00

**3. SUPPLEMENTAL SUBVENTION**

Supplemental subvention funds will be limited in total by the amount requested by the district on the Supplemental Funds Request form. Therefore, please be sure the Supplemental Funds Form SP-3 is a complete listing of any projects or purchases requiring funding.

**DISTRICT AUTHORIZATION**

Print (Name) Gretchen Bennett  
 Signature: Gretchen Bennett  
 Title: APCO  
 Date: 9-20-19

**Air Resources Board**

Form

**Subvention Program**

SP-3

**2019 / 2020 Supplemental Funds Request**

**APPLICANT DISTRICT:**

District Name: Northern Sierra Air Quality Management District

Street Address: 200 Lillon Drive, Suite 320

City: Grass Valley

Contact Person: Gretchen Bennitt

Zip: 95945

Phone 530 274 9360

**Proposed use of Supplemental Funds for Subvention Year: 2019/2020**

Item / Activity	Time Frame for Purchasing or Completing Activity	Amount
1. CEQA for 3 counties 2. Federal Nonattainment plan for PM2.5 nonattainment area	ongoing	37,430.00
3. Federal Nonattainment plan for ozone nonattainment area	ongoing	
4. public education 5. Responding to health advisories	ongoing during episodic events	
6. California Clean Air Act requirements	ongoing	

**Total Supplemental Funds Requested** 37,430.00

I certify under penalty of perjury that to the best of my knowledge and belief, data in this application are true and correct.

**District Authorization**

Gretchen Bennitt

9-20-19

Signature

Date

Type Title and Name

Gretchen Bennitt, APCO



**Air Resources Board**  
**2019 / 2020 Subvention Program: Year-End Financial Report**

Form  
SP-4

I certify under penalty of perjury that the foregoing is true and correct. I hereby certify I under penalty of perjury that the receipt of these funds did not result in the reduction of fees paid by permittees to the district and funds were spent in compliance with the provisions of Title 17, Subchapter 3, Sections 90050 through 90500 of the California Code of Regulations. I hereby certify that the applicable evaluation criteria established in the Air Resources Board's "Evaluation Criteria for Air Pollution Control Districts Participating in the Subvention Program," adopted on April 23, 1981, and amended May 27, 1983 were accomplished.

District Authorization

Gretchen Bennett  
Signature

9-20-19  
Date

Typed Name, Title

Gretchen Bennett, APCO

**Air Resources Board**

Form  
SP-4

**2019 / 2020 Subvention Program: Year End Financial Report**

<b>APPLICANT DISTRICT:</b>		<u>Northern Sierra Air Quality Management District</u>	
Street Address:	<u>200 Lilton Drive, Suite 320</u>	Zip:	<u>95945</u>
City:	<u>Grass Valley</u>	Phone:	<u>530 274 9380</u>
Contact Person:	<u>Gretchen Bennitt</u>		

**REPORT OF ACTUAL EXPENDITURES & REVENUE FOR SUBVENTION YEAR 2018-2019**

<b>Actual Expenditures</b>		
1	Salaries and Benefits	57,380.00
2	Operating Expenses	1,003,103.00
3	Fixed Assets	27,951.00
4	<b>Total Expenditures (Lines 1 thru 3)</b>	<b>1,098,434.00</b>
<b>Actual Revenue</b>		
<b>Local Match</b>		
5	County Contributions	60,335.00
<b>Fees</b>		
a	Operating Permits	36,224.00
b	Variance / Hearing Board	2,975.00
c	Engineering (Permits A to C)	64,025.00
d	Motor Vehicle Registration Surcharge	551,450.00
e	Toxic Hot Spots	0.00
f	Source Test	2,899.00
g	Vapor Recovery	19,251.00
h	Clear Air Act	0.00
i	Asbestos	0.00
j	Clean Fuels	0.00
k	Ag Bu n g	23,803.00
l	Trip Reduction	0.00
m	Others Fee (Please enter info on form 4a)	132,465.00
n	Carryover Fees from Prior Fiscal Years	0.00
6	<b>Total Fees</b>	<b>833,092.00</b>
7	Fines	11,950.00
8	Interest Earned	32,520.00
9	Other (Non-Grants : (Describe) rules, miscellaneous copies	1,019.00
10	<b>Total Local Matching Funds (add lines 5, 6, 7, 8 &amp; 9)</b>	<b>938,916.00</b>
<b>Total Subvention Revenue received from ARB</b>		
11	State Subvention Fund Coordinat d Base and Special Subvention Award (Refer to Award Letter)	140,305.00
12	<b>Total State Subvention Funds</b>	<b>140,305.00</b>
<b>Local Non-Matching Funds</b>		
13	ARB Contracts	537,048.00
14	Car Moyer Program	231,853.00
15	Perp Inspections	22,213.00
16	Federal Grants / Contract	69,000.00
17	Other (FEDERAL) Specify)	
18	<b>Total Local Non-Matching Funds (lines 13 thru 17)</b>	<b>860,114.00</b>
19	<b>Total Subvention Program Revenue (lines 10 and 12)</b>	<b>1,079,221.00</b>
20	<b>Total Unspent or Unencumbered State Subvention Funds**</b>	<b>0.00</b>

**\*\*Any unspent or unencumbered State Subvention Funds must be returned to the Air Resources Board pursuant to California Code of Regulations 90360(d) and will be reverted to the State General Fund.**

**Air Resources Board  
Subvention Program  
2019/2020 Year-End Financial Report**

Form  
SP-4a

**APPLICANT DISTRICT:** Northern Sierra Air Quality Management District  
**Street Address:** 200 Lilton Drive, Suite 320  
**City:** Grass Valley Zip: 95945  
**Contact Person:** Gretchen Bennitt Phone: 530 274 9360

Line M - Other Fees		
Number	Please specify	Amount
1	stove inspection	1,077.00
2	fire dept response	0.00
3	carl moyer admin	31,667.00
4	AB923 admin	2,761.00
5	EPA target admin	52,307.00
6	Woodsmoke reduction program, admin	36,338.00
7	FARMER , admin	8,315.00
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22		
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24		
25		
<b>Total</b>		<b>\$ 132,465.00</b>

**DISTRICT AUTHORIZATION**  
**Print (Name)** Gretchen Bennitt  
**Signature:** Gretchen Bennitt  
**Title:** 9-20-19  
**Date:** \_\_\_\_\_

DISTRICT HEADQUARTERS

200 Linton Drive, Suite 320

Grass Valley, CA 95945

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Email: [office@myairdistrict.com](mailto:office@myairdistrict.com) or [www.myairdistrict.com](http://www.myairdistrict.com)

NORTHERN FIELD OFFICE

257 E. Sierra, Unit E

Mailing Address: P.O. Box 2227

Portola, CA 96122

(530) 832-0112 / FAX (530) 832-0111

email: [Julie@myairdistrict.com](mailto:Julie@myairdistrict.com)

**FISCAL YEAR 2019/2020  
CAPITAL BUDGET  
Final**

**June 24, 2019**

## EXECUTIVE SUMMARY

The District's Capital Budget is comprised of two major components - 1) the Restricted Grants Budget and the 2) Operating Budget. Each budget has two separate fund accounts to facilitate the tracking of funds in both budgets and to allow the public better comprehension of the District's overall capital budget. A line-item spreadsheet of both the Restricted and Operating Budgets follows.

### RESTRICTED GRANTS BUDGET

The Restricted Grants Budget is solely for pass-through grants from the State of California or the Federal Government (U.S. Environmental Protection Agency) to reduce air pollution emissions in areas where public health is most impacted. The District will be administering this budget through a variety of grant programs, incentives, rebates and public education in cooperation with other local agencies and businesses. For a detailed breakdown of all line items for the Restricted Grant Budget, please refer to the restricted budget spreadsheet.

#### **AB2766 Grant Programs**

The District administers the State's AB2766 DMV surcharge grant money to worthwhile projects throughout all three counties of the District. This funding comes from a DMV surcharge fee for each registered vehicle in each county. Nevada and Plumas County charge a fee of \$4/vehicle. Sierra County charges a fee of \$2/vehicle.

Project proponents go through a sometimes competitive process to request full or partial sponsorship for projects which reduce vehicle emissions. \$261,736 of AB2766 funding is slated for approval to be used during Fiscal Year 2019/2020 for projects throughout all three counties. Final grant approvals will be made in September or October 2019. After the Board allocates funds for individual AB projects, any funds which are not allocated to a project go into each county's AB 2766 total allocation account as carryover. These amounts will be added back in to each county's AB allocation in time for the following year's Board approval of projects.

In addition to the FY 2019/2020 AB projects, there is \$248,382 expected to be expended for various encumbered projects. These funds are earmarked in the Restricted Grants Fund Balance.

#### **AB923 DMV Surcharge Fees and Programs**

AB923 is only implemented in Plumas County. This funding comes from a DMV surcharge fee of \$2 per each vehicle registered in the county. The District receives 6.25% as an administrative fee. This year, the District expects to receive approximately

\$50,000, \$3,125 is utilized for administrative funding. This funding is to be utilized for replacing old diesel school buses per the state's Lower Emission School Bus program or for reducing heavy duty diesel emissions, similar to the Carl Moyer program. Recently the state has approved that this funding can also be utilized for infrastructure for alternatively fueled, low emission school busses. The current fund balance of AB923 funding is \$219,914 providing a total of \$264,914 available for expenditure during FY 2019/2020.

### **Carl Moyer Heavy Duty Diesel Emission Reduction Program**

The District administers the State's Carl Moyer Heavy Duty Diesel Program throughout all three counties in the District. This program is intended to provide incentives to owners of heavy duty diesel engines to retrofit these engines to lower emitting models. This is easily one of the most cost-effective and pollution reducing programs that the State sponsors and the District administers.

For fiscal year 2019/2020, the District expects to receive revenue of Carl Moyer funding of \$200,000. The District receives 12.5% administrative fee, leaving \$175,000 for the grant program and \$25,000 administrative fee which is revenue for the internal operating budget. The current fund balance amount of Carl Moyer funding is \$67,478. An estimate of \$5,000 is expected to be earned on the interest, which goes back into the program. This provides a total \$247,478 available for expenditure during FY 2019/2020.

### **EPA's Targeted Air Shed Grant**

The Air District was approved for a \$2.48 million grant from the U.S. Environmental Protection Agency (U.S. EPA) to reduce air pollution from residential woodstoves. The grant is part of the U.S. EPA's 2015 Targeted Air Shed Grant Program intended to improve air quality in areas of the U.S. with the highest levels of pollution.

In January 2015, the U.S. EPA designated the City of Portola and surrounding parts of Plumas County as a federal nonattainment area for the annual PM2.5 health-based standard. PM2.5 is the fine particle pollution found in smoke. Studies indicate that the main source of smoke in Portola is from residential woodstoves and fireplaces.

U.S. EPA grant funds are administered by the Air District and the California Air Resources Board for a five-year voluntary residential wood stove replacement program to encourage owners to replace older wood stoves with cleaner burning devices and significantly improve air quality and public health in the Portola area.

This will be a five year program (2016-2021) based upon a reimbursement basis from EPA. Estimates were based upon how much would be spent and reimbursed for each of the five years. The amount of \$1,992,000 for woodstove replacements in the nonattainment area is not to be exceeded over five years. The district estimates that

approximately \$398,400 per year will be expended to replace stoves in the nonattainment area. The District estimates approximately \$75,000 per year will be reimbursed for administrative uses annually.

### **H&S Woodstove Mitigation Fund**

EPA had a settlement with H&S which required H&S to pay a local air district \$400,000 to be used for a woodstove changeout program in a federal nonattainment area. EPA referred H&S to Northern Sierra Air District. An agreement was approved and ratified by the Air District Board during a March 2016 Board meeting. The District had a one-time revenue of \$360,000 deposited into the District's restricted account. Additionally, the District received a one-time revenue of \$40,000 to be deposited into the District's operating budget during FY 2015/2016. Currently there is 106,342 remaining in this account, or enough to supplement the change out of approximately 118 stoves.

### **Voluntary Nox Reduction Measure (VNRM)**

The State California Air Resources Board has awarded various air districts a grant which shall be used to "voluntarily remediate potential past emissions through remedial measures supporting air district-level NOx mitigation projects targeting engines, such as the replacement of existing diesel engines with low Nox engines." The VNRM program is modeled on the criteria and requirements in the Moyer Guidelines. The District has signed the agreement with CARB and has requested \$66,464 of funds to be utilized for local projects.

### **FARMER Shared Pool**

California's state legislature allocated \$35 million to the California Air Resources Board (CARB) from Fiscal Year 2017-2018 through Assembly Bill 134 and 109. CARB staff developed the Funding Agricultural Reduction Measure for Emission Reductions (FARMER) Program to meet the Legislature's objectives and help meet the State's criteria, toxic and greenhouse gas emission reduction goals. CARB created a Shared Allocation Pool of funding (\$5 million) that was specifically designated for 18 air districts with less than one percent of statewide agricultural equipment emission inventory to ensure farmers in those districts have the opportunity to access FARMER funding. The Shared Allocation Pool is managed by the Placer County Air Pollution Control District (Placer APCD) and the California Air Pollution Control Officers Association (CAPCOA) in accordance with the grant provisions outlined in the agreement between CARB and Placer APCD and provisions outlined in the subsequent agreement between CAPCOA and Placer APCD. Placer APCD will enter into independent contracts with Northern Sierra Air District. The District is applying for FARMER funding through CAPCOA and anticipates that \$100,000 will be received as revenue and expended on FARMER projects in FY 2019-2020.

**AB617**

Assembly Bill 109 provides funding for the Community Air Protection Program. Assembly Bill 109 approved the Cap-and-Trade Expenditure Plan which appropriated approximately \$1.6 billion in discretionary funds. The Northern Sierra Air Quality Management District has been approved by the California Air Resources Board (CARB) for a grant under the Community Air Protection Program. The grant award is for expenses necessary for implementation of Assembly Bill 617. The District expects a revenue of \$22,659 of funds under the Community Air Protection Program for Fiscal Year 2019-2020.



NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT

Final Restricted Budget  
Fiscal Year 2019 - 2020

Restricted Budget, Fund Balance			
Account #	Description	FY 2018-2019	FY 2019-2020
20-3901	Restricted Funds, AB2766 Encumbered	309,999	248,382
20-3902	Planned Expenditures, AB2766 Total Allocation - Nevada County	178,195	185,332
20-3903	Planned Expenditures, AB2766 Total Allocation - Plumas County	35,267	70,683
20-3904	Planned Expenditures, AB2766 Total Allocation - Sierra County	5,672	5,721
20-3906	Planned Expenditures, Carl Moyer	223	67,478
20-3908	Planned Expenditures, AB923	170,800	214,914
20-3910	Planned Expenditures, H&S Mitigation	180,000	109,291
<b>Restricted Budget, Fund Balance Accounts Totals:</b>		<b>80 56</b>	<b>\$901,801</b>

Restricted Budget, Revenue			
Account #	Description	FY 2018-2019	FY 2019-2020
20-4500	Govt. Funding, AB 2766 DMV Fees (60% for District Admin)	240,000	240,000
20-4505	Govt. Funding, AB923 (6.25% for district admin)	50,000	50,000
20-4518	Govt. Funding, Carl Moyer HD Diesel (12.5% for district admin)	175,000	175,000
20-4535	Govt. Funding, WRP (~10% for district admin)	292,500	0
20-4536	WRP interest	1,000	1,000
20-4541	Nox Reduction Measure (NRM)	0	70,212
20-4542	FARMER Pooled Share	0	100,000
20-4543	Rural Assistance Program (RAP)	80,000	80,000
20-4538	AB 617	20,183	22,000
20-4539	AB 617 interest	100	100
20-4529	Govt. Funding, EPA Target Grant for Portola	398,400	398,400
20-4600	Other Income, Interest, Restricted (Carl Moyer)	4,299	5,000
<b>Restricted Budget, Revenue Total:</b>		<b>\$1,261,482</b>	

Restricted Budget, Expenditures			
Account #	Description	FY 2018-2019	FY 2019-2020
20-5403	Plumas County Public Works (AB2017-02)	36,338	5,088
20-5440	Portola PM Mitigation(AB20 5-08, 33,211 plus 5499 transferred from 588-200-39	28,054	31,922
20-5442	Portola MOU (AB2016-08)	27,505	27,505
20-5402	Hansen Bros Enterprises (AB 2018-02, \$25,000)	25,000	25,000
20-5402	Town of Truckee (AB 2018-03, 67,696)	67,696	67,696
20-5402	Town of Truckee (AB 2018-04, \$39,542)	39,542	39,542
20-5402	Foster and Sons (AB 2018-05, \$26,457)	26,457	26,457
20-5402	Nevada City Police Dept (AB2018-06, \$19,500)	19,500	19,500
20-5402	Inc Senior Citizens of Sierra County (AB2018-01, \$5672)	5,672	5,672
20-5401	AB2766 Planned Expenditure of All Counties (FY 19/20)	219,134	267,930
20-5406	Carl Moyer	176,223	247,478
20-5409	AB 923	220,800	264,914
20-5410	EPA Target Grant for Portola	398,400	398,400
20-5414	WRP	292,500	41,827
20-5417	Nox Reduction Measure (NRM)	-	70,212
20-5415	AB617	20,183	42,000
20-5413	H&S Mitigation Fund	180,000	106,342
<b>Restricted Budget, Expenditures Totals:</b>		<b>1,783,004</b>	<b>\$ 1,687,485</b>

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## **OPERATING BUDGET**

The second major portion of the District's overall capital budget is the internal Operating Budget which is outlined in detail in the Operating Budget spreadsheet.

### **Operating Revenue**

Overall, Revenues exceed Expenditures by \$194,840. There is an increase of \$175,110 of predicted revenue from last year's budget. The most significant increase is from a Prescribed Fire grant of \$79,000 to run the prescribed fire program. Another significant increase is from the EPA (\$49,698) to fund a new position in Portola to assist with the Woodstove Changeout Program. Other increases to existing revenue sources are as follows: \$4,104 increase to County Contribution, \$20,000 increase in admin fees for Portola Woodstove Changeout Program, \$4,242 for a new grant program (NRM), \$20,000 from the Prescribed Fire Grant for collecting monitoring information, \$15,000 for administrative fees \$15,00 for a new Carl Moyer-like program for farm equipment (FARMER), and \$15,000 increase in interest.

AB 2766 revenue is 33% of total operating revenue. Last year, AB revenue was 40% of total revenue. This revenue is used internally for activities that are related to clean air planning and technical studies necessary to implement the California Clean Air Act, and these technical activities should be funded by AB 2766 funds proportionate to the relative contribution of mobile source emissions.

General Administration, the Smoke Management Program, the Planning Program, and the Air Monitoring Program don't have adequate fees to cover costs, and so are supported with State Subvention, county contributions, and miscellaneous revenue line items.

### **Operating Expenditures**

There is an estimated increase of total expenditures from the previous fiscal year of \$152,637. The increase is primarily due to an increase of \$137,940 in the Salaries and Benefits object level. This increase includes the addition of two new Air Pollution Specialists, estimated increase for the two additional employees is approximately \$130,000. Other increases are ozone monitoring expenses of \$5,000 and \$27,000 increase to the Accounting line item.

The District provides certain postretirement healthcare benefits, as established by Board Policy, to eligible employees through a single-employer plan governed by the Public Employees' Medical & Hospital Care Act (PEMHCA) and administered by the District. Employees who retire from the District shall be eligible to be enrolled in a PERS-provided health insurance plan. If the retiree is enrolled in a PERS-provided

health insurance plan, the District shall pay 100% of the first \$9,600 of the retiree's annual premium. Employees hired after July 1, 2014 shall still be eligible to be enrolled in a PERS-provided health insurance plan upon retirement, but the District shall pay 0% of the retiree's annual premium, upon retirement.

The District has two separate accounts to express health insurance expenditures. Account #10-5017 is for retired employees, and Account #10-5016 is for current employees. However, two current employees have elected not to utilize the PERS-provided health benefits plan. According to District Policy, in recognition of the subsequent cost savings to the District, the District will pay the employees 40% of the premium costs saved by the District, or \$3,840, whichever is less. Since there are two employees electing not to utilize the PERS provided plan, this total amount is \$7,680. This \$7,680 expenditure is not included in the Health Insurance expenditure, instead it is included in Account #10-5021 TaxMed.

### **Fund Balance Accounts (Reserves)**

Prudent fiscal management requires careful budgeting and stringent budget control to avoid over-expending. Successfully staying under budget for all budget line items means that fund balances (in the form of reserves) will occur at year-end. Such fund balances are saved in reserves for various uses, such as equipment replacements, litigation, contingencies, leave liability, etc. It is prudent that the reserves are placed in earmarked and encumbered fund balances. The Board approves the fund balances with the adoption of the budget. Program needs justify budgeting expenditures that sometimes exceed expected revenue on a short-term basis. Spending down reserves is then prudent, rather than increasing fees sporadically, as long as short-term short-falls don't place the District in a precarious fiscal position. Timely program cuts or revenue adjustments would eventually be needed to prevent over-erosion of reserves. The rule of thumb is to keep at least 3 months worth of expenses in reserves. Total monthly expense is estimated to be \$77,000/month, based upon average monthly expenditures. Three months equals \$231,000. For this fiscal year, it is projected that Revenue will exceed Expenditures by \$194,840. This amount is projected to increase the Reserves (fund balance amounts) by \$194,840.

The District has committed to adding \$50,000 annually to the District's Other Post-Employment Benefits (OPEB) account. This account will increase by \$50,000 annually as required by GASB45. GASB 45 determines the annual OPEB financial obligations based upon the current number of eligible employees and retirees. The net OPEB obligation at the end of the year 2018 was determined to be \$884,064. The District's financial auditor recommended and the Board of Directors agreed that the District expend at least \$50,000/annually and add it to the Fund Balance specific to account until the obligation is fulfilled. During the May 20, 2019 Board meeting, the Board directed the District to expend more than the recommended \$50,000. The Board directed staff to increase the OPEB amount by \$100,000 during FY19/20, bringing the

total OPEB amount to \$300,000. This expense of \$50,000 will be repeated annually until the District's annually determined OPEB obligation is met, or as otherwise directed by the Board.

### **1. Equipment Replacements**

\$4,000 will be expended to purchase office equipment such as two new computers. The District keeps a list of equipment and their respective depreciation rates.

### **2. Air Monitoring Program**

The Air District receives \$59,500 from the Environmental Protection Agency for the continued operation of the District's Federal Reference Method (FRM) Network for particulate matter. The District will also continue to pay rent for its monitoring laboratory and purchase miscellaneous equipment to continue to run its existing air quality monitoring network.

### **3. Public Education**

The District will utilize \$5,000 to fund its public education program for FY 2019-2020. This includes purchasing ads for emission reductions, incentive and grant programs.

### **Summary**

Expected operating revenue exceeds expected operating expenditures by \$194,840. The funds received in previous years are encumbered in the District's fund balance accounts, and will be utilized to demonstrate a balanced budget in the final summary, if needed. Although the preliminary budget demonstrates an overall increase to the District's Fund Balance by revenues exceeding operating expenditures, this is crucial to the continuance of the Air District's services. This predicted increase in the fund balance will assist the District to continue its services in case of any unexpected decreases in revenue in the future.

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Final Operating Budget**  
**Fiscal Year 2019 - 2020**

Resource Report	
06/01/19 \$	974,829

Fund Balance Accounts		<i>(Used to track earmarked or encumbered funds)</i>	
Account #	Description	FY 2018-2019	FY 2019-2020
10-3901	General Fund, Undesignated	-	-
10-3903	Other Post-Employment Benefits	200,000	300,000
10-3904	Equipment Replacements / Depreciation	154,000	24,000
10-3905	Leave Liability	55,000	55,000
10-3906	Air Monitoring Program	100,000	50,000
10-3907	Public Education Program	5,000	5,000
10-3908	Contingency, Leashold Improvements	75,000	120,887
10-3909	Contingency, Emergency Funds	113,000	229,942
10-3910	Contingency, Litigation	100,000	190,000
<b>Fund Balance Accounts Totals</b>		<b>802,000</b>	<b>974,829</b>

Revenue		FY 2018-2019	FY 2019-2020
Account #	Description		
10-4002	Fees, Permit to Operate	30,000	30,000
10-4004	Fees, Vapor Recovery	20,000	20,000
10-4005	Fees, Variance Application	500	500
10-4006	Fees, Source Test	2,000	2,000
10-4007	Fees, Prescribed Burning	25,000	25,000
10-4008	Fees, Woodstove Inspections	2,000	2,000
10-4010	Fees, Title V, Fed Op Permit	65,000	65,000
10-4013	Fees, Fire Dept Response	1,500	1,500
10-4100	Penalties, Permitted Source	10,000	10,000
10-4101	Penalties, Open Burning	2,500	2,500
10-4201	Gov't Funding, State Subvention	137,600	137,600
10-4202	Gov't Funding, Subvention Supplemental	3,500	3,500
10-4203	Gov't Funding, County Contribution	58,565	62,669
10-4204	Gov't Funding, EPA Monitoring	59,500	59,500
10-4205	Gov't Funding, EPA Monitoring Supplemental	-	-
10-4206	Gov't Funding, AB 2766 DMV Fees	360,000	360,000
10-4207	Gov't Funding, PERP Pass thru	18,000	18,000
10-4208	Gov't Funding, AB 923 Operating	3,125	3,125
10-4209	Gov't Funding, EPA Target 2015	55,000	75,000
10-4214	Gov't Funding, EPA Target 2015 Burnwise Coordinator		49,698
10-4221	Gov't Funding, Nox Remediation Measure, Admin Fee		4,242
10-4211	Gov't Funding, AB 197	18,267	8,583
10-4213	Rx Fire Funding, Staff		79,000
10-4212	Rx Fire Funding, Monitoring		20,000
10-4215	Carl Moyer, Admin Fee	25,000	25,000
10-4222	Farmer Pooled Share		15,000
10-4223	RAP, Carl Moyer Rural Assistance admin		7,000
10-4220	WRP, Admin Fee	29,250	-
10-4303	Other Income, Rules, Copies, Subscr.	100	100
10-4310	Other Income, Interest Earned	5,000	20,000
<b>Revenue Total: \$</b>		<b>931,407</b>	<b>1,106,517</b>

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Final Operating Budget**  
**Fiscal Year 2019 - 2020**

<b>Expenditures</b>		<b>Salaries and Benefits (Object Level)</b>	
<b>Account #</b>	<b>Description</b>	<b>FY 2018-2019</b>	<b>FY 2019-2020</b>
10-5002	Permanent Salaries	391,347	486,054
10 5021	TaxMed (elect not to utilize the District-provided health insurance)		7,680
10 500	Overtime	1,000	1,000
10 5011	Medicare/FICA	5,000	7,159
10-5013	CA State Unemployment	550	784
10-5015	Workers' Comp Insurance	7,100	6,567
10-5016	PERS Health Insurance Active Employees	28,800	48,000
10-5017	PERS Health Insurance Retired Employees	28,800	18,951
10-5019	Dental/Vision Care	6,250	8,750
10-5020/5023	PERS Retirement (ER & EE Paid)	62,000	63,297
10-5022/5024	PERS Unfunded Accrued Liability	53,000	73,545
<b>Salaries and Benefits Total:</b>		<b>\$ 583,847</b>	<b>721,767</b>

<b>Expenditure</b>		<b>Services and Supplies (Object Level)</b>	
<b>Account #</b>	<b>Description</b>	<b>FY 2018-2019</b>	<b>FY 2019-2020</b>
10-5201	PM Monitoring Expenses	15,000	15,000
10-5202	Office Supplies	4,000	4,000
10-5203	References, Subscriptions	450	1,500
10-5204	Postage, Shipping	1,000	1,000
10-5205	Memberships	3,000	3,000
10-5206	Ozone Monitoring Expenses		5,000
10-5251	Communications	15,000	15,000
10-5253	Rent, Structures - Grass Valley	32,040	26,640
10-5254	Rent, Structures - Portola	6,000	6,228
10-5255	Utilities, Grass Valley	3,000	2,700
10-5256	Utilities, Portola	1,000	1,200
10-5257	Rent, PM2.5		7,272
10-5258	Liability Insurance	8,000	8,000
10-5259	Legal Notices, Public	500	500
10-5301	Information Technology	5,000	7,000
10-5303	Maintenance: Office Equipment	500	500
10-5305	Maintenance: Vehicles	3,000	3,000
10-5311	Profession Services: Legal	6,000	6,000
10-5312	Profession Services: Office Assistance	6,000	1,200
10-5313	Profession Services: Accounting (M.v. County Account nt nd ADP)	6,000	33,000
10-5314	Profession Services: Financial Auditor	12,000	12,500
10-5315	Profession Services: Board	5,000	5,000
10-5351	Training, Tuition	1,500	1,500
10-5352	Travel	3,000	3,000
10-5353	Gasoline	5,000	1,000
10-5354	Private Car Mileage	500	500
10-5390	Miscellaneous	1,000	1,000
<b>Services and Supplies Total:</b>		<b>\$ 143,490</b>	<b>\$ 176,240</b>

**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Final Operating Budget**  
**Fiscal Year 2019 - 2020**

<b>Expenditures - Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)</b>			
Account #	Description	FY 2018-2019	FY 2019-2020
10-5402	Alternate Commute Program	750	750
10-5404	ARB: AB 2588 Fees	1,400	1,400
10-5405	Public Education Program	5,000	5,000
10-5406	Fire Dept Response Reimbursement	1,500	1,500
<b>Contribution to Other Agencies / Internal Grants Total:</b>		<b>\$ 8,650</b>	<b>\$ 8,650.00</b>

<b>Expenditures - Fixed Asset Purchases (Object Level)</b>			
Account #	Description	FY 2018-2019	FY 2019-2020
10-5601	Office Equipmen (2 computers @ \$2,000 each)	4,000	4,000
10-5602	Field Equipment (fixed assets - over \$1,000)	1,000	1,000
10-5605	EPA Supplemental Monitoring	18,053	-
<b>Fixed Asset Purchases Total:</b>		<b>\$ 23,053</b>	<b>5,000</b>

<b>Budget Summary</b>		<b>Available Funding &amp; Expenditures</b>	
		FY 2018-2019	FY 2019-2020
<b>Available Funding</b>			
Fund Balance Total ( <i>encumbered &amp; earmarked reserves</i> )		802,000	974,829
Petty Cash		75	75
Revenue		931,407	1,106,517
<b>Available Funding Total:</b>		<b>1,733,482</b>	<b>2,081,421</b>
<b>Salaries and Benefits (Object Level)</b>		<b>583,847</b>	<b>721,787</b>
<b>Services and Supplies (Object Level)</b>		<b>143,490</b>	<b>176,240</b>
<b>Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)</b>		<b>8,650</b>	<b>8,650</b>
<b>Fixed Asset Purchases (Object Level)</b>		<b>23,053</b>	<b>5,000</b>
<b>Expenditure Total:</b>		<b>\$ 759,040</b>	<b>911,677</b>

**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennitt, Air Pollution Control Officer  
**Date:** November 25, 2019

**Agenda Item: III.E**

**Agenda Description:** Solicitation for Application to Receive Funding From the Carl Moyer Memorial Program (Fiscal Year 2019/2020 - Year 22) Funds

**Issues:**

The California Air Resources Board (CARB) has allocated funding for a grant award of \$200,000 to the Northern Sierra Air Quality Management District for the Carl Moyer Memorial Air Quality Standards Attainment Program. These funds will be utilized to reduce emissions from heavy duty diesel engines throughout the entire district.

**Requested Action:**

If deemed appropriate, authorize the Chair to sign Resolution 2019-09.

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. Resolution # 2019-01



**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT  
RESOLUTION #2019-09**

**In the Matter of Accepting FY 2019-20 CARL MOYER MEMORIAL AIR QUALITY STANDARDS  
ATTAINMENT PROGRAM (HEAVY-DUTY LOW EMISSION VEHICLE INCENTIVE PROGRAM)  
FUNDS**

**Whereas**, California Health and Safety Code section 44275-44299.2 authorize the California Air Resources Board (ARB) to allocate Carl Moyer Program (CMP) funds to local air districts to provide financial incentives to both the public and private sectors to implement eligible projects to reduce emissions from on-road, marine, locomotive, agricultural and off-road engines;

**Whereas**, the Northern Sierra Air Quality Management District (District) has successfully implemented Carl Moyer Program projects in past years to reduce emissions and improve air quality in the Mountain Counties Air Basin and seeks to continue to reduce emissions from diesel engines through clean air projects;

**Whereas**, the District may be invited to accept Carl Moyer Program funds from other districts through an inter-district transfer;

**Whereas**, the District is applying for funding from the ARB "Carl Moyer Memorial Air Quality Standards Attainment Program", twenty-second round of funding (FY 2019-20),

**NOW, THEREFORE, BE IT RESOLVED** that the Northern Sierra Air Quality Management District does hereby approve the District's continued participation in the Carl Moyer Program, and the acceptance of funds allocated and awarded to the District for eligible projects and program administration each year, in accordance with the terms and conditions of CMP grant agreements; and

**BE IT FURTHER RESOLVED** that the Northern Sierra Air Quality Management District will comply with Carl Moyer Program requirements as specified in 44275 through 33299.2 of the Health and Safety Code, the applicable CMP guidelines, and the District's CMP Policies and Procedures;

**BE IT FURTHER RESOLVED** that the Executive Officer is authorized to execute on behalf of the District grant agreements with ARB, and all other necessary documents to implement and carry out the purposes of this resolution.

On a motion by Supervisor \_\_\_\_\_, and seconded by Supervisor \_\_\_\_\_, the foregoing resolution was approved and adopted by the Board of Directors of the Northern Sierra Air Quality Management District at a regular meeting held on November 25, 2019, by the following roll call vote:

Ayes:  
Noes:  
Absent:  
Abstaining:

Approve: \_\_\_\_\_  
Chair of Board

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

**To:** Northern Sierra Air Quality Management District Board of Directors  
**From:** Gretchen Bennitt, Air Pollution Control Officer  
**Date:** November 25, 2019

**Agenda Item: IV.A**

**Agenda Description:** Public Hearing and Proposed Adoption of District Rule 428 – New Source Review Requirements for New and Modified Major Sources in Federally Designated Nonattainment Areas. Proposed Rescinding of Rule 428 (adopted in 2016).

**Issues:**

The NSAQMD is proposing to rescind existing Rule 428 (New Source Review Requirements for New and Modified Major Sources in Federally Designated Nonattainment Areas) and replace it with a new Rule 428 (NSR Requirements for New and Modified Major Sources in Nonattainment Areas) This rule is federally required for nonattainment areas, including the Portola PM2.5 and Western Nevada County Ozone nonattainment areas.

The rule that is being rescinded was developed in conjunction with EPA and adopted in June 2016. However, in a recent analysis by EPA's current legal team some inadequacies were identified in that rule and it did not address PM2.5 (the Portola nonattainment area), so the proposed rule was developed in conjunction with EPA in order to avoid a federal disapproval under requirements relating to the 2008 ozone standard and also to meet requirements for the Portola area. The rule only applies to preconstruction review for new and modified major stationary sources (those emitting more than 50 tons of ozone precursors in western Nevada County and those emitting more than 100 tons of PM2.5 or its precursors in the Portola nonattainment area), of which none currently exist or are proposed.

**Requested Action:**

1. Open a Public Hearing for Comments on Rescinding the District Rule 428 (adopted in 2016) and Approving Proposed District Rule 428 (NSR Requirements for New and Modified Major Sources in Nonattainment Areas).
2. After Accepting Public Comment, vote whether or not to approve District Rule 428 by authorizing the Chair to sign Resolution 2019-07.

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. Resolution 2019-07
2. Staff Report for Proposed Adoption of District Rule 428 – NSR requirements for New and Modified Major Sources in Nonattainment Areas.
3. District Rule 428
4. District Rule 428 (2016 Version)

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**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT  
RESOLUTION #2019-07**

**In the Matter of:** Rescinding District Rule 428 (New Source Review Requirements for New and Modified Major Sources in Federally Designated Nonattainment Areas) and adopting proposed District Rule 428 (NSR Requirements for New and Modified Major Sources in Nonattainment Areas),

**Whereas**, the Northern Sierra Air Quality Management District (NSAQMD) proposes to rescind the previously adopted Rule 428 (adopted June 27, 2016) and concurrently adopt a new Rule 428 in partial fulfillment of requirements under the Federal Clean Air Act as amended in 1990; and

**Whereas**, the Environmental Protection Agency (EPA) has indicated that the previously adopted Rule 428 is not federally approvable, has worked with NSAQMD staff in development of an approvable replacement rule and has preliminarily reviewed the proposed Rule 428 and found it to be federally approvable; and

**Whereas**, until EPA approves a New Source Review rule for the NSAQMD, the NSAQMD is bound to adhere to the requirements of 40 CFR Part 51, Appendix S (regarding preconstruction review for proposed or modified major sources of nonattainment pollutants and their precursors in federally designated nonattainment areas); and

**Whereas**, Sections 40001 and 40702 of the California Health and Safety Code (HSC) establish authority for the District to adopt Rules and Regulations as may be necessary to execute the powers and duties granted to, and imposed upon, the District by the HSC and other statutory provisions; and

**Whereas**, Section 15308 of the CEQA Guidelines provide that actions taken by regulatory agencies as authorized by state law to assure the maintenance, restoration, or enhancement of the environment where the regulatory process involves procedures for protection of the environment, are categorically exempt from CEQA review (Class 8 Categorical Exemption), and

**Whereas**, said rules have been properly noticed for a 30-day public review period in accordance with HSC sections 40725 and 40726; a public hearing was held on November 25, 2019 in accordance with the information in the public notice; a regulations file is being maintained per HSC Section 40728; and

**Whereas**, pursuant to the HSC Section 40727, the Board hereby finds that:

- (a) There is a need to adopt these rules; and
- (b) Under state and local law, the Board has the authority to adopt these rules; and
- (c) These rules, as written, can be understood by the persons directly affected by them; and
- (d) These rules are consistent with existing statutes, court decisions, or other state and federal regulations; and
- (e) These rules, as written, do not duplicate the same requirements of an existing state or federal regulation except to the extent that the rule is necessary or proper to execute the powers and duties granted to or imposed upon the District; and
- (f) These rules have appropriate reference to a statute, court decision, or other provision of law that the District implements, interprets, or makes specific by the rule amendment.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Northern Sierra Air Quality Management District Board of Directors that Rule 428 adopted June 27, 2016 is hereby rescinded and proposed new Rule 428 is hereby adopted, as presented in the District's Staff Report, as part of the Northern Sierra Air Quality Management District Rules and Regulations.

On a motion by Supervisor \_\_\_\_\_, and seconded by Supervisor \_\_\_\_\_, the foregoing resolution was approved and adopted by the Board of Directors of the Northern Sierra Air Quality Management District at a regular meeting held on November 25, 2019, by the following roll call vote:

Ayes:

Noes:

Absent:

Abstaining:

Approve: \_\_\_\_\_  
Chair of Board

Attest: \_\_\_\_\_

Dawn Lunsford, Clerk of the Board

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## **STAFF REPORT FOR PROPOSED RULE ADOPTION**

### **Rule 428 – NSR Requirements for New and Modified Major Sources in Nonattainment Areas**

Prepared by Northern Sierra AQMD Staff

October, 2019

Date of Public Hearing: November 25, 2019

Public Comment Deadline: November 21, 2019

Anticipated Date of Rule Adoption: November 25, 2019

### **INTRODUCTION**

The Northern Sierra Air Quality Management District (NSAQMD) is proposing to rescind the previously adopted Rule 428 (New Source Review Requirements for New and Modified Major Sources in Federally Designated Nonattainment Areas, adopted June 27, 2016) and concurrently adopt a new Rule 428 (NSR Requirements for New and Modified Major Sources in Nonattainment Areas) in partial fulfillment of federal requirements for a New Source Review (NSR) rule under the Clean Air Act (CAA) as amended 1990. The proposed rule would apply only in portions of the District designated as Nonattainment for National Ambient Air Quality Standards. New Source Review is a preconstruction review program for proposed or modified major sources of nonattainment pollutants and their precursors in federally designated nonattainment areas.

### **BACKGROUND**

Western Nevada County and the Portola area have been designated under the CAA as Nonattainment areas for the 8-hour ozone National Ambient Air Quality Standards (NAAQS) and the PM<sub>2.5</sub> Annual NAAQS, respectively. One of the requirements in the CAA is that nonattainment areas must adopt a New Source Review rule. Title 40 of the Code of Federal Regulations (CFR), Part 51 specifies requirements for nonattainment areas. The NSR requirements are mainly found in 40 CFR Part 51, §51.160 through §51.165. Until the federal Environmental Protection Agency (EPA) approves an NSR rule for the NSAQMD, the NSAQMD is bound to adhere to the requirements of 40 CFR Part 51, Appendix S.

In 2016, the NSAQMD adopted and submitted an NSR rule to EPA, heading off a Finding of Failure to Submit. That is the current Rule 428, which was developed in conjunction with EPA staff who believed it to be federally approvable at the time. However, EPA legal staff have changed since then and new legal staff found issues with the current rule that they believe are significant enough to preclude full federal approval. That more recent determination led EPA to a choice between partial disapproval (which would have started a sanctions clock that, if not correctly addressed quickly enough, could have led to 2:1 offsets and federal highway sanctions) and the choice EPA made, which was to allow the NSAQMD to resubmit an NSR rule. Hence, the proposed Rule 428 was developed. Since the structure of the proposed rule is significantly

different from the structure of the current rule, it was deemed easier to rescind the current Rule 428 and propose a new Rule 428 to take its place than to submit corrections to the current rule.

## **SUMMARY OF PROPOSED RULE 428 AND RECISION OF EXISTING RULE 428, INCLUDING POTENTIAL IMPACTS TO AFFECTED SOURCES AND THE ENVIRONMENT**

A New Source Review (NSR) rule is required under the CAA for all federally designated nonattainment areas. Adoption and subsequent EPA approval of this rule fulfills this requirement.

NSR is a preconstruction review program that specifically applies in federally designated nonattainment areas. Preconstruction review in the rest of the air district (areas that are not nonattainment) is, instead, subject to Prevention of Significant Deterioration (PSD) rules. The requirements of this rule apply to the proposed construction of any new major stationary source or any major modification located at an existing major stationary source. The definition of a major source for purposes of applicability of NSR depends on an area's nonattainment classification. Western Nevada County is classified as a Serious nonattainment area with a major source threshold of 50 tons per year of nitrogen oxides or volatile organic compounds. The Portola area is classified as a Moderate nonattainment area with a major source threshold of 100 tons per year of PM<sub>2.5</sub> or its precursors (sulfur dioxide, nitrogen oxides, volatile organic compounds and ammonia). Those thresholds could conceivably drop in the future if attainment is not reached by specific dates. There are currently no major sources located in either federal nonattainment area within the Northern Sierra Air Quality Management District boundaries.

If a major source wishes to become established in a federal nonattainment area, there would likely be significant costs associated with obtaining the necessary emission offsets, conducting required analyses and obtaining permits. However, these costs would already be imposed by existing federal and local legislation that apply until this rule is effective. Thus, this rule does not impose any new costs on previous, existing or future sources. It also does not affect the environment, since it is related to preconstruction project review and aims to avoid environmental impacts.

Since this rule is anticipated to be used rarely, if ever, and in the interest of keeping the rule as concise as possible, some of the requirements and most of the definitions are incorporated by reference to appropriate portions of the CFR.

This proposed rule was based on a model rule developed by EPA and ARB for California air districts. In the absence of a federally approved NSR rule, existing federal legislation (principally 40 CFR Part 51, Appendix S) applies to new major sources in nonattainment areas. Basically, this rule codifies federal NSR requirements at the local level. Laura Yannayon of EPA worked with EPA legal staff to develop the model NSR Rule, and has worked closely with NSAQMD staff in the development of the proposed Rule 428. All entities with EPA who have been involved in the development of the proposed rule believe it is federally approvable in full.

## AUTHORITY AND RULE ADOPTION REQUIREMENTS

The District is authorized to regulate sources of air pollutants under the California Health and Safety Code (HSC) §40001 and §40702.

HSC §40728.5 requires a socioeconomic analysis for proposed rules in districts having a population greater than 500,000 persons. The NSAQMD's population is approximately 130,000, so this requirement does not apply.

This rule is exempt from the requirements of CEQA per Class 8 (§15308) of the CEQA Guidelines.

The California Health and Safety Code requires the District to comply with a rule adoption protocol as set forth in §40727 of the Code. There are six findings the District must make when developing, amending, or repealing a rule:

FINDING	DEFINITION	DETERMINATION
Authority	A provision of law or of a state or federal regulation permits or requires the regional agency to adopt, amend, or repeal the regulation.	HSC Sections 40001, 40702, and 41511. Federal Clean Air Act sections 172(c)(5) and 173.
Necessity	A need exists for the regulation, or its amendment, or appeal, as demonstrated by the record or rule making authority.	It is necessary for the NSAQMD to adopt this rule in order to comply with the Clean Air Act and thereby avoid federal sanctions.
Clarity	The regulation is written or displayed so that its meaning can be easily understood by the persons directly affected by it.	The proposed rule is written in such a manner that it can be understood by affected sources, and the rule's subsections are descriptively titled.
Consistency	The regulation is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulation.	This rule is consistent with State and federal regulations.
Non-duplication	A regulation does not impose the same requirements as an existing state or federal regulation unless a district finds that the requirements are necessary or proper to execute the powers and duties granted to, and imposed upon, a district.	This rule fills a gap in NSAQMD regulations for federally required New Source Review in nonattainment areas at the pre-application review stage.
Reference	Any statute, court decision, or other provision of law that the district implements, interprets, or makes specific by adopting, amending, or repealing a regulation.	This rule is being proposed consistent with the requirements of CAA Title 1, Part D, Section 172(c)(5) and 40 CFR Part 51, Sections 160-165.

## RECOMMENDATION

Approval by the Northern Sierra Air Quality Management District Board of Directors of the above findings, the rescission of existing Rule 428, and approval of proposed Rule 428.



**RULE 428 – NSR REQUIREMENTS FOR NEW AND MODIFIED MAJOR SOURCES  
IN NONATTAINMENT AREAS**

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1.0 APPLICABILITY PROCEDURES

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1.1 PRECONSTRUCTION REVIEW REQUIREMENTS

- (a) The preconstruction review requirements of this rule apply to the proposed construction of any new major stationary source or major modification in the District that is major for a nonattainment pollutant, if the stationary source or modification is located anywhere in the designated nonattainment area, except as provided in Section 9 of this rule.
- (b) Sources subject to this rule may also be subject to other District Rules and Regulations. For purposes of the implementation and enforcement of this rule, the provisions and requirements of this rule, including but not limited to the requirements for obtaining an Authority to Construct, application submittal and content, conditional approval, public participation, and granting an Authority to Construct, shall take precedence over any other such provisions and requirements in other District Rules and Regulations. To the extent that other District Rules or Regulations may affect the stringency or applicability of this rule, such other Rules and Regulations shall not apply for purposes of the implementation or enforcement of this rule.

1.2 **AUTHORITY TO CONSTRUCT REQUIREMENT:** No new major stationary source or major modification to which the requirements of this rule apply shall begin actual construction without first obtaining an Authority to Construct from the reviewing authority, pursuant to this rule.

1.3 **EMISSION CALCULATION REQUIREMENTS TO DETERMINE NSR APPLICABILITY**

1.3.1 **New Major Stationary Sources:** The definition of Major Stationary Source as incorporated by reference in Section 2 shall be used to determine if a new or modified stationary source is a new major stationary source.

1.3.2 **Major Modifications:** The provisions set out in paragraphs (a) through (e) below shall be used to determine if a proposed project will result in a major modification. These provisions shall not be used to determine the quantity of offsets required for a project subject to the requirements of this rule.

(a) Except as otherwise provided in Section 1.4, a project is a major modification for a nonattainment pollutant if it causes two types of emissions increases: a significant emissions increase and a significant net emissions increase. The project is not a major modification if it does not cause a significant emissions increase. If the project causes a significant emissions increase, then the project is a major modification only if it also results in a significant net emissions increase.

(c) The procedure for calculating (before beginning actual construction) whether a significant emissions increase will occur depends upon the type of emissions units being added or modified as part of the project, according to paragraphs (c) through (e) of this Section. The procedure for calculating

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(before beginning actual construction) whether a significant net emissions increase will occur at the major stationary source is contained in the definition of *Net Emissions Increase*. Regardless of any such preconstruction projections, a major modification results if the project causes a significant emissions increase and a significant net emissions increase.

- (d) **Actual-to-Projected-Actual Applicability Test for Projects that Only Involve Existing Emissions Units.** A significant emissions increase of a nonattainment pollutant is projected to occur if the sum of the difference between the projected actual emissions and the baseline actual emissions, for each existing emissions unit, equals or exceeds the significant amount for that pollutant.
- (e) **Actual-to-Potential Test for Projects that Only Involve Construction of a New Emissions Unit(s).** A significant emissions increase of a nonattainment pollutant is projected to occur if the sum of the difference between the potential to emit from each new emissions unit following completion of the project and the baseline actual emissions of these units before the project equals or exceeds the significant amount for that pollutant.
- (f) **Hybrid Test for Projects that Involve Multiple Types of Emissions Units.** A significant emissions increase of a nonattainment pollutant is projected to occur if the sum of the emissions increases for each emissions unit, using the method specified in paragraphs (c) or (d) of this Section, as applicable, with respect to each emissions unit, equals or exceeds the significant amount for that pollutant.

#### 1.4 MAJOR SOURCES WITH PLANT-WIDE APPLICABILITY LIMITATIONS (PAL)

For any major stationary source with a PAL permit for a nonattainment pollutant, the major stationary source shall comply with the requirements in Section 9 of this rule.

#### 1.5 PROJECTS THAT RELY ON A PROJECTED ACTUAL EMISSIONS TEST

Except as otherwise provided in paragraph (g)(iii) of this Section, the provisions of this Section shall apply with respect to any nonattainment pollutant that is emitted from projects at existing emissions units located at a major stationary source, other than a source with a PAL permit, when there is a reasonable possibility, within the meaning of paragraph (g) of this Section, that a project that is not a part of a major modification may result in a significant emissions increase of such pollutant, and the owner or operator elects to use the method specified in paragraphs (B)(1) through (B)(3) of the definition of *Projected Actual Emissions* to calculate projected actual emissions.

- (a) Before beginning actual construction of the project the owner or operator shall document and maintain a record of the following information:
  - (i) A description of the project;

- (ii) Identification of the emissions unit(s) whose emissions of a regulated NSR pollutant could be affected by the project; and
  - (iii) A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including the baseline actual emissions, the projected actual emissions, the amount of emissions excluded under paragraph (B)(3) of the definition of Projected Actual Emissions and an explanation for why such amount was excluded, and any netting calculations, if applicable.
- (g) If the emissions unit is an existing emissions unit, before beginning actual construction, the owner or operator shall provide a copy of the information set out in paragraph (a) of this Section to the APCO. Nothing in this paragraph shall be construed to require the owner or operator of such a unit to obtain any determination from the APCO concerning compliance with Rule 428 before beginning actual construction. However, such owner or operator may be subject to the requirements of District Regulation IV or V, or other applicable requirements.
- (h) The owner or operator shall monitor the emissions of any regulated NSR pollutant that could increase as a result of the project and that are emitted by any emissions unit identified in paragraph (a)(ii) of this Section; and calculate and maintain a record of the annual emissions, in tons per year (tpy), on a calendar year basis for a period of five years following resumption of regular operations after the change, or for a period of ten years following resumption of regular operations after the change if the project increases the design capacity or potential to emit that regulated NSR pollutant at such emissions unit.
- (i) If the emissions unit is an existing electric utility steam generating unit, the owner or operator shall submit a report to the APCO within sixty days after the end of each calendar year during which records must be generated under paragraph (c) of this Section, setting out the unit's annual emissions during the calendar year that preceded submission of the report.
- (j) If the emissions unit is an existing emissions unit other than an electric utility steam generating unit, the owner or operator shall submit a report to the APCO if the annual emissions, in tpy, from the project identified in paragraph (a)(ii) of this Section exceed the baseline actual emissions by a significant amount for that regulated NSR pollutant, and if such emissions differ from the projected actual emissions (prior to exclusion of the amount of emissions specified under paragraph (B)(3) of the definition of *Projected Actual Emissions*) as documented and maintained pursuant to paragraph (a)(iii) of this Section. Such report shall be submitted to the APCO within sixty days after the end of such year. The report shall contain the following:
- (i) The name, address, and telephone number of the major stationary source;

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- (iv) The annual emissions, as calculated pursuant to paragraph (c) of this Section; and
- (v) Any other information that the owner or operator wishes to include in the report (e.g., an explanation as to why the emissions differ from the preconstruction projection).
- (k) The owner or operator of the source shall make the information required to be documented and maintained pursuant to this Section available for review upon a request for inspection by the APCO or the general public pursuant to the requirements contained in 40 CFR 70.4(b)(3)(viii).
- (l) A "reasonable possibility" under this Section occurs when the owner or operator calculates the project to result in either:
  - (i) A projected actual emissions increase of at least 50 percent of the amount that is a "significant emissions increase," as defined in this rule (without reference to the amount that is a significant net emissions increase), for the regulated NSR pollutant; or
  - (vi) A projected actual emissions increase that, added to the amount of emissions excluded under paragraph (B)(3) of the definition of *Projected Actual Emissions*, sums to at least 50 percent of the amount that is a "significant emissions increase," as defined in this rule (without reference to the amount that is a significant net emissions increase), for the regulated NSR pollutant.
  - (vii) For a project in which a reasonable possibility occurs only within the meaning of paragraph (g)(ii), and not also within the meaning of (g)(i), the provisions of paragraphs (b) through (e) of this Section do not apply to the project.

**1.6 SECONDARY EMISSIONS**

Secondary emissions shall not be considered in determining whether a stationary source would qualify as a major stationary source. If a stationary source is subject to this rule on the basis of direct emissions from the stationary source, the requirements of Section 4 must also be met for secondary emissions.

**1.7 STATIONARY SOURCES**

For purposes of this rule, the term stationary source does not refer to the source of emissions resulting directly from an internal combustion engine for transportation purposes or from a nonroad engine or nonroad vehicle as defined in section 216 of the Clean Air Act.

**1.8 ENVIRONMENTAL PROTECTION AGENCY DETERMINATION**

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Notwithstanding any other requirements of this rule governing the issuance of an Authority to Construct, the APCO shall not issue an Authority to Construct to a new major stationary source or major modification subject to the requirements of this rule if the federal Environmental Protection Agency has determined that the SIP is not being adequately implemented for the nonattainment area in which the proposed source is to be constructed or modified in accordance with the requirements of Title I, Part D of the Clean Air Act.

## 2.0 DEFINITIONS

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For the purposes of this rule, the definitions provided in paragraphs (a), (b), (c) and (d) below apply to the terms used in this rule. In the event of any discrepancy between the definitions specified in paragraphs (a), (b), (c), and (d), below, the definition in the paragraph that is listed first below shall control.

(a) The definitions contained in 40 CFR 51.165(a)(1) shall apply, and are hereby incorporated by reference, with the exception of the definition of "Reviewing authority" at 40 CFR 51.165(a)(1)(xxxviii), which has the meaning specified in paragraph (b) below, and the definition of "Significant" at 40 CFR 51.165(a)(1)(x)(A), which is modified to add the definition of "Significant" for ammonia that is specified in paragraph (b) below.

(m) The following definitions shall also apply:

*"Air Pollution Control Officer (APCO)"* means the Air Pollution Control Officer of the Northern Sierra Air Quality Management District.

*"Class I area"* means any area listed as Class I in 40 CFR Part 81 Subpart D, including Section 81.405, or an area otherwise specified as Class I in the legislation that creates a national monument, a national primitive area, a national preserve, a national recreational area, a national wild and scenic river, a national wildlife refuge, or a national lakeshore or seashore.

*"Clean Air Act (CAA)"* means the federal Clean Air Act, 42 U.S.C. 7401 *et seq.*, as amended.

*"Complete"* means, in reference to an application, that the application contains all of the information necessary for processing.

*"District"* means the Northern Sierra Air Quality Management District.

*"Emission reduction credit (ERC)"* means reductions of actual emissions from emissions units that are certified by a California air district in accordance with applicable district rules and issued by the air district in the form of ERC certificates.

*"Internal emission reductions"* means emission reductions which have occurred or will occur at the same major stationary source where the proposed emissions increase will occur.

***“Nonattainment pollutant”*** means any regulated NSR pollutant for which the District, or portion of the District, has been designated as nonattainment, as codified in 40 CFR 81.305, as well as any precursor of such regulated NSR pollutant specified in 40 CFR 51.165(a)(1)(xxxvii)(C).

***“Permanent”*** means an emission reduction which is federally enforceable for the life of a corresponding increase in emissions.

***“PM<sub>2.5</sub>”*** means particulate matter with an aerodynamic diameter smaller than or equal to a nominal 2.5 microns. Gaseous emissions which condense to form PM<sub>2.5</sub> shall also be counted as PM<sub>2.5</sub>.

***“Reviewing authority”*** means the Air Pollution Control Officer (APCO).

***“Shutdown”*** means the cessation of operation of any air pollution control equipment or process equipment for any purpose.

***“Significant”*** means, in reference to a net emissions increase or the potential of a source to emit ammonia, a rate of emissions that would equal or exceed 40 tpy.

***“Startup”*** means the setting into operation of any air pollution control equipment or process equipment for any purpose except routine phasing in of process equipment.

***“State Implementation Plan (SIP)”*** means the State Implementation Plan approved or promulgated for the State of California under section 110 or 172 of the Clean Air Act.

***“Surplus”*** means the amount of emission reductions that are, at the time of generation or use of an emission reduction credit (ERC), not otherwise required by federal, state, or local law, not required by any legal settlement or consent decree, and not relied upon to meet any requirement related to the California State Implementation Plan (SIP). However, emission reductions required by a state statute that provides that the subject emission reductions shall be considered surplus may be considered surplus for purposes of this rule if those reductions meet all other applicable requirements. Examples of federal, state, and local laws, and of SIP-related requirements, include, but are not limited to, the following:

- (i) The federally-approved California SIP;
- (ii) Other adopted state air quality laws and regulations not in the SIP, including but not limited to, any requirement, regulation, or measure that:
  - (1) the District or the State has included on a legally required and publicly available list of measures that are scheduled for adoption by the District or the State in the future; or
  - (2) is the subject of a public notice distributed by the District or the State regarding an intent to adopt such revision;

- (iii) Any other source or source-category specific regulatory or permitting requirement, including, but not limited to Reasonable Available Control Technology (RACT), New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), Best Available Control Measures (BACM), Best Available Control Technology (BACT), and Lowest Achievable Emission Rate (LAER); and
- (iv) Any regulation or supporting documentation that is required by the Federal Clean Air Act, but is not contained or referenced in 40 CFR Part 52, including but not limited to: assumptions used in attainment and maintenance demonstrations (including Reasonable Further Progress demonstrations and milestone demonstrations), including any proposed control measure identified as potentially contributing to an enforceable near-term emission reduction commitment; assumptions used in conformity demonstrations; and assumptions used in emissions inventories.

*“Temporary source”* means an emission source such as a pilot plant or a portable facility which will be located outside the nonattainment area after less than a cumulative total of 90 days of operation in any 12 continuous months.

*“Tons per year (tpy)”* means annual emissions in tons.

- (n) The definitions contained in 40 CFR 51.100 shall apply, and are hereby incorporated by reference.
- (o) The definitions contained in 40 CFR 51.301 shall apply, and are hereby incorporated by reference.

### **3.0 APPLICATION REQUIREMENTS**

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#### **3.1 APPLICATION SUBMITTAL**

The owner or operator of any proposed new major stationary source or major modification required to obtain an Authority to Construct pursuant to this rule shall submit a complete application to obtain an Authority to Construct on forms provided by the APCO and include in the application submittal the information listed in Section 3.2 as well as the demonstrations listed in Sections 3.3-3.6. Designating an application complete for purposes of permit processing does not preclude the APCO from requesting or accepting any additional information.

#### **3.2 APPLICATION CONTENT**

At a minimum, an application for an Authority to Construct shall contain the following information related to the proposed new major stationary source or major modification:

- (a) Identification of the applicant, including contact information.
- (p) Identification of address and location of the new or modified source.



- (q) An identification and description of all emission points, including information regarding all regulated NSR pollutants emitted by all emissions units included in the new source or modification.
- (r) A process description of all activities, including design capacity, which may generate emissions of regulated NSR pollutants in sufficient detail to establish the basis for the applicability of standards and fees.
- (s) A projected schedule for commencing construction and operation for all emissions units included in the new source or modification.
- (t) A projected operating schedule for each emissions unit included in the new source or modification.
- (u) A determination as to whether the new source or modification will result in any secondary emissions.
- (v) The emission rates of all regulated NSR pollutants, including fugitive and secondary emission rates, if applicable. The emission rates must be described in tpy and for such shorter term rates as are necessary to establish compliance using the applicable standard reference test method or other methodology specified (i.e., grams/liter, ppmv or ppmw, lbs/MMBtu).
- (w) The calculations on which the emission rate information is based, including fuel specifications, if applicable and any other assumptions used in determining the emission rates (e.g., HHV, sulfur content of natural gas).
- (x) The calculations, pursuant to Section 1.3, used to determine applicability of this rule, including the emission calculations (increases or decreases) for each project that occurred during the contemporaneous period.
- (y) The calculations, pursuant to Section 4.3 (offset), used to determine the quantity of offsets required for the new source or modification.
- (z) Identification of existing emission reduction credits or identification of internal emission reductions, including related emission calculations and proposed permit modifications required to ensure emission reductions meet the offset integrity criteria of being real, surplus, quantifiable, permanent and federally enforceable or enforceable as a practical matter.
- (aa) If applicable, a description of how performance testing will be conducted, including test methods and a general description of testing protocols.

**3.3 LOWEST ACHIEVABLE EMISSION RATE (LAER)**

The applicant shall submit an analysis demonstrating that LAER has been proposed for each emissions unit included in the new major stationary source or major modification that emits a nonattainment pollutant for which the new stationary source or modification is classified as major.

**3.4 STATEWIDE COMPLIANCE**

The applicant shall submit a certification that each existing major stationary source owned or operated by the applicant (or any entity controlling, controlled

by, or under common control with the applicant) in the State is in compliance with all applicable emission limitations and standards under the CAA or is in compliance with an expeditious compliance schedule which is federally enforceable.

### **3.5 ANALYSIS OF ALTERNATIVES**

The applicant shall submit an analysis of alternative sites, sizes, production processes, and environmental control techniques for the proposed source that demonstrates the benefits of the proposed source significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification.

### **3.6 SOURCES IMPACTING CLASS I AREAS**

The applicant for a proposed new major source or major modification that may affect visibility of any Mandatory Class I Federal Area shall provide the APCO with an analysis of impairment to visibility that would occur as a result of the source or modification and general commercial, residential, industrial, and other growth associated with the source or modification, as required by 40 CFR Section 51.307(b)(2).

### **3.7 APPLICATION FEES**

The applicant shall pay the applicable fees specified in District Rule 603 (Permit Fees).

## **4.0 EMISSIONS OFFSETS**

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### **4.1 OFFSET REQUIREMENTS**

- (a) The emission increases of a nonattainment pollutant for which the new stationary source or modification is classified as major, shall be offset with federally enforceable ERCs or with internal emission reductions.
- (bb) ERCs from one or more sources may be used, alone or in combination with internal emission reductions, in order to satisfy offset requirements.
- (cc) Emissions reductions achieved by shutting down an existing emissions unit or curtailing production or operating hours may only be credited for offsets if such reductions are surplus, permanent, quantifiable, and federally enforceable; and
- (dd) The shutdown or curtailment occurred after the last day of the base year for the attainment plan for the specific pollutant; or
- (ee) The projected emissions inventory used to develop the attainment plan explicitly includes the emissions from such previously shutdown or curtailed emissions units. However, in no event may credit be given for shutdowns that occurred before August 7, 1977.

### **4.2 TIMING**

- (a) Internal emission reductions used to satisfy an offset requirement must be federally enforceable prior to the issuance of the Authority to Construct, which relies on the emission reductions.
- (ff) Except as provided by paragraph (c) of this Section, the decrease in actual emissions used to generate ERCs or internal emission reductions must occur no later than the commencement of operation of the new or modified major stationary source.
- (gg) Where the new emissions unit is a replacement for an emissions unit that is being shut down in order to provide the necessary offsets, the APCO may allow up to one hundred eighty (180) calendar days for shakedown or commissioning of the new emissions unit before the existing emissions unit is required to cease operation.

4.3 QUANTITY

The quantity of ERCs or internal emission reductions required to satisfy offset requirements shall be determined in accordance with the following:

- (a) The unit of measure for offsets, ERCs, and internal emission reductions shall be tpy. All calculations and transactions shall use emission rate values rounded to the nearest one one-hundredth (0.01) tpy.
- (hh) The quantity of ERCs or internal emission reductions required shall be calculated as the product of the amount of increased emissions, as determined in accordance with paragraph (c) of this Section, and the offset ratio, as determined in accordance with paragraph (d) of this Section.
- (ii) The amount of increased emissions shall be determined as follows:
  - (i) When the offset requirement is triggered by the construction of a new major stationary source, the amount of increased emissions shall be the sum of the potential to emit of all emissions units.
  - (viii) When the offset requirement is triggered by a major modification of an existing major stationary source, the amount of increased emissions shall be the sum of the differences between the allowable emissions after the modification and the actual emissions before the modification for each emissions unit.
  - (ix) The amount of increased emissions includes fugitive emissions.
  - (jj) The ratios listed in Table 1 shall be applied based on the area's designation for each pollutant, as applicable. The offset ratio is expressed as a ratio of emissions increases to emission reductions.

**Table 1. Federal Offset Ratio Requirements by Area Designation and Pollutant**

<b>Area Designation</b>	<b>Pollutant</b>	<b>Offset Ratio</b>
Marginal Ozone Nonattainment Area	NO <sub>x</sub> or VOC	1:1.1
Moderate Ozone Nonattainment Area	NO <sub>x</sub> or VOC	1:1.15
Serious Ozone Nonattainment Area	NO <sub>x</sub> or VOC	1:1.2
Severe Ozone Nonattainment Area	NO <sub>x</sub> or VOC	1:1.3
PM <sub>2.5</sub> Nonattainment Area	Direct PM <sub>2.5</sub> , NO <sub>x</sub> , SO <sub>x</sub> , VOC or Ammonia	1:1

**4.4 EMISSION REDUCTION REQUIREMENTS**

- (a) Internal emission reductions or ERCs used to satisfy an offset requirement shall be:
  - (i) Real, surplus, permanent, quantifiable, and federally enforceable; and
  - (x) Surplus at the time of issuance of the Authority to Construct containing the offset requirements.
- (kk) Permitted sources whose emission reductions are used to satisfy offset requirements must appropriately amend or cancel their Authority to Construct or Permit to Operate to reflect their newly reduced potential to emit, including practicably enforceable conditions to limit their potential to emit.
- (ll) Emission reductions must be obtained from the same nonattainment area; however, the APCO may allow emission reductions from another nonattainment area if the following conditions are met:
  - (i) The other area has an equal or higher nonattainment classification than the area in which the source is located; and
  - (xi) Emissions from such other area contribute to a violation of the national ambient air quality standard in the nonattainment area in which the source is located.
- (mm) The use of ERCs shall not provide:
  - (i) Authority for, or the recognition of, any pre-existing vested right to emit any regulated NSR pollutant;
  - (xii) Authority for, or the recognition of, any rights that would be contrary to applicable law; or

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- (xiii) An exemption to a stationary source from any emission limitations established in accordance with federal, state, or county laws, rules, and regulations.

#### 4.5 RESTRICTIONS ON TRADING POLLUTANTS

- (a) The emission offsets obtained shall be for the same regulated NSR pollutant except as specified below.
- (nn) For the purposes of satisfying the offset requirements for the ozone precursors NO<sub>x</sub> and VOC, the APCO may approve interpollutant emission offsets for these precursor pollutants on a case by case basis, if all other requirements for such offsets are also satisfied. The permit applicant shall submit information to the reviewing authority, including the proposed ratio for the precursor substitution for ozone, a description of the air quality model(s) used, and the technical demonstration substantiating the equivalent or greater air quality benefit for ozone in the nonattainment area. The APCO shall impose, based on the air quality analysis, emission offset ratios in addition to the requirements of Table 1.
- (oo) In no case shall the compounds excluded from the definition of Volatile Organic Compounds be used as offsets for Volatile Organic Compounds.
- (pp) Interpollutant offsets between PM<sub>2.5</sub> and PM<sub>2.5</sub> precursors are not allowed unless modeling has been used to demonstrate appropriate PM<sub>2.5</sub> interpollutant offset ratios as approved in a PM<sub>2.5</sub> Attainment Plan.

#### 5.0 ADMINISTRATIVE REQUIREMENTS

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##### 5.1 VISIBILITY

The APCO shall provide written notice and conduct any necessary review and consultation with the Federal Land Manager regarding any proposed major stationary source or major modification that may impact visibility in any Mandatory Class I Federal Area, in accordance with the applicable requirements of 40 CFR 51.307.

##### 5.2 AMBIENT AIR QUALITY STANDARDS

The APCO may require the use of an air quality model to estimate the effects of a new or modified stationary source. The analysis shall estimate the effects of the new or modified stationary source, and verify that the new or modified stationary source will not prevent or interfere with the attainment or maintenance of any ambient air quality standard. In making this determination, the APCO shall take into account the mitigation of emissions through offsets pursuant to this rule, and the impacts of transported pollutants on downwind pollutant concentrations. The APCO may impose, based on an air quality analysis, offset ratios greater than the requirements of paragraph (d) of Section 4.3.

##### 5.3 AIR QUALITY MODELS

All estimates of ambient concentrations required, pursuant to this rule, shall be based on applicable air quality models, databases, and other requirements specified in 40 CFR Part 51, Appendix W ("Guideline on Air Quality Models"). Where an air quality model specified is inappropriate, the model may be modified or another model substituted. Such a modification or substitution of a model may be made on a case-by-case basis or, where appropriate, on a generic basis. Written approval from the EPA must be obtained for any modification or substitution. In addition, use of a modified or substituted model must be subject to public notification and the opportunity for public comment given.

#### **5.4 STACK HEIGHT PROCEDURES**

The degree of emission limitation required of any source for control of any air pollutant must not be affected by so much of any source's stack height that exceeds good engineering practice or by any other dispersion technique, except as provided in 40 CFR 51.118(b). For the purposes of this Section, the definitions in 40 CFR 51.100 shall apply.

- (a) Before the APCO issues an Authority to Construct under this rule to a source with a stack height that exceeds good engineering practice (GEP) stack height, the APCO shall notify the public of the availability of the demonstration study and provide opportunity for a public hearing.
- (b) Any field study or fluid model used to demonstrate GEP stack height and any determination concerning excessive concentration must be approved by the EPA and the APCO prior to any emission limit being established.
- (c) The provisions of Section 5.4 do not restrict, in any manner, the actual stack height of any stationary source or facility.

### **6.0 AUTHORITY TO CONSTRUCT – DECISION**

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#### **6.1 PRELIMINARY DECISION**

Following acceptance of an application as complete, the APCO shall perform the evaluations required to determine if the proposed new major stationary source or major modification will comply with all applicable District, state and federal rules, regulations, or statutes, including but not limited to the requirements under Section 3 of this rule, and shall make a preliminary written decision as to whether an Authority to Construct should be approved, conditionally approved, or denied. The decision shall be supported by a succinct written analysis. The decision shall be based on the requirements in force on the date the application is deemed complete, except when a new federal requirement, not yet incorporated into this rule, applies to the new or modified source.

#### **6.2 AUTHORITY TO CONSTRUCT – PRELIMINARY DECISION REQUIREMENTS**

(a) Prior to issuance of a preliminary written decision to issue an Authority to Construct for a new major stationary source or major modification, the APCO shall determine:

(i) That each emissions unit(s) that constitutes the new source or modification will not violate any applicable requirement of the District's portion of the California State Implementation Plan (SIP); and

(xiv) That the emissions from the new or modified stationary source will not interfere with the attainment or maintenance of any applicable national ambient air quality standard; and

(xv) That the emission limitation for each emissions unit that constitutes the new source or modification specifies LAER for such units.

If the APCO determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of an enforceable numerical emission standard infeasible, the APCO may instead prescribe a design, operational or equipment standard. In such cases, the APCO shall make its best estimate as to the emission rate that will be achieved and must specify that rate in the application review documents. Any Authority to Construct issued without an enforceable numerical emission standard must contain enforceable conditions which assure that the design characteristics or equipment will be properly maintained or that the operational conditions will be properly performed to continuously achieve the assumed degree of control. Such conditions shall be enforceable as emission limitations by private parties under section 304 of the CAA. The term "emission limitation" shall also include such design, operational, or equipment standards; and

(xvi) The quantity of ERCs or internal emission reductions required to offset the new source or modification, pursuant to Section 4.3; and

(xvii) That all ERCs or internal emission reductions required for the new source or modification have been identified and have been made federally enforceable or legally and practicably enforceable; and

(xviii) That the quantity of ERCs or internal emission reductions determined under paragraph (b) of Section 4.3 will be surrendered prior to commencing operation.

(qq) Temporary sources and emissions resulting from the construction phase of a new source are exempt from paragraphs (iv), (v) and (vi) of this Section.

### **6.3 AUTHORITY TO CONSTRUCT CONTENTS**

- (a) An Authority to Construct for a new major stationary source or major modification shall contain terms and conditions:
  - (i) which ensure compliance with all applicable requirements and which are enforceable as a legal and practical matter.
  - (xix) sufficient to ensure that the major stationary source or major modification will achieve LAER in accordance with paragraphs (b) and (c) of this Section.
- (rr) A new major stationary source shall achieve LAER for each nonattainment pollutant for which the source is classified as major.
- (ss) A major modification shall achieve LAER for each nonattainment pollutant for which the modification would result in a significant net emissions increase. This requirement applies to each proposed emissions unit at which a net emissions increase in the nonattainment pollutant would occur as a result of a physical change, or change in the method of operation of the emissions unit.

**6.4 AUTHORITY TO CONSTRUCT – FINAL DECISION**

- (a) Prior to making a final decision to issue an Authority to Construct for a new major stationary source or major modification, the APCO shall consider all written comments that are submitted within 30 days of public notification and all comments received at any public hearing(s) in making a final determination on the approvability of the application and the appropriate Authority to Construct conditions. The District shall make all comments available, including the District's response to the comments, for public inspection in the same locations where the District made preconstruction information relating to the proposed source or modification available.
- (tt) The APCO shall deny any application for an Authority to Construct if she/he finds the new source or modification would not comply with the standards and requirements set forth in District, state, or federal rules or regulations.
- (uu) The APCO shall make a final decision whether to issue or deny the Authority to Construct after determining that the Authority to Construct will or will not ensure compliance with all applicable emission standards and requirements.
- (vv) The APCO shall notify the applicant in writing of the final decision and make such notification available for public inspection at the same location where the District made preconstruction information and public comments relating to the source available.

**6.5 PERMIT TO OPERATE**

The applicable terms and conditions of an issued Authority to Construct shall be included in any Permit to Operate subsequently issued by the APCO for the same emission units.

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## **7.0 SOURCE OBLIGATIONS**

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### **7.1 ENFORCEMENT**

Any owner or operator who constructs or operates a source or modification not in accordance with the application submitted pursuant to this rule, any changes to the application as required by the APCO, or the terms of its Authority to Construct or Permit to Operate, shall be subject to enforcement action.

### **7.2 TERMINATION**

Approval to construct shall terminate if construction is not commenced within eighteen months after receipt of such approval, if construction is discontinued for a period of eighteen months or more, or if construction is not completed within a reasonable time. The APCO may extend the 18-month period once upon a satisfactory showing of good cause why an extension is justified. This provision does not apply to the time period between construction of the approved phases of a phased construction project; each phase must commence construction within eighteen months of the projected and approved commencement date.

### **7.3 COMPLIANCE**

Approval to construct shall not relieve any owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.

### **7.4 RELAXATION IN ENFORCEABLE LIMITATIONS**

At such time that a particular stationary source or modification becomes a major stationary source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the stationary source or modification to emit a pollutant, then the requirements of this rule shall apply to the stationary source or modification as though construction had not yet commenced on the stationary source or modification.

## **8.0 PUBLIC PARTICIPATION**

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After the APCO has made a preliminary written decision to issue an Authority to Construct for a new major stationary source or major modification, as specified in Sections 6.1 and 6.2, the APCO shall:

- (a) Publish, in at least one newspaper of general circulation in the District, a notice stating the preliminary decision of the APCO, noting how pertinent information can be obtained, including how the public can access the information specified in Section 8(b), and inviting written public comment for a 30-day period following the date of publication. The notice shall include the time and place of any hearing that may be held, including a statement of procedure to request a hearing (unless a hearing has already been scheduled).

(ww) No later than the date the notice of the preliminary written determination is published, make available in at least one location in each region in which the proposed source would be constructed, a copy of all materials the applicant submitted, a copy of the preliminary decision, a copy of the proposed Authority to Construct and a copy or summary of other materials, if any, considered in making the preliminary written decision.

(xx) Send a copy of the notice of public comment to the applicant, EPA Region 9, any persons requesting such notice and any other interested parties such as: any other state or local air pollution control agencies, the chief executives of the city and county where the source would be located; any comprehensive regional land use planning agency, and any state, Federal Land Manager, or Indian governing body whose lands may be affected by emissions from the source or modification.

(yy) Provide opportunity for a public hearing for persons to appear and submit written or oral comments on the air quality impact of the source, alternatives to it, the control technology required, and other appropriate considerations, if in the APCO's judgment such a hearing is warranted. The APCO shall give notice of any public hearing at least 30 days in advance of the hearing.

#### **9.0 PLANT-WIDE APPLICABILITY LIMITS (PAL)**

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The APCO shall issue a Plant-wide Applicability Limit (PAL) permit according to the provisions contained in 40 CFR 51.165(f)(1) through (14). The provisions of 40 CFR 51.165(f)(1) through (14), are hereby incorporated by reference.

#### **10.0 INVALIDATION**

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If any provision of this rule or the application of such provision to any person or circumstance is held invalid, the remainder of this rule or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

#### **11.0 EFFECTIVE DATE FOR REFERENCED FEDERAL REGULATIONS**

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All references and citations in this rule to Title 40 of the Code of Federal Regulations (CFR) refer to the referenced federal regulation as in effect on July 1, 2019.

**Rule 428      New Source Review Requirements for New and Modified Major Sources in Federally Designated Nonattainment Areas**

**Index**

<p><b>1.0 Applicability Procedures</b></p> <p>1.1 Preconstruction Review Requirements</p> <p>1.2 Authority to Construct Requirement</p> <p>1.3 Emission Calculation Requirements to Determine NSR Applicability</p> <p>1.4 Major Sources with Plantwide Applicability Limitations (PAL)</p> <p>1.5 Projects Which Rely On a Projected Actual Emissions Test</p> <p>1.6 Secondary Emissions</p> <p><b>2.0 Definitions</b></p> <p><b>3.0 Application Requirements</b></p> <p>3.1 Application Submittal</p> <p>3.2 Application Content</p> <p>3.3 Lowest Achievable Emission Rate (LAER)</p> <p>3.4 Statewide Compliance</p> <p>3.5 Analysis of Alternatives</p> <p>3.6 Sources Impacting Class I Areas</p> <p>3.7 Application Fees</p> <p><b>4.0 Emissions Offsets</b></p> <p>4.1 Offset Requirements</p> <p>4.2 Timing</p> <p>4.3 Quantity</p> <p>4.4 Emission Reduction Requirements</p> <p>4.5 Restrictions on Trading Pollutants</p> <p><b>5.0 Administrative Requirements</b></p> <p>5.1 Visibility</p> <p>5.2 Ambient Air Quality Standards</p> <p>5.3 Air Quality Models</p> <p><b>6.0 Preliminary Decision</b></p> <p>6.1 Preliminary Decision</p> <p>6.2 Authority to Construct – Preliminary Decision</p> <p>6.3 Authority to Construct Contents</p>	<p>6.4 Authority to Construct – Final Decision</p> <p><b>7.0 Source Obligations</b></p> <p>7.1 Enforcement</p> <p>7.2 Termination</p> <p>7.3 Compliance</p> <p>7.4 Relaxation in Enforceable Limitations</p> <p><b>8.0 Public Participation</b></p> <p>8.1 Opportunity to Comment</p> <p>8.2 Materials Availability</p> <p>8.3 Forwarding of Comments Received</p> <p>8.4 Provision for Public Hearing</p> <p><b>9.0 Plantwide Applicability Limits (PAL)</b></p> <p><b>10.0 Invalidation</b></p>
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## **Part 1.0**      **Applicability Procedures**

### **1.1 Preconstruction Review Requirements**

The preconstruction review requirements of this rule apply to the proposed construction of any new major stationary source or any major modification located at an existing major stationary source, if the stationary source or modification is major for the regulated NSR pollutant for which the area it is to be located is designated nonattainment, as listed in 40 CFR 81.305, except as provided in 40 CFR 51.165(f)(1) through (15). All CFR references included in this rule refer to the CFR as of July 1, 2015.

### **1.2 Authority to Construct Requirement**

No new major stationary source or major modification to which the requirements of this rule apply shall begin actual construction without first obtaining an Authority to Construct issued pursuant to this rule.

### **1.3 Emission Calculation Requirements to Determine NSR Applicability**

The provisions set out in Sections 1.3.1 through 1.3.5 below shall be used to determine if a proposed project will result in a new major stationary source or a major modification to an existing stationary source. These provisions shall not be used to determine the quantity of offsets required for a project under Part 4 of this rule.

1.3.1 Except as otherwise provided in Section 1.4, a project is a major modification for a regulated NSR pollutant if it causes two types of emissions increases: a significant emissions increase and a significant net emissions increase. The project is not a major modification if it does not cause a significant emissions increase. If the project causes a significant emissions increase, then the project is a major modification only if it also results in a significant net emissions increase.

1.3.2 The procedure for calculating (before beginning actual construction) whether a significant emissions increase will occur depends upon the type of emissions units being added or modified as part of the project, according to Sections 1.3.3 through 1.3.5. The procedure for calculating (before beginning actual construction) whether a significant net emissions increase will occur at the major stationary source is contained in the definition of *Net Emissions Increase*. Regardless of any such preconstruction projections, a major modification results if the project causes a significant emissions increase and a significant net emissions increase.

1.3.3 *Actual-to-Projected-Actual Applicability Test for Projects that Only Involve Existing Emissions Units.* A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the difference between the projected actual emissions and the baseline actual emissions, for each existing emissions unit, equals or exceeds the significant amount for that pollutant.

1.3.4 *Actual-to-Potential Test for Projects that Only Involve Construction of a New Emissions Unit(s)*. A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the difference between the PTE from each new emissions unit following completion of the project and the baseline actual emissions of these units before the project equals or exceeds the significant amount for that pollutant.

1.3.5 *Hybrid Test for Projects that Involve Multiple Types of Emissions Units*. A significant emissions increase of a regulated NSR pollutant is projected to occur if the sum of the emissions increases for each emissions unit, using the method specified in Sections 1.3.3 or 1.3.4 above, as applicable, with respect to each emissions unit, equals or exceeds the significant amount for that pollutant.

#### **1.4 Major Sources with Plantwide Applicability Limitations (PAL)**

For any major stationary source with a PAL permit for a regulated NSR pollutant, the major stationary source shall comply with the requirements in Part 9.

#### **1.5 Projects Which Rely On a Projected Actual Emissions Test**

The provisions of this Section shall apply with respect to any regulated NSR pollutant emitted from projects at existing emissions units located at a major stationary source, other than a source with a PAL permit, if the owner or operator has determined that the project is not a major modification, but has a projected emission increase of at least 50% of the amount that is a *Significant Emission Increase*; and the owner or operator elects to use the method specified in paragraphs (a)(1)(xxviii)(B)(1) through (3) of the definition of *Projected Actual Emissions* to calculate emission increases from the project.

1.5.1 Before beginning actual construction of the project the owner or operator shall document and maintain a record of the following information:

- a. A description of the project;
- b. Identification of the emissions unit(s) whose emissions of a regulated NSR pollutant could be affected by the project; and
- c. A description of the applicability test used to determine that the project is not a major modification for any regulated NSR pollutant, including the baseline actual emissions, the projected actual emissions, the amount of emissions excluded under paragraph (B)(3) of the definition of *Projected Actual Emissions* and an explanation for why such amount was excluded, and any netting calculations, if applicable.

1.5.2 If the emissions unit is an existing emissions unit, before beginning actual construction, the owner or operator shall provide a copy of the information set out in Section 1.5.1 to the APCO. Nothing in this Section shall be construed to require the owner or operator of such a unit to obtain any determination from the APCO before beginning actual construction, except such owner or operator may be subject to the requirements of District Rule 401.

1.5.3 The owner or operator shall monitor the emissions of any regulated NSR pollutant that could increase as a result of the project and that are emitted by any emissions unit identified pursuant to Section 1.5.1(b); and calculate and maintain a record of the annual emissions (in tpy on a calendar year basis) for a period of five years following resumption of regular operations after the change, or for a period of ten years following resumption of regular operations after the change if the project increases the design capacity or potential to emit that regulated NSR pollutant at such emissions unit.

1.5.4 If the emissions unit is an existing electric utility steam generating unit, the owner or operator shall submit a report to the APCO within sixty days after the end of each calendar year during which records must be generated under Section 1.5.3, setting out the unit's annual emissions during the calendar year that preceded submission of the report.

1.5.5 If the emissions unit is an existing emissions unit other than an electric utility steam generating unit, the owner or operator shall submit a report to the APCO if the annual emissions, in tpy, from the project identified in Paragraph 1.5.1(b) exceed the baseline actual emissions by a significant amount for that regulated NSR pollutant, and if such emissions differ from the projected actual emissions (prior to exclusion of the amount of emissions under the definition of Projected Actual Emissions) as documented and maintained pursuant to Paragraph 1.5.1(c). Such report shall be submitted to the APCO within sixty days after the end of such year. The report shall contain the following:

- a. The name, address, and telephone number of the major stationary source;
- b. The annual emissions, as calculated pursuant to Section 1.5.3; and
- c. Any other information that the owner or operator wishes to include in the report (e.g., an explanation as to why the emissions differ from the preconstruction projection).

1.5.6 The owner or operator of the source shall make the information required to be documented and maintained pursuant to this Section available for review upon a request for inspection by the APCO or the general public pursuant to the requirements contained in 40 CFR 70.4(b)(3)(viii).

1.5.7 A "reasonable possibility" under this Section occurs when the owner or operator calculates the project to result in either:

- a. A projected actual emissions increase of at least 50 percent of the amount that is a "significant emissions increase," as defined in this rule (without reference to the amount that is a significant net emissions increase), for the regulated NSR pollutant; or
- b. A projected actual emissions increase that, added to the amount of emissions excluded under paragraph (B)(3) of the definition of *Projected Actual Emissions*, sums to at least 50 percent of the amount that is a "significant emissions increase," as defined in this rule (without reference

to the amount that is a significant net emissions increase), for the regulated NSR pollutant.

c. For a project for which a reasonable possibility occurs under Section 1.5.7(b), but not under Section 1.5.7(a), the provisions of Sections 1.5.2 through 1.5.5 do not apply to the project.

### **1.6 Secondary Emissions**

Secondary emissions shall not be considered in determining whether a stationary source would qualify as a major stationary source. If a stationary source is subject to this rule on the basis of the direct emissions from the stationary source, the requirements of Part 4, but no other provisions of this rule, must also be met for secondary emissions.

## **Part 2.0**      **Definitions**

### **2.1 Incorporation by Reference**

For the purposes of this rule, in addition to the definitions contained in Section 2.2, the definitions contained in Title 40 CFR 51.165(a)(1).

### **2.2 Additional Definitions**

For the purposes of this rule, the following definitions shall also apply.

“Class I area” means any area listed as Class I in 40 CFR Part 81 Subpart D, or otherwise designated as a mandatory Class I Federal area.

“Complete” means, in reference to an application, that the application contains all of the information necessary for processing the application.

“Emission Reduction Credit (ERC)” means reductions of actual emissions from emission units that are certified by an air district in accordance with applicable district rules and are issued by the air district in the form of ERC certificates.

“Internal emission reductions” are emission reductions which have or will occur at the same major stationary source as the proposed emission increase will occur.

“Local Permit Agency” or “Reviewing Authority” means the Northern Sierra Air Quality Management District.

“PM2.5” means particulate matter with an aerodynamic diameter smaller than or equal to a nominal 2.5 microns. Gaseous emissions which condense to form PM2.5 shall also be counted as PM2.5.

“PM10” means particulate matter with an aerodynamic diameter smaller than or equal to a nominal 10 microns. Gaseous emissions which condense to form PM10 shall also be counted as PM10.



**“Permanent”** means an emission reduction which is federally enforceable for the life of a corresponding increase in emissions.

**“Project”** means a physical change in, or change in the method of operation of, an existing stationary source.

**“Shutdown”** means the cessation of operation of any air pollution control equipment or process equipment for any purpose.

**“Startup”** means the setting into operation of any air pollution control equipment or process equipment for any purpose except routine phasing in of process equipment.

**“Surplus”** means the amount of emission reductions that are, at the time of generation or use of an Emissions Reduction Credit (ERC), not otherwise required by federal, state, or local law, not required by any legal settlement or consent decree, and not relied upon to meet any requirement related to the California State Implementation Plan (SIP). However, emission reductions required by a state statute that provides that the subject emission reductions shall be considered surplus may be considered surplus for purposes of this rule if those reductions meet all other applicable requirements. Examples of federal, state and local laws, and of SIP-related requirements, include, but are not limited to, the following:

2.2.1. The federally-approved California SIP;

2.2.2. Other adopted state air quality laws and regulations not in the SIP, including but not limited to, any requirement, regulation, or measure that: (1) the District or the state has included on a legally-required and publicly-available list of measures that are scheduled for adoption by the District or the State in the future; or (2) is the subject of a public notice distributed by the District or the State regarding an intent to adopt such revision;

2.2.3. Any other source- or source-category specific regulatory or permitting requirement, including, but not limited to, Reasonable Available Control Technology (RACT), New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), Best Available Control Measures (BACM), Best Available Control Technology (BACT), and the Lowest Achievable Emission Rate (LAER); and

2.2.4. Any regulation or supporting documentation that is required by the federal Clean Air Act but is not contained or referenced in 40 CFR Part 52, including but not limited to: assumptions used in attainment and maintenance demonstrations (including Reasonable Further Progress demonstrations and milestone demonstrations), including any proposed control measure identified as potentially contributing to an enforceable near-term emissions reduction commitment; assumptions used in conformity demonstrations; and assumptions used in emissions inventories.

"Temporary source" means temporary emission sources such as pilot plants, and portable facilities which will be terminated or located outside the District after less than a cumulative total of 90 days of operation in any 12 continuous months.

"Volatile organic compounds (VOC)" is as defined in 40 CFR 51.100(s).

### **Part 3.0**      **Application Requirements**

#### **3.1 Application Submittal**

The owner or operator of any proposed project determined to be a major stationary source or major modification pursuant to this rule shall submit a complete application to obtain an Authority to Construct on forms provided by the District and include the demonstrations listed in Sections 3.3 through 3.6 of this rule in the application submittal. Upon determining that an application is complete, the APCO shall communicate in writing to the applicant that the application has been determined to be complete. This determination establishes the application date. Designating an application complete for purposes of permit processing does not preclude the APCO from requesting or accepting any additional information.

#### **3.2 Application Content**

At a minimum, an application for an Authority to Construct Permit shall contain the following information related to the proposed project:

3.2.1 An identification and description of all emission points, including information regarding all regulated NSR pollutants emitted by all emission units included in the project.

3.2.2 A process description of all activities, including design capacity, which may generate emissions of regulated NSR pollutants in sufficient detail to establish the basis for the applicability of standards and fees.

3.2.3 A projected schedule for commencing construction and operation for all emission units included in the project.

3.2.4 A projected operating schedule for each emissions unit included in the project.

3.2.5 A determination as to whether the project will result in any secondary emissions.

3.2.6 The emission rates of all regulated NSR pollutants, including fugitive and secondary emission rates, if applicable. The emission rates must be described in tons per year and for such shorter-term rates as are necessary to establish compliance using the applicable standard reference test method or other methodology specified (i.e., grams/liter, ppmv or ppmw, lbs/MMBtu).

3.2.7 The calculations on which the emission rate information are based, including fuel specifications, if applicable and any other assumptions used in determining the emission rates (e.g., HHV, sulfur content of natural gas).

3.2.8 The calculations, pursuant to Section 1.3, used to determine applicability of this rule, including the emission calculations (increases or decreases) for each project that occurred during the contemporaneous period.

3.2.9 The calculations, pursuant to Section 4.3, used to determine the quantity of offsets required for the proposed project.

3.2.10 Identification of existing emission reduction credits or identification of internal emission reductions, including related emission calculations and proposed permit modifications required to ensure emission reductions meet the offset integrity criteria of being real, surplus, quantifiable, permanent and federally enforceable or enforceable as a practical matter.

3.2.11 If applicable, a description of how performance testing will be conducted, including test methods and a general description of testing protocols.

### **3.3 Lowest Achievable Emission Rate (LAER)**

The applicant shall submit an analysis demonstrating that the Lowest Achievable Emission Rate (LAER) has been proposed for each emission unit included in the project which emits a NSR regulated pollutant for which the area the project is to be located in has been classified as nonattainment by EPA and for which the new stationary source or modification is classified as major.

### **3.4 Statewide Compliance**

The applicant shall demonstrate that each existing major stationary source owned or operated by the applicant in the State is in compliance with all applicable emission limitations and standards under the CAA or is in compliance with an expeditious compliance schedule which is federally enforceable.

### **3.5 Analysis of Alternatives**

The applicant shall submit an analysis of alternative sites, sizes, production processes, and environmental control techniques for the proposed source that demonstrates that the benefits of the proposed source significantly outweigh the environmental and social costs imposed as a result of its location, construction, or modification.

### **3.6 Sources Impacting Class I Areas**

The applicant of a proposed new major source or major modification that may affect visibility of a Class I area shall provide the APCO with an analysis of impairment to visibility that would occur as a result of the source or modification and general commercial, residential, industrial, and other growth associated with the project, as required by 40 CFR Section 51.307(b)(2) and 40 CFR Section 51.166(o).

### **3.7 Application Fees**

The applicant shall pay the applicable fees specified in Rule 603.

## **Part 4.0 Emissions Offsets**

### **4.1 Offset Requirements**

4.1.1 Pollutant-specific emissions shall be offset with federally enforceable ERCs or with internal emission reductions.

4.1.2 ERCs from one or more sources may be used, alone or in combination with internal emission reductions, in order to satisfy offset requirements.

4.1.3 Emissions reductions achieved by shutting down an existing emission unit or curtailing production or operating hours may only be credited for offsets if such reductions are surplus, permanent, quantifiable, and federally enforceable; and

a. The shutdown or curtailment occurred after the last day of the base year for the attainment plan for the specific pollutant; or

b. The projected emissions inventory used to develop the attainment plan explicitly includes the emissions from such previously shutdown or curtailed emission units. However, in no event may credit be given for shutdowns that occurred before August 7, 1977.

### **4.2 Timing**

4.2.1 Internal emission reductions used to satisfy an offset requirement must be federally enforceable prior to the issuance of the Authority to Construct which relies on the emission reductions.

4.2.2 Except as provided by Section 4.2.3, the decrease in actual emissions used to generate ERCs or internal emission reductions must occur by no later than the commencement of operation of the new or modified major stationary source.

4.2.3 Where the new emission unit is a replacement for an emission unit that is being shut down in order to provide the necessary offsets, the APCO may allow up to one hundred eighty (180) calendar days for shakedown or commissioning of the new emission unit before the existing emission unit is required to cease operation.

### **4.3 Quantity**

The quantity of ERCs or internal emission reductions required to satisfy offset requirements shall be determined in accordance with the following:

4.3.1 The unit of measure for offsets, ERCs, and internal emission reductions shall be short tons per year (tpy). All calculations and transactions shall use emission rate values rounded to the nearest one one-hundredth (0.01) tpy.

4.3.2 The quantity of ERCs or internal emission reductions required shall be calculated as the product of the amount of increased emissions, as determined in accordance with Section 4.3.3, and the offset ratio, as determined in accordance with Section 4.3.4.

- 4.3.3 The amount of increased emissions shall be determined as follows:
- a. When the offset requirement is triggered by the construction of a new major stationary source, the amount of increased emissions shall be the sum of the PTE of all emissions units.
  - b. When the offset requirement is triggered by a major modification of an existing major stationary source, the amount of increased emissions shall be the sum of the differences between the allowable emissions after the modification and the actual emissions before the modification for each emissions unit.
  - c. The amount of increased emissions includes fugitive emissions if the stationary source is one of the categorical sources.

4.3.4 The ratios listed in Table 1 shall be applied based on the area's designation for each pollutant, as applicable. The offset ratio is expressed as a ratio of emissions increases to emissions reductions.

Table 1. Offset Ratio Requirements by Area Designation and Pollutant

Area Designation	Pollutant	Offset Ratio
Marginal Ozone Nonattainment Area	NO <sub>x</sub> or VOC	1:1.1
Moderate Ozone Nonattainment Area	NO <sub>x</sub> or VOC	1:1.15
Serious or Severe Ozone Nonattainment Area	NO <sub>x</sub> or VOC	1:1.2
PM <sub>10</sub> Nonattainment Area	PM10, SO <sub>x</sub> , NO <sub>x</sub>	1:1
PM <sub>2.5</sub> Nonattainment Area	PM2.5, SO <sub>x</sub> , NO <sub>x</sub> , VOC or Ammonia	1:1

#### **4.4 Emission Reduction Requirements**

4.4.1 Internal emission reductions or ERCs used to satisfy an offset requirement shall be:

- a. Real, surplus, permanent, quantifiable, and federally enforceable; and
- b. Surplus at the time of issuance of the Authority to Construct containing the offset requirements.

4.4.2 Permitted sources whose emission reductions are used to satisfy offset requirements must appropriately amend or cancel their Authority to Construct or

Permit to Operate to reflect their new reduced PTE, including practicably enforceable conditions to limit their PTE.

4.4.3 Emission reductions must be obtained from the same nonattainment area, except the APCO may allow emission reductions from another nonattainment area if the following conditions are met:

- a. The other area has an equal or higher nonattainment classification than the area in which the source is located;
- b. Emissions from such other area contribute to a violation of the national ambient air quality standard in the nonattainment area in which the source is located; and
- c. The offset ratio of emissions increases to emissions reductions shall be at least 1:1.2.

4.4.4 The use of ERCs shall not provide:

- a. Authority for, or the recognition of, any pre-existing vested right to emit any regulated NSR pollutant;
- b. Authority for, or the recognition of, any rights that would be contrary to applicable law; or
- c. An exemption to a stationary source from any emission limitations established in accordance with federal, state, or county laws, rules, and regulations.

#### **4.5 Restrictions on Trading Pollutants**

4.5.1 For the purposes of satisfying the offset requirements the APCO may approve interpollutant emission offsets for precursor pollutants on a case by case basis, except for PM<sub>2.5</sub>, which is subject to Section 4.5.4. In such cases, the APCO shall impose, based on an air quality analysis, emission offset ratios in addition to the requirements of Table 1. Interpollutant emission offsets must receive written approval by the U.S. Environmental Protection Agency.

4.5.2 PM<sub>10</sub> emissions shall not be allowed to offset Nitrogen Oxides or Volatile Organic Compound emissions in ozone nonattainment areas.

4.5.3 In no case shall the compounds excluded from the definition of Volatile Organic Compounds be used as offsets for Volatile Organic Compounds.

4.5.4 Interpollutant offsets between PM<sub>2.5</sub> and PM<sub>2.5</sub> precursors are not allowed unless modeling has been used to demonstrate appropriate PM<sub>2.5</sub> interpollutant offset ratios as approved in a PM<sub>2.5</sub> Attainment Plan.

## **Part 5.0**      **Administrative Requirements**

### **5.1 Visibility**

The APCO shall consult with the Federal Land Manager on a proposed major stationary source or major modification that may impact visibility in any Class I Area, in accordance with 40 CFR 51.307.

### **5.2 Ambient Air Quality Standards**

The APCO may require an analysis, based on an air quality model, to estimate the effects of a proposed new or modified stationary source in order to verify that its construction or modification would not prevent or interfere with the attainment or maintenance of any ambient air quality standard. The APCO shall take into account the mitigation of emissions through offsets pursuant to this rule and the impacts of transported pollutants on downwind pollutant concentrations. The APCO may impose, based on the analysis, offset ratios greater than those required in Section 4.3.4. The APCO may require that the cost of modeling be borne by the applicant.

### **5.3 Air Quality Models**

All estimates of ambient concentrations required pursuant to this rule shall be based on applicable air quality models, databases, and other requirements specified in 40 CFR Part 51, Appendix W ("Guideline on Air Quality Models"). Where an air quality model specified is inappropriate, the model may be modified or another model substituted. Such a modification or substitution of a model may be made on a case-by-case basis or, where appropriate, on a generic basis. Written approval from the EPA must be obtained for any modification or substitution. In addition, use of a modified or substituted model must be subject to notice and opportunity for public comment.

## **Part 6.0**      **Preliminary Decision**

### **6.1 Preliminary Decision**

Following acceptance of an application as complete, the APCO shall perform the evaluations required to determine compliance with all applicable District, state and federal rules, regulations, or statutes and shall make a preliminary written decision as to whether an Authority to Construct should be approved, conditionally approved, or denied. The decision shall be supported by a succinct written analysis. The decision shall be based on the requirements in force on the date the application is deemed complete, except when a new federal requirement not yet incorporated into this rule applies to the new or modified source.

### **6.2 Authority to Construct – Preliminary Decision**

Prior to issuance of a preliminary written decision to issue an Authority to Construct for a new major stationary source or major modification, the APCO shall determine:

- 6.2.1 That each emissions unit(s) that constitutes the project will not violate any applicable requirement of the District portion of the California State Implementation Plan (SIP); and

6.2.2 That the emissions from the new or modified stationary source will not interfere with the attainment or maintenance of any applicable national ambient air quality standard; and

6.2.3 That the emission limitation for each emission unit that constitutes the project specifies the lowest achievable emission rate (LAER) for such units, as LAER is defined in in this rule.

If the APCO determines that technological or economic limitations on the application of measurement methodology to a particular class of sources would make the imposition of an enforceable numerical emission standard infeasible, the APCO may instead prescribe a design, operational or equipment standard. In such cases, the APCO shall make its best estimate as to the emission rate that will be achieved and must specify that rate in the application review documents. Any permits issued without an enforceable numerical emission standard must contain enforceable conditions which assure that the design characteristics or equipment will be properly maintained or that the operational conditions will be properly performed so as to continuously achieve the assumed degree of control. Such conditions shall be enforceable as emission limitations by private parties under section 304 of the CAA. The term "emission limitation" shall also include such design, operational, or equipment standards; and

6.2.4 The quantity of ERCs or internal emission reductions required to offset the project, pursuant to Section 4.3; and

6.2.5 That all ERCs or internal emission reductions required for the proposed project have been identified and that they have been made federally enforceable or legally and practicably enforceable; and

6.2.6 That the quantity of ERCs or internal emission reductions determined under Section 4.3.2 will be surrendered prior to commencing operation.

6.2.7 Temporary emission sources, such as pilot plants, portable facilities which will be relocated outside of the nonattainment area after a short period of time (not to exceed 12 months), and emissions resulting from the construction phase of a new source, are exempt from Sections 6.2.4, 6.2.5, and 6.2.6.

### **6.3 Authority to Construct Contents**

6.3.1 An Authority to Construct for a new major stationary source or major modification shall contain terms and conditions:

- a. which ensure compliance with all applicable requirements and which are enforceable as a legally and practicable matter.



b. sufficient to ensure that the major stationary source or major modification will achieve LAER in accordance with Sections 6.3.2 and 6.3.3.

6.3.2 A new major stationary source shall achieve LAER for each nonattainment pollutant for which it would have the potential to emit at levels which equal or exceed the major source threshold for that nonattainment pollutant.

6.3.3 A major modification shall achieve LAER for each nonattainment pollutant for which it would result in a significant emissions increase and significant net emissions increase at the stationary source. This requirement applies to each proposed emissions unit at which the emissions increase in the pollutant would occur as a result of a physical change, or change in the method of operation, in the emissions unit.

#### **6.4 Authority to Construct – Final Decision**

6.4.1 Prior to making a final decision to issue an Authority to Construct for a new major stationary source or major modification, the APCO shall consider all written comments that were submitted within 30 days after the notice of public comment is published and all comments received at any public hearing(s) in making a final determination on the approvability of the application and make all comments available, including the District's response to the comments, for public inspection in the same locations where the District made available preconstruction information relating to the proposed source or modification.

6.4.2 The APCO shall deny any application for an Authority to Construct if she/he finds that the project would not comply with the standards and requirements set forth in District, state, or federal rules or regulations.

6.4.3 The APCO shall make a final decision whether to issue or deny the Authority to Construct proposed in the preliminary decision after determining that the Authority to Construct will or will not ensure compliance with all applicable emission standards and requirements.

6.4.4 The APCO shall notify the applicant in writing of the final decision and make such notification available for public inspection at the same location where the District made available preconstruction information and public comments relating to the source.

### **Part 7.0 Source Obligations**

#### **7.1 Enforcement**

Any owner or operator who constructs or operates a source or modification not in accordance with the application submitted pursuant to this rule, any changes to the application as required by the APCO, or conditions of the Authority to Construct shall be subject to enforcement action.

## **7.2 Termination**

Approval to construct shall terminate if construction is not commenced within eighteen months after receipt of such approval, if construction is discontinued for a period of eighteen months or more, or if construction is not completed within a reasonable time. The APCO may extend the 18-month period once upon a satisfactory showing of good cause why an extension is justified. This provision does not apply to the time period between construction of the approved phases of a phased construction project; each phase must commence construction within eighteen months of the projected and approved commencement date.

## **7.3 Compliance**

Approval to construct shall not relieve any owner or operator of the responsibility to comply fully with applicable provisions of the SIP and any other requirements under local, state, or federal law.

## **7.4 Relaxation in Enforceable Limitations**

At such time that a particular stationary source or modification becomes a major stationary source or major modification solely by virtue of a relaxation in any enforceable limitation which was established after August 7, 1980, on the capacity of the stationary source or modification otherwise to emit a pollutant, then the requirements of this rule shall apply to the stationary source or modification as though construction had not yet commenced on the stationary source or modification.

## **Part 8.0 Public Participation**

After the APCO has made a preliminary written decision to issue an Authority to Construct for a new major stationary source or major modification, as specified in Sections 6.1 and 6.2, the APCO shall:

### **8.1 Opportunity to Comment**

Provide public notice in at least one newspaper of general circulation within the District stating the preliminary decision of the APCO, noting how pertinent information can be obtained, and inviting written public comment for a 30-day period following the date of public notice. The notice shall include the time and place of any hearing that may be held, including a statement of procedure to request a hearing (unless a hearing has already been scheduled).

### **8.2 Materials Availability**

No later than the date the notice of the preliminary written determination is published, make available in at least one location in each region in which the proposed source would be constructed, a copy of all materials the applicant submitted, a copy of all materials the applicant submitted, a copy of the preliminary decision, a copy of the proposed permit and a copy or summary of other materials, if any, considered in making the preliminary written decision.

### **8.3 Forwarding of Public Notice**

Send a copy of the public notice available to the applicant, EPA Region 9, any persons requesting such notice and any other identified interested parties, such as other State or local air pollution control agencies, the chief executives of the city and county where the source would be located, any comprehensive regional land use planning agency, and any State, Federal Land Manager, or Indian Governing body whose lands may be affected by emissions from the source or modification.

### **8.4 Provision for Public Hearing**

Provide opportunity for a public hearing for persons to appear and submit written or oral comments on the air quality impact of the source, alternatives to it, the control technology required, and other appropriate considerations, if in the APCO's judgment such a hearing is warranted. The APCO shall give notice of any public hearing at least 30 days in advance of the hearing.

### **Part 9.0 Plantwide Applicability Limits (PAL)**

If applicable and permissible, the APCO shall issue a Plantwide Applicability Limit (PAL) Permit according to the provisions contained in 40 CFR 51.165(f)(1) through (15).

### **Part 10.0 Invalidation**

If any provision of this rule or the application of such provision to any person or circumstance, is held invalid, the remainder of this rule or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

**From:** Gretchen Bennett, Air Pollution Control Officer

**Date:** November 25, 2019

**Agenda Item: IV.B**

**Agenda Description:** Quarterly Budget Report for FY 2019-2020 (First Quarter)

**Issues:** The first quarter for FY 2019-2020 is available for review and discussion

**Requested Action:** Approve the First Quarter for FY2019-2020

**ROLL CALL VOTE REQUESTED**

**Attachments:**

1. Balance Sheet as of September 30, 2019
2. Profit and Loss July through September 2019
3. FY 2019-2020 Operating Budget VS Actuals (First Quarter)
4. FY 2019-2020 Restricted Budget VS Actuals (First Quarter)

**Northern Sierra Air Quality Management District  
Balance Sheet**

As of September 30, 2019

	Sep 30, 19
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10-0000 · Operating Bank Accounts	
10-1000 · Cash, Operating General Fund	1,149,911.54
10-1003 · Cash, Bank Payroll Operating	45,781.59
10-1004 · Cash, GovPay Operating	27,646.48
Total 10-0000 · Operating Bank Accounts	1,223,339.61
20-1000 · Cash, Restricted Fund	1,401,980.84
<b>Total Checking/Savings</b>	2,625,320.45
<b>Other Current Assets</b>	
10-1400 · Burn Box Petty Cash - GV	296.75
10-1401 · Portola Cash Box	6.59
<b>Total Other Current Assets</b>	303.34
<b>Total Current Assets</b>	2,625,623.79
<b>TOTAL ASSETS</b>	2,625,623.79
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
10-2000 · Payables (Operating Only)	372.00
<b>Total Accounts Payable</b>	372.00
<b>Other Current Liabilities</b>	
10-2300 · Other Current Liability Operati	
10-2310 · Employee Part Health I	279.01
10-2313 · PERS Survivor Benefits	4.65
10-2316 · PERS Service Credit	35.15
10-2317 · PEPPA Employee Deduction	267.13
<b>Total 10-2300 · Other Current Liability Operati</b>	585.94
20-2000 · Accounts Payable Restricted	1,211.39
<b>Total Other Current Liabilities</b>	1,797.33
<b>Total Current Liabilities</b>	2,169.33
<b>Total Liabilities</b>	2,169.33
<b>Equity</b>	
10-3900 · Retained Earnings - Operating	735,383.40
10-3903 · Other Post-Employment Benefits	150,000.00
10-3904 · Equipment Replacement	102,000.00
10-3905 · Leave Liability	52,000.00
10-3906 · Air Monitoring Program	60,000.00
10-3907 · Public Education Program	5,000.00
10-3909 · Contingency Emergency Reserve	264,000.00
20-3900 · Restricted Equity	
20-3902 · Planned Expend AB2766 Nevada	364,219.54
20-3903 · Planned Expend -AB2766 Plumas	146,291.79
20-3904 · Planned Expend - AB2766 Sierra	1,085.36
20-3906 · Planned Carl Moyer Non-Prop 40	55,308.47
20-3908 · Planned Expenditure - AB923 Res	183,364.05
20-3910 · H&S Reserve Balance	157,500.00
<b>Total 20-3900 · Restricted Equity</b>	907,769.21
<b>Net Income</b>	347,301.85
<b>Total Equity</b>	2,623,454.46
<b>TOTAL LIABILITIES &amp; EQUITY</b>	2,625,623.79

Northern Sierra Air Quality Management District  
**Profit & Loss**  
 July through September 2019

	Jul - Sep 19
10-5001 · Salaries	
10-5002 · Permanent Salaries- Grass Valle	98,207.69
10-5003 · Permanent Salaries- Portola	22,150.27
	<hr/>
Total 10-5001 · Salaries	120,357.96
10-5010 · Employee Benefits	
10-5011 · Medicare/FICA	1,695.62
10-5013 · EDD Training Tax	72.64
10-5014 · CA State Unemployment	116.72
10-5015 · Workers' Comp Insurance	5,294.05
10-5017 · PERS Retirees Health Plan	6,317.28
10-5018 · PERS Health Active Employee	10,686.38
10-5019 · Dental/Vision Care	2,664.00
10-5020 · PERS Classic Retirement-ER share	8,203.35
10-5021 · PERS ER- Paid Member Contributions	5,333.93
10-5022 · PERS Classic UAL	21,302.76
10-5023 · PERS PEPRA -ER Contribution	2,953.73
10-5024 · PERS PEPRA UAL	205.59
	<hr/>
Total 10-5010 · Employee Benefits	64,846.05
Total 10-5990 · Total Salary & Benefits	185,204.01
10-5991 · Operating Expense	
10-5200 · Office	
10-5202 · Office Supplies	2,124.77
10-5204 · Postage/Shipping	250.54
10-5301 · Information Technology	5,702.58
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Total 10-5200 · Office	8,077.89
10-5215 · Air & Ozone Monitoring	
10-5201 · PM2.5 Expenditure	2,868.20
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Total 10-5215 · Air & Ozone Monitoring	2,868.20
10-5225 · Dues & Subscription	
10-5203 · References, Subscrip	31.95
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Total 10-5225 · Dues & Subscription	31.95
10-5250 · Rents & Utilities	
10-5253 · Rent, Grass Valley	8,880.00
10-5254 · Rent, Portola	1,557.00
10-5255 · Utilities, Grass Valley	536.39
10-5256 · Utilities, Portola	470.21
10-5257 · Rent PM2.5 Grass Valley	2,447.82
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Total 10-5250 · Rents & Utilities	13,891.42
10-5251 · Communications	3,621.68
10-5258 · Liability Insurance	10,657.29
10-5300 · Professional Fees	
10-5313 · Prof Services Accounting	4,822.45
10-5315 · Prof Services Board	1,400.00
10-5317 · Prof Serv - Portola Office Assi	428.93
10-5318 · EPA Target Grant Accounting Ser	275.00
	<hr/>
Total 10-5300 · Professional Fees	6,926.38
10-5325 · Repair & Maintenances	
10-5303 · Maintenance Office	704.84

	Jul - Sep 19
10-5305 · Maintenance Vehicles	1,504.22
<b>Total 10-5325 · Repair &amp; Maintenances</b>	<b>2,209.06</b>
10-5350 · Travel & Conference	
10-5351 · Training/Tuition	233.36
10-5352 · Travel	858.69
10-5353 · Gasoline	847.61
10-5354 · Private Car Mileage	452.40
<b>Total 10-5350 · Travel &amp; Conference</b>	<b>2,392.06</b>
<b>Total 10-5991 · Operating Expense</b>	<b>50,675.93</b>
10-5992 · Pass-thru Funds	
10-5401 · Air Monitoring Program	0.00
10-5405 · Public Education Program	0.00
<b>Total 10-5992 · Pass-thru Funds</b>	<b>0.00</b>
10-5993 · Fixed Asset Purchases Summary	
10-5601 · Fixed Assets Office	3,037.67
<b>Total 10-5993 · Fixed Asset Purchases Summary</b>	<b>3,037.67</b>
<b>Total 10-5994 · Total All Operating Expenses</b>	<b>238,917.61</b>
20-5400 · Grantees Summary Only	
20-5401 · AB2766 Restricted	
20-5403 · AB2766 - Plumas County	
20-5440 · 2015-08 Portola PM Nonattainmen	100.00
<b>Total 20-5403 · AB2766 - Plumas County</b>	<b>100.00</b>
20-5404 · AB2766 - Sierra County	0.00
<b>Total 20-5401 · AB2766 Restricted</b>	<b>100.00</b>
20-5410 · EPA 2015 Target Grant	52,043.17
20-5413 · H&S Mitigation Agree - Restrict	18,900.00
20-5414 · Woodsmoke Reduction Program	8,036.18
<b>Total 20-5400 · Grantees Summary Only</b>	<b>79,079.35</b>
<b>Total Expense</b>	<b>317,996.96</b>
<b>Net Ordinary Income</b>	<b>347,301.85</b>
<b>Net Income</b>	<b>347,301.85</b>

Northern Sierra Air Quality Management District  
**Profit & Loss**  
 July through September 2019

Jul - Sep 19

Ordinary Income/Expense  
 Income

10-4000 · Operating Income	4,727.12
10-4002 · Fees, Permit to Operate	1,383.32
10-4004 · Fees, Vapor Recovery	0.00
10-4005 · Fees, Variance Application	13,523.83
10-4007 · Fees, Prescribed Burning	250.35
10-4008 · Fees, Woodstove Inspections	4,000.00
10-4100 · Penalties, Permitted Source	
10-4200 · Intergovernmental Revenue Total	57,000.00
10-4204 · Gov Fund EPA Monitoring	33,186.30
10-4206 · Gov Funding AB2766 Operating	269.19
10-4208 · Gov Funding AB923 Operating	0.00
10-4209 · Gov EPA Target 2015 , Admin Fee	0.00
10-4211 · Gov, AB 197	79,526.00
10-4213 · Rx Fire Staff Grant	25,000.00
10-4215 · Carl Moyer Admin Fee	0.00
10-4220 · Woodsmoke Reduction Prog-Admin	15,229.57
10-4222 · Farmer Prgm, Pooled Share Admin	

Total 10-4200 · Intergovernmental Revenue Total 210,211.06

10-4300 · Other Income	432.63
10-4304 · Other Income, Miscellaneous	

Total 10-4300 · Other Income 432.63

10-4310 · Interest Earned - Operating 7,207.21

Total 10-4000 · Operating Income 241,735.52

20-4999 · Total Restricted Revenue

20-4500 · AB 2766 (all counties)	17,362.59
20-4502 · AB2766 Nevada County	4,307.01
20-4503 · AB2766 Plumas County	
20-4504 · AB2766 Sierra County	454.65

Total 20-4500 · AB 2766 (all counties) 22,124.25

20-4505 · AB 923 5,114.54

20-4518 · Carl Moyer	175,000.00
20-4520 · Carl Moyer Prop 40	

Total 20-4518 · Carl Moyer 175,000.00

20-4529 · Gov EPA Target 2015 Grnt -Porto	0.00
20-4538 · AB617-CAPP/Comm Air Protection	22,659.00

20-4541 · Nox Reduction Measure Rev	70,706.00
20-4542 · Farmers, Pooled Share Program	119,339.65
20-4600 · Interest Earned - Restricted	8,619.85

Total 20-4999 · Total Restricted Revenue 423,563.29

Total Income 665,298.81

Gross Profit 665,298.81

Expense

10-5994 · Total All Operating Expenses	
10-5990 · Total Salary & Benefits	

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**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Operating Budget vs Actuals**  
**Period Ending September 30, 2019**

Resource Report	
Operating (Fund 6774) Ending Balance Qtr 1	\$ 1,149,912
Operating (Payroll) Ending Balance Qtr 1	\$ 45,782
Operating (GovPay) Ending Balance Qtr 1	\$ 27,646
<b>All Operating Accounts Cash Total</b>	<b>\$ 1,223,340</b>

Revenue				
Account #	Description	Budget		Actuals to 09/30/19
		2019	2020	
10-4002	Fees, Permit to Operate	30,000		4,727
10-4004	Fees, Vapor Recovery	20,000		1,383
10-4005	Fees, Variance Application	500		-
10-4006	Fees, Source Test	2,000		
10-4007	Fees, Prescribed Burning	25,000		13,524
10-4008	Fees, Woodstove Inspections	2,000		250
10-4010	Fees, Title V, Fed Op Permit	65,000		
10-4013	Fees, Fire Dept Response	1,500		
10-4100	Penalties, Permitted Source	10,000		4,000
10-4101	Penalties, Open Burning	2,500		
10-4201	Gov't Funding, State Subvention	137,600		
10-4202	Gov't Funding, Subvention Supplemental	3,500		
10-4203	Gov't Funding, County Contribution	62,669		
10-4204	Gov't Funding, EPA Monitoring	59,500		57,000
10-4206	Gov't Funding, AB 2766 DMV Fees	360,000		33,186
10-4207	Gov't Funding, PERP Pass thru	18,000		
10-4208	Gov't Funding, AB 923 Operating	3,125		269
10-4209	Gov't Funding, EPA Target, Admin Fee	75,000		
10-4214	Gov't Funding, EPA Target 2015 Burnwise Coordinator	49,698		
10-4221	Gov't Funding, Nox remediation Measure, Admin Fee	4,242		
10-4211	Gov't Funding, AB 197	8,583		
10-4213	Rx Fire Funding, Staff	79,000		79,526
10-4212	Rx Fire Funding, Monitoring	20,000		
10-4215	Carl Moyer, Admin Fee	25,000		25,000
10-4222	Farmer Pooled Share - Admin	15,000		15,230
10-4223	RAP, Carl Moyer Rural Assistance Admin	7,000		
10-4220	WRP, Admin Fee	-		
10-4303	Other Income, Rules, Copies, Subscr.	100		
10-4304	Other Income, Miscellaneous			433
10-4310	Other Income, Interest Earned	20,000		7,207
<b>Revenue Total:</b>		<b>\$ 1,106,517</b>		<b>\$ 241,736</b>

Expenditures				
Account #	Description	Budget		Actuals to 09/30/19
		2019	2020	
10-5002	Permanent Salaries	486,054		120,358
10-5021	TaxMed (elect not to utilize th District provided health insurance)	7,680		
10-5003	Overtime	1,000		
10-5011	Medicare/FICA	7,159		1,696
10-5013	CA State Unemployment	784		189
10-5015	Workers' Comp Insurance	6,567		5,294
10-5016	PERS Health Insurance Active Employees	48,000		10,686
10-5017	PERS Health Insurance Retired Employees	18,951		6,317
10-5019	Dental/Vision Care	8,750		2,664
10-5020/5023	PERS Retirement (ER & EE Paid)	63,297		16,491
10-5022/5024	PERS Unfunded Accrued Liability	73,545		21,508
<b>Salaries and Benefits Total:</b>		<b>\$ 721,787</b>		<b>\$ 185,204</b>

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**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Operating Budget vs Actuals**  
**Period Ending September 30, 2019**

<b>Expenditures</b>			
Account #	Description	Budget 2019-2020	Actuals to 09/30/19
10-5201	PM Monitoring Expenses (Supplies and Lab Rent)	15,000	2,868
10-5202	Office Supplies	4,000	2,125
10-5203	References, Subscriptions	1,500	32
10-5204	Postage, Shipping	1,000	251
10-5205	Memberships	3,000	
10-5206	Ozone Monitoring Expenses	5,000	
10-5251	Communications	15,000	3,622
10-5253	Rent, Structures - Grass Valley	26,640	8,880
10-5254	Rent, Structures - Portola	6,228	1,557
10-5255	Utilities, Grass Valley	2,700	536
10-5256	Utilities, Portola	1,200	470
10-5257	Rent, Grass Valley PM2.5	7,272	2,448
10-5258	Liability Insurance	8,000	10,657
10-5259	Legal Notices, Public	500	
10-5301	Information Technology	7,000	5,703
10-5303	Maintenance: Office Equipment	500	705
10-5305	Maintenance: Vehicles	3,000	1,504
10-5311	Profession Services: Legal	6,000	
10-5312	Profession Services: Office Assistance	1,200	429
10-5313	Profession Services: Accounting (Nevada County Accountant, and ADP)	33,000	5,097
10-5314	Profession Services: Financial Auditor	12,500	
10-5315	Profession Services: Board	5,000	1,400
10-5351	Training, Tuition	1,500	233
10-5352	Travel	3,000	859
10-5353	Gasoline	5,000	848
10-5354	Private Car Mileage	500	452
10-5390	Miscellaneous	1,000	
<b>Services and Supplies Total:</b>		<b>\$ 176,240</b>	<b>\$ 50,676</b>

<b>Expenditures Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)</b>			
Account #	Description	Budget 2019-2020	Actuals to 09/30/19
10-5402	Alternate Commute Program	750	
10-5404	ARB: AB 2588 Fees	1,400	
10-5405	Public Education Program	5,000	
10-5406	Fire Dept Response Reimbursement	1,500	
<b>Contribution to Other Agencies / Internal Grants Total:</b>		<b>\$ 8,650</b>	<b>\$</b>

<b>Expenditures Fixed Asset Purchases (Object Level)</b>			
Account #	Description	Budget 2019-2020	Actuals to 09/30/19
10-5601	Office Equipment (2 computers @\$2,000 each)	4,000	3,038
10-5602	Field Equipment (fixed assets - over \$1,000)	1,000	
10-5605	EPA Supplemental Monitoring		
<b>Fixed Asset Purchases Total:</b>		<b>\$ 5,000</b>	<b>3,038</b>

<b>Total Expenditures</b>		
Salaries and Benefits (Object Level)	721,787	185,204
Services and Supplies (Object Level)	176,240	50,676
Pass-thru Funds / Internal Programs / Contributions to Other Agencies (Object Level)	8,650	-
Fixed Asset Purchases (Object Level)	5,000	3,038
<b>Expenditure Total:</b>		<b>\$ 911,677 \$ 238,918</b>

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**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT**  
**Restricted Budget vs Actuals**  
**Period Ending September 30, 2019**

<b>Resource Report</b>	
Restricted Cash (Fund 6771) Ending Balance as of 9/30/2019	\$ 1,401,981

<b>Restricted Budget, Revenue</b>			
Account #	Description	Budget 2019-2020	Actuals to 09/30/19
20-4500	Govt. Funding, AB 2766 DMV Fees (60% for District Admin)	240,000	22,124
20-4505	Govt. Funding, AB923 (6.25% for district admin)	50,000	5,115
20-4518	Govt. Funding, Carl Moyer HD Diesel (12.5% for district admin)	175,000	175,000
20-4536	WRP interest	1,000	
20-4541	Nox Reduction Measure (NRM)	70,212	70,706
20-4542	Farmers Pooled Share	100,000	119,340
20-4543	Rural Assistance program (RAP)	80,000	
20-4538	AB 617	22,000	22,659
20-4539	AB 617 Interest	100	
20-4529	Govt. Funding, EPA Target Grant for Portola	398,400	
20-4600	Other Income, Interest, Restricted	5,000	8,620
<b>Restricted Budget, Revenue Total:</b>		<b>\$1,141,712</b>	<b>\$423,563</b>

<b>Restricted Budget, Expenditures</b>			
Account #	Description	Budget 2019-2020	Actuals to 09/30/19
20-5403	Plumas County Public Works (AB2017-02)	5,088	
20-5440	Portola PM Mitigation(AB2015-08, 33,211)	31,922	100
20-5442	Portola MOU (AB2016-08)	27,505	
20-5402	Hansen Bros Enterprises (AB2018-02, \$25,000)	25,000	
20-5402	Town of Truckee (AB 2018-03, \$67,696)	67,696	
20-5402	Town of Truckee (AB 2018-04, \$39,542)	39,542	
20-5402	Foster and Sons (AB 2018-05, \$26,457)	26,457	
20-5402	Nevada City Police (AB2018-06-06, \$19,500)	19,500	
20-5404	Incorporated Senior Citizens of Sierra County (AB2017-01)	5,672	
20-5401	AB2766 Planned Expenditure of all counties (FY 19/20)	267,930	
20-5406	Carl Moyer	247,478	
20-5409	AB 923	264,914	
20-5410	EPA Target Grant for Portola	398,400	52,043
20-5414	Woodsmoke Reduction Program (WRP)	41,827	8,036
20-5417	Non reduction Measure (NRM)	70,212	
20-5415	AB 617	42,000	
20-5413	H&S Mitigation Fund	106,342	18,900
<b>Restricted Budget, Expenditures Totals:</b>		<b>1,687,485</b>	<b>\$ 79,079</b>

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**From:** Gretchen Bennett, Air Pollution Control Officer

**Date:** November 25, 2019

**Agenda Item: IV. C**

**Agenda Description:** Request for Extension for AB 2018-04 Project (Town of Truckee)

**Issues:** The Town of Truckee was granted \$39,542 from the Air District Board to procure electric vehicle charging station and vehicle. An email received from Nicholas Martin (Town of Truckee) to Joe Fish (Air District) on October 23, 2019 explained that the Town was having difficulties procuring a contractor team for the project. The Town is requesting an extension of up to one year, December 31, 2020 to fulfill the requirements of this project. Mr. Martin also discusses that this will allow enough time to get a contractor and team under contract and be ready at the beginning of next year's construction season. Mr. Martin also explained there is an excavation moratorium in Truckee during the winter months.

**Requested Action:** Disapprove Extension or Approve extension until December 31, 2020.

**ROLL CALL VOTE REQUESTED**

**Attachments:** none

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**From:** Gretchen Bennett, Air Pollution Control Officer

**Date:** November 25, 2019

**Agenda Item: IV.D**

**Agenda Description:** Wood Smoke Reduction Program Grant Agreement with California Air Resources Board FY 2018-2019

**Issues:**

The 2018-2019 allocation for the Woodsmoke Reduction Program has been approved and grant agreements have been prepared by CARB. Last year's program changed out 115 old wood stoves and fireplaces in the air district. This year the funding has been reduced but we still expect to be able to fund approximately 45 change-outs. There is already a waiting list with more than 72 people on it.

Northern Sierra has been approved to receive \$162,773.11. \$15,294.12 is for implementation and admin and \$147,478.99 is for change-outs. This program is funded by the California Climate Initiative using Cap and Trade dollars.

Some of the rules have changed since the last round of funding. The main change is that this time only primary residences including long-term rentals are eligible -- no vacation homes.

The district is planning to work with the same 6 other air districts as last year in a "regionally consistent" change-out program. This saves time and expense on the development and vetting of forms and fliers. Tentatively, districts will issue enhanced incentive vouchers of \$3,500 to low income people and people living in designated low income census tracts. Everybody else will be eligible for standard vouchers worth \$1,000. There is a maximum cap of \$5,000 for any enhanced change-out incentive meeting the requirements for an exceptional circumstance.

**Requested Action:**

1. Approve Resolution 2019-08, authorizing the Executive Director to sign agreement with CARB for Wood Smoke Reduction Program FY 2018-2019.

**Attachments:**

1. Resolution 2019-08
2. Guidelines for Wood Smoke Reduction Program FY 2018-2019
3. Agreement was not available at time of printing Board packet. Agreement will be available at Board meeting.

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**NORTHERN SIERRA AIR QUALITY MANAGEMENT DISTRICT  
RESOLUTION #2019-08**

**In the Matter of Accepting Funding Provided Under the Woodsmoke Reduction Program for FY 2018-2019**

**Whereas**, the Woodsmoke Reduction Program (WRP) is part of California's Climate Investments, a statewide group that puts billions of Cap and Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and environment – particularly disadvantaged communities and

**Whereas**, the WRP is a GGRF-funded program designed to replace high-polluting, uncertified woodstoves, wood inserts, and fireplaces used for primary home heating with cleaner burning, more efficient home devices; and

**Whereas**, the Northern Sierra Air Quality Management District has been approved by the California Air Resources Board (CARB) for a grant under the WRP; and

**Whereas**, the District is accepting \$162,773.11 of funds under the WRP for Fiscal Year 2018-2019.

**Whereas**, CARB requires a Board resolution authorizing the Air Pollution Control Officer (APCO) to sign the Grant Agreement and accept funding; and

**NOW, THEREFORE, BE IT RESOLVED, by the Northern Sierra Air Quality Management District Board as follows:**

1. The Board authorizes the APCO to sign the WRP grant agreement with CARB and to execute all other necessary documents to implement and carry out the purposes of this resolution.
2. The Board does hereby approve the acceptance of the \$162,773.11 of funds under the WRP for Fiscal Year 2018-2019 in accordance with the terms and conditions of the Grant Agreement.
3. The Board hereby authorizes the APCO to accept any unallocated and awarded funds to the District under the WRP Grant Agreement.

On a motion by Supervisor \_\_\_\_\_, and seconded by Supervisor \_\_\_\_\_, the foregoing resolution was approved and adopted by the Board of Directors of the Northern Sierra Air Quality Management District at a regular meeting held on November 25, 2019, by the following roll call vote:

Ayes:  
Noes:  
Absent:  
Abstaining:

Approve: \_\_\_\_\_  
Chair of Board

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



California Air Resources Board (CARB)  
 Advance Payment Request Form

\* Sections marked with an asterisk are required

\* SECTION A: GRANTEE INFORMATION

Grantee:	Northern Sierra Air Quality Management District	Date:	
Grant Number:	G18-WSRP-17	Request Number:	1
Contact Name:	Gretchen Bennitt	Contact Phone Number:	(530) 274-8360
Project Implementation Funds Amount Requested:	\$ 16,294.12	Project Funds Amount Requested:	\$ 147,478.99
Total Funds Requested:	\$ 162,773.11		

SECTION B: CARB APPROVAL (CARB USE ONLY)

Project Implementation Advance Approved
Project Advance Approved
Total Funds Approved
<input type="checkbox"/> Advance Payments may only be used for the specified activities approved for the grant.
<input type="checkbox"/> No advance payment shall be provided to any other entity.
<input type="checkbox"/> All unused funds shall be returned to the State if not liquidated within the timeline specified in the grant.
<input type="checkbox"/> There are no outstanding material financial audit findings related to the organization, its activities, and funding eligible for Advance Payment: <ul style="list-style-type: none"> <li><input type="checkbox"/> Include all financial audit reports with findings.</li> <li><input type="checkbox"/> Include corrective action plan of all audit report findings.</li> </ul>

\*SECTION C: SMALL AIR DISTRICT



Check this box if you are a Small Air District and move to Section E.

\* SECTION D: ENTITIES NOT IDENTIFIED AS SMALL AIR DISTRICTS

Grantees not identified as Small Air Districts must provide the following:

- 1) A Spending Plan, which shall include:
  - a. The Grantee's fund balance for all state grant programs;
  - b. The Grantee's approved list of projects and entities if applicable;
  - c. Project schedules, milestones, and timelines;
  - d. Tax filing status; and
  - e. Any and all other information requested by CARB.
- 2) The Grantee shall report to CARB any material changes to their Spending Plan within 30 days.

\*SECTION E: GRANTEE SIGNATURE

By signing below, I hereby certify that I am the duly appointed, qualified, and acting officer of the herein named Grantee and that the information provided is in all respects true and correct.

Grantee Signature:	<i>Gretchen Bennitt</i>	Date:	11-25-19
Printed Name:	Gretchen Bennitt	Title:	APCO

SECTION F: CARB SIGNATURES (CARB USE ONLY)

Grant Manager (Signature):	Date:
Printed Name:	Title:
Branch Chief (Signature):	Date:
Printed Name:	Title:
Contracts/Procurement/Grant Chief (Signature):	Date:
Printed Name:	Title:



2018/2019 Woodsmoke Reduction Program  
 GRANT DISBURSEMENT REQUEST FORM

General Information		Grant Number	G18-WSRP-17
Project Name	Northern Sierra 2018/2019 Woodsmoke Reduction Project	Amendment #	
Grantee Name	Northern Sierra Air Quality Management District	Fiscal Year	2018/2019
Contact Person	Gretchen Bennitt	Disbursement #	1
Mailing Address	200 Litton Drive, Suite 320, Grass Valley, California 95945	FAX Number	
Phone Number	530-274-9360		
Disbursement Request			
	Original Grant	Total Previous Disbursement	This Request
Project Funds	\$ 147,478.99	\$ 0	\$ 147,478.99
Project Implementation Funds:	\$ 15,294.12	\$ 0	\$ 15,294.12
Total	\$ 162,773.11	\$ 0	\$ 162,773.11
Remaining Balance			
			\$ 0
			\$ 0
			\$ 0

Attachments:

Documentation attached for disbursement justification:  
 Project Funds   
 Processing Fees

I certify under penalty of perjury that the information contained in this Grant Disbursement Request Form and all attachments is correct and complete and is in accordance with the Grant Agreement. In addition, I hereby authorize the California Air Resources Board to make any inquiries to confirm this information.

Authorized Official: Gretchen Bennitt, Title: Air Pollution Control Officer  
 Signature: *Gretchen Bennitt*, Date: Nov 14, 2019

FOR STATE USE ONLY

Date Request Received by CARB: \_\_\_\_\_ Date to Accounting: \_\_\_\_\_ Date to SCO: \_\_\_\_\_

CARB Project Liaison Approval: Kasia Turkiewicz, Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Grant Manager Approval: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Total Disbursement: \_\_\_\_\_ Fund: \_\_\_\_\_ PCA: \_\_\_\_\_

Total Disbursement: \_\_\_\_\_ Fund: \_\_\_\_\_ PCA: \_\_\_\_\_

Total Disbursement: \_\_\_\_\_ Fund: \_\_\_\_\_ PCA: \_\_\_\_\_

# GRANT AGREEMENT COVER SHEET

GRANT NUMBER  
 G18-WSRP-17

NAME OF GRANT PROGRAM Woodsmoke Reduction Program	
GRANTEE NAME Northern Sierra Air Quality Management District	
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER 68-0124279	TOTAL GRANT AMOUNT NOT TO EXCEED \$162,773.11
FISCAL GRANT TERM FROM: November 18, 2019	TO: May 31, 2022
PROJECT PERFORMANCE PERIOD OF GRANT AGREEMENT FROM: November 18, 2019	TO: June 30, 2022

This legally binding Grant Agreement, including this cover sheet and Exhibits attached hereto and incorporated by reference herein, is made and executed between the State of California, Air Resources Board (CARB) Northern Sierra Air Quality Management District (the "Grantee").

- Exhibit A – Grant Provisions
- Exhibit A – Attachment 1 – Grantee Scope of Work
- Exhibit B – Required License
- Exhibit C – Budget Summary
- Exhibit D – Project Schedule
- Exhibit E – Insurance Waiver Forms and Examples
- Exhibit F – Woodsmoke Reduction Program – Program Guidelines Fiscal Year 2018-2019

Grant is contingent on CARB receipt of a Board Resolution or Minute Order prior to funds being disbursed to Grantee. This Agreement is of no force or effect until signed by both parties. Grantee shall not commence performance until it receives written approval from CARB.

The undersigned certify under penalty of perjury that they are duly authorized to bind the parties to this Grant Agreement.

STATE AGENCY NAME California Air Resources Board		GRANTEE'S NAME (PRINT OR TYPE) Northern Sierra Air Quality Management District	
SIGNATURE OF ARB'S AUTHORIZED SIGNATORY:		SIGNATURE OF GRANTEE (AS AUTHORIZED IN RESOLUTION, LETTER OF COMMITMENT, OR LETTER OF DESIGNATION) <i>Gretche Smith</i>	
TITLE Contracts, Procurement, and Grants Branch Chief, ASD	DATE	TITLE <i>APCO</i>	DATE 11-25-19
STATE AGENCY ADDRESS 1001 I Street, Sacramento, CA 95814		GRANTEE'S ADDRESS (INCLUDE STREET, CITY, STATE AND ZIP CODE) 200 Litton Drive, Suite 320, Grass Valley, California 95945	

CERTIFICATION OF FUNDING				
AMOUNT ENCUMBERED BY THIS AGREEMENT	PROGRAM	PROJECT	ACTIVITY	
\$162,773.11	351000L32	3900-WSRP	3228WSRP18	
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$0.00	FUND TITLE Greenhouse Gas Reduction Fund			FUND NO. 3228
TOTAL AMOUNT ENCUMBERED TO DATE \$162,773.11	(OPTIONAL USE)	FISCAL SUPPLIER ID 95483	CHAPTER 30	STATUTE 2018
APPR REF 101	ACCOUNT/ALT ACCOUNT 5432000	REPORTING STRUCTURE 39007100	SERVICE LOCATION 88511	FISCAL YEAR (ENY) 2018/19

I hereby certify that the California Air Resources Board Budget Office acknowledges that budgeted funds are available for the period and purpose of the expenditure stated above.

SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD BUDGET OFFICE: <i>[Signature]</i>	DATE 11/7/19
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I hereby certify that the California Air Resources Board Legal Office has reviewed this Grant Agreement.

SIGNATURE OF CALIFORNIA AIR RESOURCES BOARD LEGAL OFFICE: <i>[Signature]</i>	DATE 11/12/19
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