Meeting of the
North Coast Unified Air Quality Management District
Governing Board of Directors

Thursday, March 19, 2020 at 10:30 a.m.,
NCUAQMD District Office
707 L Street, Eureka, CA 95501

Supervisor Judy Morris will be attending via teleconference

AGENDA

1. 10:30 A.M.  Call to Order  Board Chair
2. Roll Call  Clerk
3. Additions and Deletions to Agenda  Board Chair

CONSENT AGENDA

4. Consider Approving the Consent Agenda, Items for action, 4.1 through 4.5: The Board may approve the Consent Agenda by single motion in whole or in part with or without further discussion.  Action Requested: Approve Consent Agenda Items 4.1 through 4.5:  Board Chair

4.1 By Consent, Approve Minutes of January 16, 2020 Board Meeting
4.2 By Consent, Accept and File District Activity Report

REGULAR AGENDA

5. Public Comment Period (pursuant to Government Code section 54954.3(a))  Board Chair
6. **Increase District X-Factor by Consumer Price Index**  
   **Action Requested:** Approve Resolution 2020-2: Increase District X-Factor by Consumer Price Index (CPI)  

7. **Revise Existing FY19/20 Budget to Expend Reserve Funds on Woodsmoke Reduction Grant Program**  
   **Action Requested:** Revise Existing FY19/20 Budget to Expend $55,000 in Reserve Funds Earmarked from Past Compliance Settlement Agreements for Expenditure Under the Current Woodsmoke Reduction Grant Program  

8. **Appointment of Alternate Member to Hearing Board**  
   **Action Requested:** Appoint Ms. Joanna Hawley-Jones as an Alternate for the Public Member Position on the District Hearing Board  

9. **Closed Session: Conference for Labor Negotiations**  
   a. **Personnel Performance Evaluation, APCO** - Pursuant to Gov’t. Code sec. 54957 and  
   b. **Labor Negotiations, Unrepresented Employee, APCO** - Pursuant to Government Code sec. 54957.6  

10. **Report Out from Closed Session**  

11. **APCO Report**  

12. **Board Member Reports**  

13. **Adjournment**  

The next Board of Directors meeting is scheduled for Thursday, April 16, 2020 at 10:30 a.m.  
Del Norte County Supervisor Chambers  
981 H Street, Suite 100, Crescent City, CA 95531  

The meeting rooms are ADA accessible. Accommodations and access to NCUAQMD meetings for people with special needs must be requested of the Clerk in advance of the meeting.
Minutes of the Special Meeting of the North Coast Unified Air Quality Management District Governing Board of Directors

Meeting of
January 16, 2020

The meeting was called to order by Chair Chris Howard at 10:37 AM at the NCUAQMD District Office: 707 L Street, Eureka, CA 95501

MEMBERS PRESENT:

Judy Morris via teleconference  Trinity County Supervisor
Chris Howard  Del Norte County Supervisor
Brett Watson  City of Arcata Councilmember
Rex Bohn  Humboldt County Supervisor

MEMBERS ABSENT:
Mike Wilson  Humboldt County Supervisor

STAFF PRESENT:
Brian Wilson  APCO
Jason Davis  Deputy APCO
Heather Bitner  Clerk of the Board
Penny Costa  Finance and HR Coordinator
Debra Harris  Burn Program Coordinator

OTHERS PRESENT:

Agenda Item 1: Call to Order

Agenda Item 2: Roll Call

Agenda Item 3: Additions and Deletions to the Agenda

The APCO requested moving Agenda Item 13: APCO Report to before Item 10: Grant Agreement; and Councilmember Watson requested that Agenda Item 14: Board Member Reports move to after Agenda Item 5: Public Comments. There was no public comment.
Agenda Item 4: Consider Approving the Consent Agenda

4.1: By Consent, Approve Minutes of November 21, 2019 Board Meeting

4.2: By Consent, Accept and File District Activity Report

4.3 By Consent, Accept and File Letter from a Member of the Public

4.4 By Consent, Approve Account Transfer

Supervisor Morris asked for the November minutes to reflect voting on Agenda Item 9 as she had joined the meeting for that vote.

A motion offered by Supervisor Bohn duly seconded by Councilmember Watson to Adopt Consent Agenda Items 4.1-4.4 are hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 16th day of January, 2020 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:
Supervisor Howard   Aye
Supervisor Bohn      Aye
Supervisor Morris    Aye
Mayor Watson         Aye
Supervisor Wilson    Absent

There was no public comment.

Agenda Item 5: Public Comment

There was no public comment.

Agenda Item 14: Board Member Reports

Councilmember Watson reported out that people at Humboldt State University (HSU) have expressed a desire to have portable smoke monitors on campus. They are concerned about air quality levels, especially during wildfires. Supervisor Bohn suggested the District could buy a monitor for them, and maybe teach Air Monitoring workshops. The APCO noted there are some opportunities to teach citizen scientists and possibly we could get a monitor or sensor at HSU and one at Arcata City Hall. This is valuable for wildfire data as well. There could be ramifications for the District’s Attainment Plan, which is approved through CARB and EPA, but it is valuable to look into. There were no other Board Member reports.
**Agenda Item 6: Resolution of Appreciation**

Staff member Debra Harris has served 30 years with the District and was recognized by the APCO and the Board with a Resolution of Appreciation and words of gratitude.

A motion offered by Supervisor Bohn duly seconded by Councilmember Watson to Adopt Resolution 2020-1: Resolution of Appreciation to Debra Harris for Thirty (30) Years of Service is hereby ADOPTED by the North Coast Unified Air Quality Management District Board of Directors on this 16th day of January, 2020 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:
Supervisor Howard  Aye
Supervisor Bohn  Aye
Supervisor Morris  Aye
Mayor Watson  Aye
Supervisor Wilson  Absent

There was no public comment.

**Agenda Item 7: Election of Officers**

A motion offered by Supervisor Howard duly seconded by Supervisor Bohn to Elect Councilmember Watson as Chair and Supervisor Howard as Vice Chair of the Governing Board for the 2020 Calendar Year is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 16th day of January, 2020 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:
Supervisor Howard  Aye
Supervisor Bohn  Aye
Supervisor Morris  Aye
Mayor Watson  Aye
Supervisor Wilson  Absent

There was no public comment.

**Agenda Item 8: Hearing Board Appointments**

A motion offered by Supervisor Morris duly seconded by Supervisor Bohn to Re-Appoint Current Hearing Board Members and Their Corresponding Alternates, and Appoint Ken Mierzwa as the Alternate Member to the Vacant Public Member Position is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 16th day of January, 2020 by the following
votes:

UNANIMOUS PASS by the following Roll Call vote:
Supervisor Howard    Aye
Supervisor Bohn       Aye
Supervisor Morris     Aye
Mayor Watson          Aye
Supervisor Wilson     Absent

There was no public comment.

Agenda Item 9: Reserve Fund Status

The APCO brought forward the annual discussion of the District’s reserve fund, specifically focusing on the Other Post-Employment Benefits (OPEB) and pension liability.

The reserve fund is currently about $1.5 million. Five years ago, it was around $400,000 with $300,000 set aside for retirement liabilities. At that time the Board increased permit fees to prevent operating expenses from being paid from the reserve. Additional settlement agreements and implementation reimbursement from grants have bolstered the amount in the reserve.

The District does its own financial accounting, including payroll and building expenses, and all other operating costs. There are other things at our District to consider, including the fact that the District is not part of a county, and does not benefit from property taxes. We do many grants, and they are all reimbursement grants, so the District is fronting the costs to administer those grants. We need a healthy reserve fund to accommodate that activity.

At the Governing Board meeting in 2015, the reserve fund policy was created. It said at that time that $750,000 was the target, with $300,000 set aside for pension liability. The growth of the reserve is not from overcharging, it is from grant administration, which may or may not be able to continue.

Supervisor Bohn asked if we could take a large amount of the reserve and put it towards the pension liability. The APCO said that we are waiting for some information from the auditor and the information from the OPEB liability for 2018. Then we plan to propose to use the reserve for addressing the liability, and discuss different financial tools and programs. The district has some advantages because new hires have a more cost-effective benefit package for the District.

A motion offered by Supervisor Howard duly seconded by Supervisor Morris to Accept and File Report is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 16th day of January, 2020 by the following votes:
UNANIMOUS PASS by the following Roll Call vote:
Supervisor Howard  Aye
Supervisor Bohn  Aye
Supervisor Morris  Aye
Mayor Watson  Aye
Supervisor Wilson  Absent

There was no public comment.

**Agenda Item 10: Grant Agreement with CARB for Woodsmoke Reduction Program**

The APCO introduced the need to enter into a grant agreement with CARB to administer the Woodsmoke Reduction Program. Previous approvals from the Board to participate were with CAPCOA.

A motion offered by Supervisor Howard duly seconded by Supervisor Bohn o Authorize APCO to Enter into a Grant Agreement with CARB for the Woodsmoke Reduction Program, Adopt Resolution 2020-2: State Woodsmoke Reduction Program Grant Agreement Year 2, and to Accept and Spend Grant Funds is hereby APPROVED by the North Coast Unified Air Quality Management District Board of Directors on this 16th day of January, 2020 by the following votes:

UNANIMOUS PASS by the following Roll Call vote:
Supervisor Howard  Aye
Supervisor Bohn  Aye
Supervisor Morris  Aye
Mayor Watson  Aye
Supervisor Wilson  Absent

There was no public comment.

**Agenda Item 13: APCO Report**

The APCO reported on the following items:
- Article regarding Greenhouse Gas is ahead of schedule

The Deputy APCO reported out some changes to Regulations I and II with regard to State and Federal Implementation Plans. As we have to resubmit the Rules due to “timing out” with EPA, he will be modernizing the rules to make sure they are enforceable and align with our Attainment Plan. The APCO noted there is a lot of work coming but the most critical is with Rule 110, New Source Review, as it will have the largest impact with attainment and growth. Council Diamond said that there was a lot of back and forth negotiating with EPA, who is finally on board with the last set of Rule 110, but EPA has turned their attention elsewhere.
It is a very difficult process to apply the rules to new permits. It is one of the most important rules that the District will need to finalize in the upcoming year.

- Regular Variance for PG&E before the Hearing Board on Feb 3
- AB 617: Community Air Protection
  - Blue Lake Rancheria qualified for a $100,000 grant for an educational module through this program

There was no public comment.

**Agenda Item 11: Closed Session: Conference for Labor Negotiations**

a. Personnel Performance Evaluation, APCO - Pursuant to Gov't. Code sec. 54957, and
b. Labor Negotiations, Unrepresented Employee, APCO - Pursuant to Gov’t Code sec. 54957.6

The Board adjourned to Closed Session at 11:24 am and returned to Open Session at 11:40 am.

**Agenda Item 12: Report out from Closed Session**

There was no report out from Closed Session.

**Agenda Item 15: Adjournment**

The Governing Board Meeting was adjourned at 11:44 am.

I hereby attest that this is a true and correct copy of the action taken by the North Coast Unified Air Quality Management District Board of Directors on January 15, 2020

____________________________ Date
Chair

____________________________ Date
Heather Bitner, Clerk of the Board

The Next Board Meeting is scheduled for Thursday, March 19, 2020 at 10:30 am at the District office (707 L St., Eureka, CA). The meeting rooms are ADA accessible. Accommodations and access to NCUAQMD meetings for people with special needs must be requested of the Clerk in advance of the meeting.
TO: North Coast Unified Air Quality Management District Board

FROM: Terra French, Administrative Support

SUBJECT: District Activity Report

DATE: March 19, 2020

ACTION REQUESTED: By Consent, Accept and File District Activity Reports

SUMMARY:

Attached is a summary of the major District activities logged during the reporting period.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>YTD</th>
<th>Total</th>
<th>Totals 2019</th>
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<tr>
<td>Complaint Responses - General</td>
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<td>1</td>
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<td>4</td>
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<td>Complaint Responses - Open Burning</td>
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<td>32</td>
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<tr>
<td>Permissive Burn Days</td>
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<td>31</td>
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<td>62</td>
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<td>Non-Permissive Burn Days (&quot;No Burn Day&quot;)</td>
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<tr>
<td>Permissive Burn Days (%)</td>
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<td>100%</td>
<td>91%</td>
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<td>Standard (Residential) Burn Permits Issued</td>
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<td>Non-Standard Burn Permits Issued</td>
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<td>478</td>
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<td>1176</td>
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<tr>
<td>&quot;No Burn Day&quot; Permits Issued</td>
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<td>Smoke Management Plans (SMP) Reviewed</td>
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<td>SMP Burn Authorizations Issued</td>
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<td>Stationary Source Permit Apps. Received</td>
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<tr>
<td>Stationary Source Permits Issued (new)</td>
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<tr>
<td>Stationary Source Permits Issued (amended)</td>
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<td>Inspections - Major Sources</td>
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<td>5</td>
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<td>16</td>
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<td>Inspections - Minor Sources</td>
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<td>260</td>
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<td>Inspections - Mobile Sources</td>
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<td>2</td>
<td>13</td>
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<td>Inspections - Asbestos</td>
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<td>Asbestos Notifications Processed</td>
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<td>73</td>
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<tr>
<td>Notice(s) of Violation (NOVs) Issued</td>
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<td>3</td>
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<td>4</td>
<td>18</td>
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<td>Environmental Documents Reviewed</td>
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<td>0</td>
<td>227</td>
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<tr>
<td>Grants Paid (Moyer, Wood Stove, etc.)</td>
<td>1</td>
<td>2</td>
<td></td>
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<td>3</td>
<td>96</td>
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</tr>
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</table>
Air Monitoring Report for March 2020

Air Monitoring Data Summary:

The purpose of this status report is to summarize the ambient air quality data available for the period of September through December 2019.

➢ There were no Federal Equivalent Method (FEM) PM$_{10}$ exceedances of the State Ambient Air Quality Standard recorded during the reported period.

➢ There were no FRM PM$_{2.5}$ 24 Hour exceedances of the State and Federal Ambient Air Quality Standard recorded during the period. Due to previous delays at the analysis laboratory, FRM PM$_{2.5}$ data for the period July-December 2019 is included in this report.

➢ There was one non-FEM PM$_{2.5}$ 24 Hour exceedance of the State and Federal Ambient Air Quality Standard recorded during the period. This occurred in Weaverville on December 29$^{th}$. Non-FEM data is not used for attainment decisions.

➢ There were no O$_3$, SO$_2$, NO$_2$, or CO exceedances of the State or Federal Ambient Air Quality Standard recorded during the period.

Particulate Levels in Relation to CA Ambient Air Quality Standards

<table>
<thead>
<tr>
<th></th>
<th>Jacobs</th>
<th>Crescent City</th>
<th>Weaverville</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Max FEM 24-hour PM$_{10}$</strong>&lt;br&gt;(September-December 2019)</td>
<td>88%</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>FEM PM$_{10}$ Rolling Arithmetic Mean</strong>&lt;br&gt;(January 2019-December 2019)</td>
<td>76%</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td><strong>Max FRM 24-hour PM$_{2.5}$</strong>&lt;br&gt;(July-December 2019)</td>
<td>53%</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td><strong>FRM PM$_{2.5}$ Rolling Arithmetic Mean</strong>&lt;br&gt;(January 2019 – December 2019)</td>
<td>57%</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td><strong>Max non-FEM 24-hour PM$_{2.5}$</strong>&lt;br&gt;(September-December 2019)</td>
<td>NA</td>
<td>63%*</td>
<td>106%*</td>
</tr>
<tr>
<td><strong>Non-FEM PM$_{2.5}$ Rolling Arithmetic Mean</strong>&lt;br&gt;(January 2019 – December 2019)</td>
<td>NA</td>
<td>52%*</td>
<td>58%*</td>
</tr>
</tbody>
</table>

- Data unavailable
* Instrument not used for Federal Attainment Designation
• 24 Hour California AAQS is 50 \( \mu g/m^3 \), Federal AAQS is 150 \( \mu g/m^3 \).
• California Annual Arithmetic Mean AAQS is 20 \( \mu g/m^3 \).
• Humboldt County is classified as non-attainment for this pollutant.

• Federal AAQS is 35 \( \mu g/m^3 \). There is no separate state standard.
• Federal AAQS is 35 ug/m³. There is no separate state standard.
TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, APCO

SUBJECT: Increase District X-Factor by Consumer Price Index

DATE: March 19, 2020

ACTION REQUESTED: Adopt Resolution 2020-2: Increase District X-Factor by Consumer Price Index (CPI)

SUMMARY:

Each year as part of the budget adoption process, the Governing Board adopts a dollar value for the value of “X” in the fee tables (referred to as the X-factor). As costs fluctuate over time, the District is able to recover the costs of implementing the programs by simply adjusting the X-Factor rather than proceeding through a rule making action to amend all the fee tables.

Sometimes, an increase in the X-Factor by the Consumer Price Index (CPI) is found to be necessary to keep pace with program costs. Increases to the X-Factor by CPI are established by Resolution as determined by Rule 400(2.3) as pursuant to Section 2212 of the Revenue and Taxation Code.

Aside from CPI increases to the X-Factor, in the past the Board of Directors has approved two increases to the X-Factor as part of a multi-year plan to better align fees charged with costs incurred with operation of District programs. The X-Factor increases forecasted in the plan were designed to bring revenue in line with program costs over a period of several years. Part of that discussion included the concept that it would be necessary to include any future annual CPI increases to the X-Factor as CPI was part of the forecasted calculations.

At this time while in preparation of the District FY 2020-21 Budget, a general increase in the X-Factor beyond CPI is not planned, as Staff is in favor of waiting to see the year-end impact from revenue and expense at the FY 2019-20 year-end.

However, Staff does request that the present X-Factor be increased by the current CPI of 2.81% in order keep pace with program costs, which according to District Rule 400, would mean that the X-Factor would increase from $138 to $142. This would only affect fees or revenue items that have a X-Factor component in the fee regulations. The proposed Resolution 2020-2 is attached for consideration and approval.
Resolution 2020-2:

Increase District X-Factor by Consumer Price Index

WHEREAS, the District has adopted a permit fee schedule in its Regulation IV, with the stated purpose of allowing the District to fully recover all costs associated with implementation, inspection, and enforcement of the air quality programs under the District’s jurisdiction;

WHEREAS, Rule 400(B)(1) of Regulation IV allows for an annual adjustment of the hourly cost of operations portion of all fees (the “X-Factor”); and

WHEREAS, Rule 400(B)(1)(a) states that the value of “X” shall be rounded to the nearest whole dollar, and shall be assigned by the District Board of Directors each budget year through resolution, based on two components, either:
   1) The actual program costs for the immediately preceding year; or
   2) An adjustment in amount not greater than the change in the Consumer Price Index, as determined pursuant to Section 2212 of the Revenue and Taxation Code; and

WHEREAS, the fees charged pursuant to Regulation IV are imposed to recover the reasonable regulatory costs to the District for issuing licenses and permits, performing investigations, inspections, and audits, and the administrative enforcement and adjudication thereof are not taxes as defined in Section 1(e)(3) of Article XIII C of the California Constitution (Proposition 26); and

WHEREAS, the annual average percentage change from January 1, 2019 to December 31, 2019 in the Consumer Price Index: All Urban Consumers, California, all items (1982-84=100) was 2.80638%.

THEREFORE, BE IT RESOLVED, that the North Coast Unified Air Quality Management District Board hereby increases the Regulation IV, Rule 400 X-Factor by 2.81%, and rounded to the nearest whole dollar.

Board Chair

Date:

Heather Bitner, Clerk of the Board

Date:
TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, APCO

SUBJECT: Revise Existing FY19/20 Budget to Expend Reserve Funds on Woodsmoke Reduction Grant Program

DATE: March 19, 2020

ACTION REQUESTED: Revise Existing FY19/20 Budget to Expend $55,000 in Reserve Funds Earmarked from Past Compliance Settlement Agreements for Expenditure Under the Current Woodsmoke Reduction Grant Program

SUMMARY:

In May 2018, the Board approved participation in the “State-wide Woodsmoke Reduction Pilot Program” grant funded by the State’s Greenhouse Gas Reduction Fund (GGRF) from Cap-and-Trade funds as part of the California Climate Investment (CCI). It is a CARB program that is administered to air districts through CAPCOA, but administered by the District within our own jurisdiction.

The District was awarded $270,000 in project funds for the first year (YR1), which funded 89 wood stove changeouts. For YR2, the District was awarded about $170,000 in project funds, which will be funding 38 wood stove changeouts. Staff anticipates these state grant funds will be expended by June 2020. Staff is proposing to fund 11 remaining unfunded wood stove grant applications with $55,000 in Reserve Funds that were earmarked from past compliance settlement agreements.

Initially $375,000 was received from compliance settlement agreements that was earmarked in the Reserve Fund for wood stove changeout grants. To date, about $100,000 has been spent on these grants, with a current balance of about $275,000 remaining. If $55,000 is approved to satisfy these remaining applications, then about $220,000 would remain in the Reserve as future grant funding for wood stove changeouts. Currently, the District expends any State Woodsmoke Grant funding first and then draws upon earmarked Reserve funds to satisfy any remaining unfunded wood stove grant applications.
TO: North Coast Unified Air Quality Management District Board

FROM: Brian Wilson, APCO

SUBJECT: Appointment of Alternate Member to Hearing Board

DATE: March 19, 2020

ACTION REQUESTED: Appoint Ms. Joanna Hawley-Jones as an Alternate for the Public Member Position on the District Hearing Board

SUMMARY:

A letter of interest and resume has been submitted by Ms. Joanna Hawley-Jones to serve as the Alternate for the Public Member position.

The current Hearing Board members and the corresponding alternates are as follows:

- Professional Engineer: Mr. Charles Rocklein (Alternate: currently vacant)
- Attorney: Mr. John Corbett (Alternate: Mr. Jeffrey Slack)
- Medical Professional: Dr. Denver Nelson (Alternate: currently vacant)
- Public Member #1: Ms. Sarah Samples (Alternate: currently vacant)
- Public Member #2: Mr. Ken Mierzwa

The Board has directed staff to perform outreach to solicit resumes to fill the vacancies in the Public Member position, as well as the alternate Medical Professional and alternate Professional Engineer positions. Staff ran public notices in the Times Standard, Trinity Journal and Del Norte Triplicate; as well as the District website and Facebook postings.

Ms. Joanna Hawley-Jones expressed an interest in becoming an alternate Public Member, and appears to meet the qualifications. Presently no other letters of interest or resumes have been submitted. Staff recommends appointment to the District Hearing Board as an alternate for the Public Member position.
The following information is provided as a summary of items of interest to the Board and District. Staff solicits and appreciates any feedback concerning these items or other items of interest from the Board.

1. **New District Employee - Michelle Hanson**

   Staff would like to recognize Michelle Hanson as our new District employee as an Air Quality Specialist I. Michelle began her position with the District on Monday, March 9th. Michelle has already been with us in a temporary capacity for almost 6 months working on the Rural School Bus Grant Program. She previously worked for Butte County AQMD where she had been employed for several years. Given her experience, education, and skills, Michelle is indeed a great fit for this position and District staff look forward to working with her in this new capacity.

2. **District Support to HSU**

   Over the years, District staff has supported related air quality and environmental science curriculum at HSU. On many occasions, Wendy Caruso (Air Monitoring Specialist) has worked with faculty to discuss and provide a tour of the District’s monitoring station in Eureka. In addition, Winslow Condon (Permit Engineer) just provided a guest lecture on air quality permitting to students in an Air Quality Management course.

   More recently, Staff has had contact with HSU Risk Management in regards to how they can inform students and faculty about wildfire impacts with the Districts outreach with wildfire PSAs, Advisories, and Alerts. In addition, employers such as HSU, now need to plan to meet Cal/OSHA guidance for wildfire smoke. The Department of Industrial Relations (DIR) Occupational Safety and Health Standards
Board (eg. Cal/OSHA) recently adopted emergency regulation to protect workers from hazards associated with wildfire smoke.

Cal/OSHA issued a news release "Cal/OSHA Emergency Regulation to Protect Outdoor Workers from Wildfire Smoke in Effect" on July 30, 2019. The emergency regulation is to be effective for one year and applies to workplaces where the current Air Quality Index (AQI) for Particulate Matter (PM) is 151 or greater, and where employers should reasonably anticipate that employees could be exposed to smoke. Under the new emergency regulation, employers must take steps to protect workers who may be exposed to wildfire smoke. The District and other air districts in California provide the public with AQI information during wildfires that school districts and employers utilize to respond accordingly.

3. **COVID 19 Response/Impacts**

The District continues to adjust to the many updates on the risks of COVID-19 and is taking appropriate measures. Staff continues to work on various flexible work options while maintaining its objectives and service.

Governor Newsom on March 13th issued an executive order further enhancing State and Local Government’s ability to respond to COVID-19. Among other items, the State’s recent order “allows local or state legislative bodies to hold meetings via teleconference and to make meetings accessible electronically.

4. **Regular Variance for PG&E**

On February 3, 2020, the District's Hearing Board approved the Regular Variance for PG&E as proposed. The Regular Variance Order 2020-01 (attached) was subsequently signed on February 28, 2020.

The Regular Variance was to provide relief from permit conditions and permit emission limitations (until June 30, 2020) to allow the HBGS to conduct the emission (source testing) and other operational testing necessary to confirm their readiness to operate in an island mode or as a black start unit to serve area load. In addition to the short term emission testing they performed last December 2019, PG&E will also be conducting operational testing of Ammonia Injection Load Point Determinations (i.e fine tuning the emission control SCR system), and then also an operational test to determine the actual ability of the plant to achieve real-world operation similar to PSPS conditions sometime in late May or early June.

5. **Staff Training**

*CARB/CAPCOA Prescribed Fire Smoke Management Training* – Randy Dickau  
*CARB/CAPCOA Monitoring Equipment Training* – Randy Dickau  
*Smartsheet: Advanced Project Management Series* – Jason Davis  
*Asbestos NESHAP DOSH Asbestos Recertifications* – Eric Bruckner  
*CARB/CAPCOA - Smoke Management Training* – Debra Harris
BEFORE THE HEARING BOARD
OF THE
NORTH COAST UNIFIED AIR QUALITY MANAGEMENT DISTRICT

In the matter of the Petition for Regular Variance by PG&E Company for HBGS

) No. 2020-01
) CONFIRMATION OF FINDINGS
) AND ORDER
) FOR REGULAR VARIANCE

On February 3, 2020, pursuant to Health and Safety Code (HSC) § 42352 and District Regulation VI, Rule 606 of the North Coast Unified Air Quality Management District, a duly noticed petition for a regular variance submitted pursuant to HSC § 40826 by Pacific Gas and Electric Company ("PG&E") (hereinafter referred to as "Petitioner"), came on for hearing by the North Coast Unified Air Quality Management District Hearing Board. The hearing was conducted by Board members Charles Rocklein (Chair of the Hearing Board), Sarah Samples, John Corbett, Ken Mierzwa and Dr. Denver Nelson.

Petitioner was represented by Charles Holm, PG&E Humboldt Bay Generating System (HBGS) Plant Manager, and Ryan Messinger, HBGS Environmental Compliance Manager. The District was represented by Brian Wilson, Air Pollution Control Officer (APCO); Jason L. Davis, Deputy APCO and Permitting & Planning Division Manager; Al Steer, Compliance and Enforcement Division Manager; and Nancy Diamond, District General Counsel.

Representatives of the Petitioner, the District, and members of the public were sworn and gave extensive public testimony concerning the requested variance. The District, and Petitioner were given the right of cross-examination and the public was given the opportunity to direct questions to both the Petitioner and the District.

The following documents and other evidentiary material were marked for identification and received into evidence.

Exhibit 1: Petitioner’s Diagram of a generic power generation process, emissions control, and emissions monitoring;

Exhibit 2: District summary table titled “2019 HGBS Emissions Testing Results Summary ( Loads below 50%), In-Stack Continuous Emissions Monitor System (CEMS) Data (Dec 15-22, 2019)”;

Exhibit 3: Notice of Public Hearing to be held on February 3, 2020;

Exhibit 4: Letter from Petitioner to APCO dated December 10, 2019;

Exhibit 5: Petitioner’s Application for Hearing for a Regular Variance under HSC §42350(a);

Exhibit 6: Petitioner’s Public Safety Power Shutoff (PSPS) Emissions Study, dated December 5, 2019, prepared for PG&E by TRC Environmental Corporation, (“TRC Source Test Plan”);

Exhibit 7: Petitioner’s Letter to the APCO dated January 29, 2020;

Exhibit 8: District Staff Report for Regular Variance Hearing on February 3, 2020; and

Exhibit 9: Title V Federal Operating Permit and District Permit to Operate No: NCU 059-
Neither party offered an exhibit that was not received into evidence. After receiving evidence and testimony, findings and decision were made as follows:

**FINDINGS**

Based on the evidence and testimony, the following findings are made pursuant to HSC § 42352 and District Regulation VI, Rule 606 – Decisions:

1. Petitioner owns and operates the Humboldt Bay Generating System (HBGS), located at 1000 King Salmon Avenue, Eureka, California, under the terms and conditions of the Title V Federal Operating Permit and District Permit to Operate No. NCU 059-12 ("Operating Permit").

2. Petitioner submitted an application for interim variance pursuant to HSC § 42351 and District Regulation VI, Rule 603, to conduct emissions testing while operating three of ten Wartsila Dual Fuel reciprocating engines located at the HBGS at loads lower than 50%, the minimum load level allowed by the HBGS Operating Permit.

3. The Operating Permit requires operation of all ten engines at loads of 50% or more and contains emission limitation conditions based on this operational load. This condition was created at the time the permit was first issued based on the manufacturer's guarantee because deployment of this type of engine technology was new and no emissions profile for operations at lower loads was available or guaranteed by the manufacturer.

4. Petitioner's request to operate and test the HBGS at loads lower than 50% is part of its investigation into whether it can operate the HBGS in an island mode or as a black start unit to serve local power need during the Public Safety Power Shutdown (PSPS) events.

5. Concurrent with its submittal of the application for interim variance, Petitioner submitted an application for a regular variance pursuant to HSC § 42352 and District Regulation VI, Rule 606.

6. The interim variance was heard and granted on December 14, 2019, and was to expire the sooner of February 4, 2019, or the date on which the Hearing Board conducted a hearing on the regular variance application of Petitioner.

7. Petitioner performed short term emission testing as allowed under the terms of the initial variance from December 15-17, 2019 while operating under 50% load in accordance with the TRC Source Test Plan.

8. On January 29, 2020, the District received a request to amend the Petitioner’s application for regular variance to be granted relief until June 30, 2020, and to include two operational testing studies of Ammonia Injection Load Point Determination Tests, and Island Operational Testing.
9. Operation of the HBGS to serve local area power need during PSPS events serves the public health and safety by reducing private, retail, commercial, and governmental reliance on individual back-up generators, most of which are not controlled or monitored for air emissions.

10. Proposed additional testing in island mode conditions will allow PG&E to operate HBGS in potential situations that isolates it from sections of the grid.

11. Proposed additional testing during the term of the variance will cause insignificant air quality impacts.

12. Petitioner shall accept certain conditions to the issuance of a variance designed to maintain the lowest possible impact on air quality emissions.

13. The required findings identified under HSC § 42352 and District Regulation VI, Rule 606 have been satisfied, based on the proposed findings in the District staff report, summarized as follows:

   a. That the petitioner is, or will be, in violation of a provision of the HSC or of any rule, regulation, or order of the District, including but not limited to, any permit condition. Testing of the HBGS at loads less than 50% would violate Operating Permit Condition #111.

   b. That due to conditions beyond the reasonable control of the petitioner, requiring compliance would result in either a) an arbitrary or unreasonable taking of property, or b) the practical closing and elimination of a lawful business. Petitioner’s initial testing indicates that it may be able to operate the HBGS in island mode during local power outages caused by PSPS and other out-of-area events, rather than remaining out of operation in shut down mode. An application to modify the Operating Permit to be able to operate during local power outages caused by PSPS and other out-of-area events requires additional information about the emissions profile, additional data analyses, and modeling that can only be obtained through further operation in low load modes.

   c. That such closing or taking would be without a corresponding benefit in reducing air contaminants. Discharges from the HBGS regulated through an Operating Permit are preferable to the unregulated emissions from hundreds or thousands of gas or diesel back-up generators operated throughout the region during PSPS and other electric power shutdown events.

   d. That the applicant for the variance has given consideration to curtailing operations of the source in lieu of obtaining a variance. Curtailing operations of the HBGS would not allow Petitioner to operate at the low load levels necessary to confirm readiness to operate in island mode or as a black start unit to serve local area load.

   e. During the period the variance is in effect, that the applicant will rescue excess emissions to the maximum extent feasible. As part of this Order, Petitioner is required to i) continue adhere to all conditions in the Operating Permit, including; the use of all Air Pollution Control systems (SCR, CO catalyst, etc.) all monitoring equipment and requirements (CEMS, etc.).
f. During the period the variance is in effect, that the applicant will monitor or otherwise quantify emissions levels from eth source, if requested to do so by the District, and report these emissions levels to the District pursuant to a schedule established by the District. As part of this Order, Petitioner will be required to quantify and report all monitoring data obtained during testing, in addition to regular monitoring reporting.

ORDER

Based upon the above findings, Petitioner is granted a regular variance from the following conditions of the Operating Permit:

- Condition #91 - gas mode, ppm, lbs/hr, and lbs/mmbtu
- Condition #92 - gas mode, daily emissions limits
- Condition #94 - diesel mode ppm, lbs/hr and lbs/mmbtu
- Condition #95 - DPM emissions limits, hourly and daily only
- Condition #96 - S-1 through S-10 daily emission limits in diesel mode
- Condition #111 - S-1 through S-10 load less than 50%
- Condition #115 - catalyst temperature requirements
- Condition #116 - CO reductions of greater than or equal to 70%

The period of this variance shall be governed by HSC § 42358(a), and shall expire no later than June 30, 2020. During the period of this variance, unless otherwise stated, Petitioner shall:

1. Be granted relief from the permit conditions and limitations of the Operating Permit as listed and proposed above during the periods of time of emission source and operational testing at load levels less than the 50%, so as to determine low load emissions profile and how the engines will perform at lower loads in order to confirm the HBGS's readiness to operate in an island mode or as a black start unit to serve area load.

2. Be granted relief from the permit conditions and limitations of the Operating Permit during the periods as proposed in the petition until June 30, 2020.

3. Conduct the operational testing of Ammonia Injection Load Point Determination Tests by tuning the ammonia (NH3) injection control system at low loads (below 50%) by adding five (5) additional load points for all engines. The total of engine specific testing shall not exceed 132 hours, per the following assumptions and allowances:
   - Proposal is for 2 test runs per engine, per each fuel type; a standard test is about 3 hours.
   - There will be about 6 hours of testing per each fuel type (i.e. 12 hours).
   - There will be about 12 hours of testing per engine (i.e. 120 hours).
   - Allowance for a 10% contingency (for 132 hours of total testing time allowed).

4. Conduct the island operational testing to determine the ability of the plant and engines to achieve real world island operation similar to PSPS conditions involving up to ten (10) engines.
5. Continue to adhere to all conditions in the Operating Permit, and specifically continue to use all Air Pollution Control (APC) systems (SCR and CO catalyst, etc.) to the maximum extent possible during all low load tests and operation.

6. Continue to adhere to all regulatory monitoring requirements in the Operating Permit, specifically used of Continuous Emissions Monitoring (CEMS) during all low load tests and operation.

7. Within thirty (30) days of issuance of these Orders, submit the final source results of the emission testing authorized and conducted in December 2019 per the TRC Source Test Plan.

8. Within thirty (30) days after the date of expiration of the variance, HBGS to prepare and submit a report of the emissions discharged that occurred as a result of relief obtained pursuant to the interim and regular variance in accordance with District Rule 404(c) - Excess Emission Fee Schedule once the final results of the proposed testing are obtained. Payment of fees shall be made according to District Rule 404(c).

SO ORDERED, on Motion made by Board member Corbett and seconded by Board member Nelson, effective February 3, 2020 and expiring June 30, 2020.

Ayes: Board members Rocklein, Samples, Corbett, Mierzwa and Nelson
Nays: None.

By: ________________________________ Date: 2/28/20
Charles Rocklein, Chairperson of the Hearing Board

ATTEST:

By: ________________________________ Date: 2/28/20
Heather Bitter, Clerk of the Hearing Board

Approved as to form:

PG&E

By: ________________________________ Date: 2/26/20
Charles Holm, HBGS Plant Manager

North Coast Unified Air Quality Management District

By: ________________________________ Date: 2/26/2020
Brian Wilson, Air Pollution Control Officer