

# LAKE COUNTY AIR QUALITY MANAGEMENT DISTRICT

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## -MEMORANDUM-

**To:** Board of Directors  
Moke Simon, Chair  
Bruno Sabatier  
Eddie "EJ" Crandell  
Tina Scott  
Rob Brown

**DATE:** August 3, 2020

**FROM:** Douglas Gearhart, APCO

**SUBJECT:** Sitting as the Lake County Air Quality Management District Board of Directors, Agenda Item: LCAQMD FY 20/21 Draft Budget Hearing August 25, 2020 @ 9:30am, Budget Units #8799 & #8798.

The Lake County Air Quality Management District (District) maintains an active and effective air quality management program to protect the health and welfare of the populace of the Lake County Air Basin. This is a shared mission with State and Federal agencies. The District has primary responsibility for stationary air pollution sources in conformance with all District regulations and State and Federal laws. As a designated Air Basin, the District participates in several Local, State and Federal programs by law. The District's attainment status with all of the Ambient Air Quality Standards (AAQS) has enabled flexibility when meeting State and Federal requirements.

The above referenced, August 25, 2020, draft budget hearing is intended to meet the requirements of California Health and Safety Code (H&SC) Section 40131.

### Actions and Awareness

Category #1 deals primarily with budget related items and District priorities, and we would ask the Board to formally consider. Recommendations are made after each item. Category #2 items address ongoing and new issues that staff desires to keep the Board aware of and receive input on if desired.

### Category #1 Requested Board Action

**A.** The purpose of this hearing is to review, take public comment on, and consider the

District's FY 2020/2021 draft budget (See Attachment 1 and 2). The final budget is to be considered for adoption at a later date.

***Recommendation: That the Board of Directors approve the FY 20/21 Draft Budget proposed for the District.***

B. Air Districts in general do not expect a further decrease in State subvention (the historical decrease was 30%), but such is possible given the State's budget. Other revenue and expenditures are well balanced but because of the restrictive use of subvention, and increased number of State mandated activities, increasing subvention is essential to ongoing functions. Large non-attainment areas of the State receive significant funds for regional work, which the Legislature sees as funding going to Districts. This perception creates significant challenges for rural areas to show they are different, and don't have access to any of those funds, but need additional funding to prevent significant impacts to the local economy. With the State increasing the District's requirements and work load, additional funds are needed to implement these requirements, without subvention increases, fee increases are necessary to fund these activities.

***Recommendation: That the Board of Directors continue to be on record as opposed to any further State subvention cuts to the District, and support District staff seeking additional funding to support the additional work load placed on the District.***

C. Staff has taken an active role in CAPCOA to ensure Lake County (the only Full Attainment District) is represented in all statewide proceedings and discussions with the ARB. This provides visibility for Lake County, regular contact with State officials, and the need for ARB Executive staff to work on specific Lake County concerns. The benefit to Lake County has been significant financially with grant programs, and we have had a voice in changing some strict regulatory language and clearing up significant confusion in regulations that could affect Lake County businesses. Participation requires monthly Sacramento meetings (currently weekly Zoom meetings), and a few meetings in other parts of the State. This is a multi-year effort requiring a long-term commitment for participation on the CAPCOA Board.

***Recommendation: That the Board of Directors be on record as supporting District staff to continue to actively participate on the CAPCOA Board to represent the needs and interests of Lake County related to Air Quality program funding, regulations, and benefits.***

D. The District is mandated to enforce Local, State, and Federal air quality laws,

rules, and regulations in order to meet and maintain the AAQS and protect the public health and welfare pursuant to the Federal Clean Air Act and State Implementation Plan. As such, much of the District's activities are mandated, such as the permitting program, enforcement activities, air monitoring, complaint program, Variance/Hearing Board activities, air toxics emissions inventory, as well as numerous State and Federal reporting requirements. Pursuant to the 2003 Program Audit and Action Plan adopted by this Board on January 30, 2008, the District's highest priorities are placed on potential health impacts and complaints of health impacts. District staff strives to process permits within 60-90 days of receipt of a complete application; 180 days is specified under the CA H&SC. Air monitoring activities are a significant priority, as this is essential to maintaining our attainment status. To comply with State and Federal monitoring requirements this requires a minimum of six to seven staff days per week to ensure defensible air monitoring data. CEQA participation takes significant staff time and is currently unfunded. CEQA reviews will be performed as time permits and on significant projects where regional impacts could be significant. Other activities include participation in the Carl Moyer Grant Program, Prescribed Fire Program, AB617 Community Air Monitoring Grant Program, AB197 Emissions Inventory Grant Program, and the FARMER Grant program. These programs require significant staff time. Staff may recommend an ongoing MOU with a neighboring Air District to assist in more timely processing of grant applications in specific cases. Requests for District assistance continues to increase as the need for monitoring data and meteorological information is needed to protect the communities and schools affected by emergency events.

***Recommendation: That the Board of Directors continue their policy directive that health impacts, health risks, health based complaints, and mandated programs/requirements be given top priority, followed by activities that have regulatory time frames, and other funded activities which includes new permit issuance, periodic inspections, etc..., or as directed by the Board.***

### **Category #2 – Board Awareness**

**A.** Geothermal operations in Lake County are decreasing. The Bottle Rock Power Plant has been shutdown and all operations have ceased. Calpine has shutdown the Bear Canyon Power Plant and dropped their permits, and Calpine may shutdown the West Ford Flat Power Plant in the near future. The impacts on Lake County are still the same, even though the steam is being shifted to other areas. In recent years complaints have started increasing since homes are being rebuilt and monitoring costs have significantly increased due to State monitoring requirements. In order to continue to fund the monitoring program to protect the Lake County community from impacts of geothermal operations, additional funding will be necessary. In addition, both State and Federal requirements continue to increase and the demands on District Staff have grown. These demands include: complaint investigations, records

requests, CEQA reviews, participation in local committees, source inspections, training of Staff, enforcement programs, lab and source test equipment upkeep, monitoring equipment operation and maintenance, salary costs, workers compensation costs, insurance costs, and emergency responses costs. District staff will work on options for consideration at a future date.

**B.** As a result of EPA review, the District needs to update some of the Rules and Regulations to meet current Federal and State standards, and ensure all rules are current with State and Federal definitions. This is a significant undertaking and will take significant staff time to update our rules to ensure they are fully compliant with State and Federal standards and are legally enforceable.

**C.** The ARB's "one shoe fits all Districts" philosophy continues to manifest itself in all kinds of program elements from monitoring, open burning, air toxics, number and timing of inspections, complaint response time, greenhouse gas programs, and non-program specific activities such as the truck and bus rule. This approach is a problem that we must stay engaged with and encourage the State to recognize that Rural and Attainment programs need to be different from Urban programs in order to be effective and efficient. Staff will continue the Board endorsed approach of local flexibility in designing and implementing new programs, and that "accountability" evaluations be based upon defined goals with measurable and quantifiable outcomes, such as actual measurements of the air or emissions in determining success. District Staff will continue to engage with the State to ensure local control and flexibility.

**D.** Air Toxic and other ARB mandated Programs and elements: Air Toxics reporting and actions under the structure of recent OEHHA changes to Acute and Chronic Reference Exposure Levels, the new guidelines for risk calculations (which include additional factors for children), and legislated mandates related to toxic emissions collection and reporting will continue to require the permitting of smaller sources.

**E.** The State Legislature has made funding available to implement a woodstove changeout program in low income areas or for low income households. The Grant agreement on this program is significant for a program to replace uncertified stoves with certified (cleaner) woodstoves. Staff has expended all funds from the initial allocation, we obtained a second allocation for year 1 which has also been spent. We hope to keep this program funded at the State to provide local benefits.

**F.** District Particulate Monitoring Program: The District's current PM10 & PM2.5 monitoring network is over 20 years old, and maintenance is increasing. Keeping monitoring equipment in good working order is essential to maintain our AAQS attainment status designation. The Federal and State Quality Assurance requirements for all monitoring is increasingly significant and requires considerable staff time to

follow to ensure we maintain our AAQS attainment status designation. The effort includes continuing successful Federal certification of the samplers, Balance Room/Laboratory, and regular updates to the Program Quality Assurance Plans & Standard Operating Procedures. The EPA has proposed to partially fund the PM2.5 program by reimbursements for FY 20/21, however, future funding remains uncertain.

The proposed budget units for the District are balanced and in a good position overall. There were many projects completed during FY 2019/2020, and many more tasks and requirements coming for FY 2020/2021. The above action items and informational items are presented to prepare for future costs, impacts, and workloads. Further details of the District's operations are attached as mentioned. (Attachment 1- Budget #8799 and Attachment 2 - Budget #8798). The legal notice for this draft budget hearing was published in the Lake County Record Bee on July 15, 2020 (See Attachment 3) as required by CA H&SC.

***Recommendations:***

- 1) That the Board of Directors approve the FY 20/21 Draft Budget proposed for the District;***
- 2) That the Board of Directors continue to be on record as opposed to any further State subvention cuts to the District, and support District staff seeking additional funding to support the additional work load placed on the District;***
- 3) That the Board of Directors be on record as supporting District staff to continue to actively participate on the CAPCOA Board to represent the needs and interests of Lake County related to Air Quality program funding, regulations, and benefits; and***
- 4) That the Board of Directors continue their policy directive that health impacts, health risks, health based complaints, and mandated programs/requirements be given top priority, followed by activities that have regulatory time frames, and other funded activities, or as directed by the Board.***

Att: Attachment 1 - Budget #8799  
Attachment 2 - Budget #8798  
Attachment 3 - Legal Notice

CC: Carol J. Huchingson, Chief Administrative Officer  
Stephen L. Carter, Jr., Deputy County Administrator Officer  
Cathy Saderlund, Auditor-Controller