

# State of the District Report Butte County Air Quality Management District

August 17, 2017

## *Preface*

*Under the existing State and federal environmental regulatory structure, the federal government is granted primary authority to establish health-based ambient air quality standards, to establish specific technology and emission requirements for sources of air pollution, to regulate selected sources of air pollution (e.g., aircraft), and to mandate that states comply with these requirements.*

*Under the State of California regulatory structure, the State maintains primary authority to regulate mobile sources of air pollution (e.g., establish vehicle emission standards), and possess regulatory oversight authority over local and regional air pollution control authorities. Local and regional agencies maintain primary authority to regulate stationary sources of air pollution (e.g., permitting industry activities and regulating open burning).*

*The Butte County Air Quality Management District (District) is the local county independent air pollution control agency created pursuant to Section 40100.5 et seq. of the California Health and Safety Code (HSC). The District lies within the Sacramento Valley Air Basin and participates as a member of the Sacramento Valley Basinwide Air Pollution Control Council (BCC). As part of its statutory responsibilities, the District implements a broad spectrum of air quality management programs. The purpose of this State of the District Report is to summarize the status of the more salient District programs and provide goals for fiscal year 2017-2018.*

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### **I. ADMINISTRATION**

#### **✓ District Finances**

District administration coordinated a successful fiscal audit for FY 2015-2016 with the firm Smith and Newell, Certified Public Accountants. The audit was presented to the Board at the March meeting. Norman Newell provided an unqualified opinion, with no findings.

The District program maintained a balanced budget in FY 2016-2017. A balanced budget for FY 2017-2018 was approved at the June 22, 2017 Board meeting. The District continues to maintain service levels, albeit with certain program areas prioritized.

The FY 2017-2018 budget reflects the reality of our current economic times. No additional staffing was budgeted. The District has the same staffing level as in FY 2000-2001, even though several new programs have been added.

District Administration continues to seek program improvements to ensure efficient, cost effective operations. The District utilized e-mailing for invoicing, public notification of workshops, meetings and upcoming rules and regulations. Work continues on implementing a digital file system, which offers many advantages in records management. Documents are scanned electronically onto a computer hard drive and are accessible from network workstations. The District recently purchased a high volume desktop scanner to assist with this project. Cost savings are anticipated in more efficient information retrieval and data storage. The District utilizes the ADP timesheet system to better track program costs and indirect expenses. The data generated is

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used to evaluate the percent cost recovery in areas requiring a regulatory fee. Staff continues to add forms that are available to the public through the District website which can be completed electronically.

The District will be researching the use of electronic payments to pay reoccurring bills in effort to reduce costs, increase productivity and increase security.

### √ **Human Resources**

District staffing is budgeted at 11 full-time employees. The District will take advantage of part-time extra help as needed, and consider internships. Staff training continues, attending classes offered by the California Air Resources Board (CARB), the California Emergency Management Agency (Cal EMA) and Butte College. Our field staff are certified in evaluating visible emissions in accordance with U.S. EPA requirements and are certified in hazardous materials response.

### √ **Facilities**

The District is in the second year of a 5-year lease extension for our office located at 629 Entler Avenue, Chico.

### √ **Program Compliance**

District operating procedures are maintained in the Administrative Code, Parts A and B. Part A includes operating protocols for the Board and accounting procedures. The Board approves amendments to Part A. Part B includes staff operating procedures, from routine office policies to field staff inspection procedures and permitting guidance. Amendments to Part B are approved by the APCO. Maintenance of the District Administrative Code is an ongoing activity as we continuously seek to improve our internal processes.

Fiscal program compliance was evaluated by outside auditor Smith and Newell, CPAs, as mentioned above.

## **II. AIR QUALITY PLANNING AND GRANTS**

### √ **The Carl Moyer Program**

The Carl Moyer Program is a grant program that funds the incremental cost of cleaner heavy-duty diesel vehicles and other diesel equipment. The District funded 10 projects with Year 18 funds that totaled \$315,633 plus \$45,992 in District matching funds. An additional project was funded in 2016 with Year 17 funds of \$25,926.40 from the Carl Moyer Rural Assistance Program. The District accepted applications for Year 19 funds in April and May 2017. Funds for Year 19 include \$175,000 in project funds. CARB adopted the updated 2017 Carl Moyer Program Guidelines in April of 2017. District staff will work to update the District Policies and Procedures to reflect the updated Guidelines.

The District received \$677,656 in Year 19 State Reserve funds to go towards the replacement of 8 school buses owned by the Chico Unified School District. Year 17 and Year 18 State Reserve funds are still available for the TIMBER program which provides vouchers to assist with the replacement of older log trucks. An update to State Guidelines, in July 2017, also makes it possible to expend unallocated State Reserve funds on eligible school bus projects.

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### √ **Special Clean Air Grant Program**

Due to budget limitations, the District did not allocate funds to the Special Clean Air Grant Program. Staff will continue to look for additional funding for this purpose including private foundation grants and partnering with other local agencies.

### √ **CEQA Mitigation Grant Program**

As part of the FY 2016-2017 budget, \$24,548 in CEQA mitigation funding has been allocated for grants as match funds in the Carl Moyer program.

### √ **Woodsmoke Reduction Program**

CARB is currently developing guidelines for the state-wide Woodsmoke Reduction Program. The Program is designed to help households replace an uncertified wood stove or insert used as the primary source of heat with a cleaner burning and more efficient device. Assembly Bill 1613 committed \$5,000,000 in statewide funding. Once the program guidelines are finalized, CAPCOA will administer the program in coordination with local air districts.

### √ **District Web Page**

The District's website ([www.bcaqmd.org](http://www.bcaqmd.org)) provides information to the public and includes: Governing Board agendas, permit information, current air quality information, agricultural and residential burning information, burn day status, staff contact information, printable forms, and links to other air quality and transportation websites. Staff posts information relevant to special projects of interest to the public, such as the **Check Before You Light** program, the Portable Equipment Registration program, the Agricultural Engine Registration program, the Carl Moyer program, as well as advisories issued by the California Air Resources Board, EPA and other agencies.

### √ **Check Before You Light Program**

At the September 24, 2016 meeting, the Board approved the **Check Before You Light** Program for the period of November 1, 2016 through February 28, 2017. Based on established numeric criteria, on forecasted poor air quality days, the public was asked to voluntarily refrain from using woodstoves and fireplaces throughout the day. Forecasts were determined based on air quality monitoring data from the Chico, Gridley and Paradise monitoring sites operated by the California Air Resources Board. A City of Chico ordinance prohibits the use of woodburning stoves and fireplaces within the Chico City limits on an advisory day with exemptions. For the 2016-2017 season, there were three advisories issued for the Chico area, with three exceedances of the federal 24 hour PM<sub>2.5</sub> standard. A review of the program was presented at the March 23, 2017 Board meeting.

### √ **Smoking Vehicle Program**

Smoking vehicles are a hazard to health, contribute to air quality problems and constitute a nuisance. In addition, smoking vehicles reduce visibility and waste fuel. In 2001 the District initiated a voluntary program to accept complaints on smoking vehicles and provide notification to the vehicle owners. The registered owners of smoking vehicles identified by the District are sent a letter requesting they initiate vehicle repairs to prevent the vehicle from smoking.

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### √ **Public Education Program**

Staff provides air quality information to the media on a daily basis. During periods of poor air quality, the District staff will respond to media requests for additional information. Staff are available to give presentations on topics related to air quality upon request, and participates in public events for the purpose of outreach and education. Upon request, staff is available to work with local educators, at all levels, to promote clean air programs such as EPA's School Flag Program.

### √ **Air Quality Data**

District staff prepare biannual and annual air quality data summaries including detailed graphics. These summaries are available to interested members of the public and are frequently used for public presentations. Also see the comments above. Staff maintains contact with California Air Resources Board technician, who maintain the various permanent air quality monitors within the District. Additionally, staff monitors exceptional event data in order to support the public in decision-making during unhealthy air episodes.

### √ **Public Health Collaboration**

Staff represents the District in a Public Health Department-sponsored collaboration with local agencies, interest groups, educators, etc. The focus is on creating a Community Health Assessment and a working group has been established to develop goals and improvement plans toward that end in Butte County.

### √ **CEQA/NEPA Reviews**

The District continues to work closely with Butte County and cities in evaluating potential air quality impacts under the California Environmental Quality Act and National Environmental Protection Act (CEQA/NEPA). The District prepares an air quality review and analysis for developments submitted by Butte County and cities. The District has been working with the cities and county providing comments and resource information for their general plan updates. District staff has also forwarded resource information developed by the CAPCOA on evaluating climate change through the CEQA and general plan process. The District provides a guidance document "CEQA Air Quality Handbook" as a resource for lead agencies in project evaluation for air quality impacts.

### √ **Sacramento Valley Basinwide Air Pollution Control Council (BCC)**

District staff closely coordinate program activities with the air districts in the Sacramento Valley. Staff coordinate review, each year, of the Basin Smoke Management Program and other common activities. The BCC approved the Smoke Management Program amendments at the June 3, 2016 meeting.

### √ **California Air Pollution Control Officers Association (CAPCOA)**

CAPCOA is a professional organization of the California Air Pollution Control Officers. As more State and federal mandates are imposed on local air districts, CAPCOA offers the District opportunities to coordinate program elements Statewide on new requirements. District staff participates at varying levels with the CAPCOA Planning Managers, Engineering Managers, Enforcement Managers, Vapor Recovery, Toxics, Human Resources and Fiscal Managers. The APCO is currently on the CAPCOA Board of Directors serving as President

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### √ **Federal PM 2.5 State Implementation Plan (SIP)**

In December 2009, U.S. EPA approved the final non-attainment area designations for the new PM 2.5 standard. Most of Butte County was designated as a non-attainment area for the daily average PM 2.5 standard of 35 micrograms per cubic meter ( $\mu\text{g}/\text{m}^3$ ). Due to improved air quality, CARB requested that the U.S. EPA find the Butte County nonattainment area to be in attainment with the PM 2.5 standard. EPA took final action effective October 10, 2013 to determine that the Chico nonattainment area in Butte County attained the 2006 24-hour PM<sub>2.5</sub> NAAQS (so-called attainment or clean data finding). District staff are currently developing a Redesignation Request and Maintenance Plan to submit to the U.S. EPA. Once approved, Butte County will need to maintain the PM 2.5 standard through a maintenance period of 10 years before the non-attainment area is officially designated as being in attainment. If Butte County falls back into nonattainment due to poor air quality in later years, a full plan including new regulations would be required to show attainment.

### √ **Federal 8-hour Ozone State Implementation Plan (SIP)**

U.S. EPA established a new 8-hour Ozone standard in October 2015 at 0.070 parts per million (ppm). The previous standard was 0.075 ppm, established in 2008. CARB reviewed the most current three (3) years of quality assured monitoring data and recommended that Butte County be designated nonattainment for the 2015 8-hour Ozone standard. EPA will make final designations by October 1, 2017. Regarding the 2008 standard, EPA took final action in 2016 on a finding that Butte County achieved the 0.075 ppm standard.

### √ **Rule and Regulation Development**

The California Health and Safety Code requires the District's Governing Board to adopt Rules and Regulations for the implementation and enforcement of federal and State statutes and regulations. The District Board may also adopt rules based on local needs. Most of the rules proposed are required by the State Air Quality Attainment Plan (Plan). The Plan is updated every three (3) years by the Sacramento Valley Basinwide Air Pollution Control Council and approved by the District Governing Board. The Board last adopted the Plan in 2016 meeting. The Plan includes a listing of "*all feasible measures*" that the District is required to consider.

In response to the U.S. Environmental Protection Agency (EPA) limited approval/disapproval to Rule 432 – *Federal New Source Review (FNSR)* and Rule 300 – *Open Burning Requirements, Prohibitions, and Exemptions* in the previous year, the District corrected the deficiencies for both rules and re-submitted them to EPA for SIP approval. Rule 300 was approved in October 2016 and Rule 432 is pending review.

## **III. COMPLIANCE & ENGINEERING**

### √ **Stationary Source Permit Program**

The District issues permits (authority to construct and permits to operate) to stationary sources of air pollution in Butte County. The stationary source permit is the primary means to ensure compliance with local, State and federal air quality requirements. Typical sources under permit include dry cleaners, retail service stations, auto body repair shops, lumber mills, cabinet shops, sand and gravel processing plants, asphalt concrete production, diesel-fueled generators, agricultural processing operations (almond hullers and rice dryers), and soil/groundwater

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remediation projects. In calendar year 2016, the District issued or renewed 803 Permits to Operate and issued 48 Authority to Construct permits.

The Title V Program requires a federal major source to have a permit, which includes all of the federal requirements applicable to the facility. The District has three (3) Title V sources under its jurisdiction: 1) SFPP, L.P., a bulk gasoline distribution terminal, 2) Butte County Department of Public Works for the Neal Road Recycling and Waste Facility, and 3) the Ameresco Butte County LLC Gas to Energy plant co-located at Neal Road. Title V Operating Permits are valid for five (5) years from the date of issuance and are renewable. The District issued renewal permits for SFPP, L.P. and Neal Road Recycling and Waste Facility in early 2016. The renewal process requires a detailed review of each facility with respect to any equipment changes and changes to the applicable regulatory requirements.

### √ **Stationary Agricultural Engine Registration Program**

Rule 1001 – *Airborne Toxic Control Measure for Stationary Compression Ignition (CI) Engines Used in Agricultural Operations* and Rule 441 – *Registration Requirements for Stationary Compression Ignition (CI) Engines Used in Agricultural Operations* were adopted in 2007 by the Board. The registration rule required that owners of all existing engines apply for a Certificate of Registration by March 1, 2008 and the owners of any new engines apply for registration no later than ninety (90) days from the date of installation. Owners of “low use” engines are allowed to request that the engines be evaluated for a compliance extension which allows engines to be operated for a cumulative total number of hours of operation, or until 2020 for non-certified engines, or 2025 for certified engines, whichever occurs first.

During FY 2016-17, the District approved one (1) new application for registration. The District now has a total of 366 agricultural engines registered, with 109 engines designated as “low-use”. There are 130 registered agricultural engines operating under a remote location (> 1/2 mile from nearest off-property receptor) exemption. 123 registered agricultural engines meet the emissions standards set forth in Rule 1001. There are four (4) engines that are scheduled to be removed from service 12 years after the date of installation. A biennial renewal of the Certificates of Registration will occur in early 2018.

### √ **Portable Equipment Registration Program**

In 2005, the local Portable Equipment Registration Program (PERP) was approved by the Board. This program was developed as a local alternative to the existing state-wide program. The program helps implement the Portable Equipment Airborne Toxic Control Measure (ATCM), allowing the regulated industry additional time to upgrade particulate controls on their portable equipment. The District is currently managing eighty-two (82) active certificates of registration with five (5) new registrations in the 2016-17 period.

District staff are currently participating in a CAPCOA/ARB workgroup formed to develop regulatory amendments to the portable diesel engine ATCM and PERP regulations. The changes to the ATCM will provide businesses with additional time to replace their engines with engines that meet the final Tier 4 manufacturing standards. The PERP regulation will be amended to harmonize changes to the ATCM with the PERP. ARB is scheduled to bring the proposed amended regulations to their Board for consideration in late 2017 or early 2018. If the amendments to the ATCM are approved, the District will propose amendments to Rule 1000 – *State Airborne*

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*Toxic Control Measures* to incorporate the ATCM into the District's Rules and Regulations, by reference.

### √ **Emission Inventory Program**

The District is required to maintain records and report periodically to the California Air Resources Board regarding criteria and toxic pollutant emissions from stationary sources and area sources. Staff utilize the California Emission Inventory Development and Reporting System (CEIDARS) and Community Health Air Pollution Information System (CHAPIS). Data is available for access by the public at the CARB website ([www.arb.ca.gov](http://www.arb.ca.gov)).

The emissions inventory is an important planning tool used in attainment demonstrations. Facility emissions data is generated during the annual permit renewal process so inventory maintenance is assigned to the permitting staff. Staff provided updates for the 2016 inventory for both criteria and toxic pollutants for 10 ton per year or greater sources per ARB's requirements.

### √ **Air Toxics "Hot Spots" Program**

The AB 2588 Air Toxics "Hot Spots" program requires the District to develop and update inventories of stationary sources of air toxics, assesses the potential risks from exposures and provides information to the public regarding exposures. Staff continue to work on implementing new inventory software. Significant efforts are forecast in the future to ensure that stationary and portable diesel-fueled engines comply with the AB 2588 reporting requirements.

District staff have briefed the Governing Board on the impacts of the implementation of the Office of Environmental Health Hazard Assessment (OEHHA) risk assessment guidelines and received approval on the updated Toxics Health Risk Assessment Permitting Guidelines. Per request of ARB in April 2016, staff has been incorporating the AB 2588 fee status of all permitted sources into the new reporting software. As other aspects of the AB 2588 program are updated, District staff expects to proposed additional changes to existing guidance, including those for prioritizing facilities and notification procedures for sources with more significant impacts.

### √ **State Airborne Toxic Control Measure (ATCM) Program**

The Toxic Air Contaminant Identification and Control Act (AB 1807, Tanner 1983) created California's program to reduce public exposure to air toxics. Under AB 1807, the CARB is required to use certain criteria to prioritize the identification and control of air toxics. A two-step process was established for risk identification and risk management, to address the potential adverse health effects from public exposure to toxic air contaminants. The end result of the process is an Airborne Toxic Control Measure (ATCM) which the local air districts are required to implement and enforce. ATCM's have been developed for several toxic air contaminants including diesel particulate matter and Naturally Occurring Asbestos (NOA). Earlier this year NOA was identified at the Oroville Dam Spillway. The NOA ATCM required the California Department of Water Resources to develop and implement an Asbestos Dust Mitigation Plan (ADMP) to reduce the potential for public exposure to asbestos from the reconstruction of the spillway. The ADMP identifies the emission standards, air pollution control equipment, work practice, and ambient air monitoring equipment that will be used to reduce emissions and verify that the public is being adequately protected. The District is responsible for regulatory oversight of the project to ensure that the requirements of the ATCM are being implemented.

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### √ **Federal MACT & NESHAPs Programs**

The District is delegated by EPA to implement and enforce the National Emission Standards for Hazardous Air Pollutants (NESHAPs) for area sources. These regulations are codified in 40 Code of Federal Regulations, Part 63. Under court order, EPA has promulgated a host of NESHAPs for area sources, such as auto body shops, small boilers, other coating operations, reciprocating internal combustion engines, and other “common” sources that emit HAPs. District staff continues to work with the affected businesses to ensure compliance with the local, State and federal regulations. District staff evaluated the requirements of NESHAP, Subpart ZZZZ which regulates HAPs (other than diesel particulate matter) from internal combustion engines and continues to update permit conditions for affected sources to include maintenance and testing practices to comply with the NESHAPs, Subpart ZZZZ.

### √ **District Enforcement Program**

The District utilizes three main tools to enforce District regulations: the Notice of Noncompliance (NON), the Notice to Comply (NTC) and the Notice to Apply for a Permit (NTA). These notices are a formal record of the District’s finding that a violation of a State or federal law or District regulations affecting air quality has occurred. In most cases, a violation can be settled by taking corrective action and paying a penalty. A Notice of Noncompliance can also involve monetary penalties, compliance agreement, civil suits, or criminal prosecution for failure to respond, repeated violations, or serious pollution cases. Notices are issued in response to complaint investigations, stationary source inspections and special District investigations.

In calendar year 2016, the District issued fifty-one (51) Notices of Noncompliance. These violations include open burning (i.e. burning on a no-burn day or burning prohibited materials), failure to obtain a permit or certificate of registration, fugitive dust, vapor recovery and permit condition violations. The District has issued offers to settle through the Board-approved Civil Penalty Program. District staff continue to monitor and follow-up on open cases.

Staff coordinate with other enforcement agencies and the Butte County District Attorney on cases as appropriate.

### √ **Hearing Board and Variance Program**

The California Health and Safety Code requires each air district to maintain a Hearing Board which serves as a quasi-judicial body, acting on petitions and appeals for variances from District Rules and Regulations. Membership on the Hearing Board is specified in law and must include: one (1) attorney, one (1) professional engineer, one (1) representative from the medical profession, and two (2) public members. All members of the Hearing Board are appointed by the District Governing Board for terms of three years. The current Hearing Board members are:

Carl Leverenz, Chair (attorney representative)  
Ms. Tammie Watkins P.E. (professional engineer representative)  
Dr. Julian Zener (medical professional representative)  
John Scott (public representative)  
Josh Sheppard (public representative)  
Dr. Melanie Marty (alternate medical professional representative)  
Kevin Tokunaga (alternate public representative)

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### √ 2016-2017 Smoke Management Program

The Sacramento Valley Smoke Management Program (SMP) governs all agricultural open burning in the Sacramento Valley. The SMP is reviewed on an annual basis by the Sacramento Valley Basinwide Air Pollution Control Council, and forwarded to the California Air Resources Board for final approval. Amendments to the SMP were adopted by CARB on September 21, 2016.

As required by State law, District rules and the SMP, burn permits are issued to growers to burn agricultural wastes. In calendar year 2016, the District issued 790 burn permits. In addition to having a valid burn permit, growers may burn only on permissive agricultural burn days, as determined by the SMP and CARB. During calendar year 2016, there were 348 burn days, and 19,966 acres of agricultural wastes, including rice straw, were burned in Butte County.

The biggest element to the SMP is management of the intensive fall burn program, when peak demand occurs to burn rice straw after harvest. The intensive fall burn program focuses burn authorization decisions to reduce smoke impacts in populated areas from field crop burning. During the fall burn season, the Smoke Management Program Coordinator (SMPC), under contract with the BCC, coordinates burn day status and acreage allocations through an internet-based system used by each of the nine (9) air districts in the Basin. The SMPC works closely with CARB personnel and contract meteorologists to implement the Smoke Management Program. District personnel use the acreage allocations from the SMPC and meteorological forecasts to allocate fields to be burned. A conservative approach to allocations is employed by the CARB, SMPC, and District staff. Each year, the SMPC facilitates a fall burn training at a central location prior to the start of the intensive fall burn program. In a collaborative effort to increase knowledge and communication throughout the Basin, staff from districts and CARB provided presentations in two (2) separate training sessions. A similar training program has been recommended for 2017.

Fall of 2016 began the 16<sup>th</sup> year of District implementation of the Conditional Rice Straw Burning Permit Program (Program), which restricts the burning of rice straw to fields where there is a significant amount of confirmed disease (HSC 41865). The District logged 5,041 acres of rice straw burned for the period September 1, 2016 through May 31, 2017.

### √ Residential Open Burning Program

The District publicizes the daily burn day status for residential open burning on the District's website ([www.bcaqmd.org](http://www.bcaqmd.org)), on burn day status line (332-9407) and to the media. Staff also spend considerable time communicating with the public regarding residential open burning requirements. The District continues to closely coordinate the open burning program with local fire agencies. The local fire agencies rely on the District and the residential daily burn day status line to inform the public of the burn ban during fire season.

Revisions to the residential open burning requirements adopted in 2011 have significantly decreased the number of smoke-related complaints from residential open burning in the Magalia/Upper Ridge area relative to previous years. Staff continue to attend meetings with community groups and fire agency personnel. A complaint hotline was established in conjunction with the implementation of the new open burning regulations in order to provide the opportunity for staff to respond to complaints received after hours. The success of the hotline is being tracked.

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### √ **Vapor Recovery Program**

Certified vapor recovery systems are required for all fuel transfers to and from gasoline storage tanks at retail gasoline facilities. Non-retail gasoline facilities (fleet tanks or private fueling facilities) require a certified system be installed in certain circumstances (exemptions exist). These vapor recovery systems are under permit with the District and subject to regular inspections to verify that they meet certain vapor recovery performance and maintenance standards. District staff also assist station operators with on-site training of station personnel during inspections or as requested, as part of our compliance assistance program.

### √ **Emission Reduction Credit Banking Program**

Federal and State requirements mandate emission increases at new and modified facilities to be offset under certain circumstances. District Rule 431 – *Emission Reduction Credits and Banking*, establishes the procedures for recognizing emission reductions which are then eligible for use as “offsets” (called emission reduction credits or ERCs).

Key program areas include: 1) policy development, 2) issuance of biomass certificates of emission reduction credit, 3) issuance of stationary source certificates of emission reduction credit, 4) maintenance of the banking register, and 5) processing unclaimed credits for deposit into the District’s community bank.

To track ERC transactions, the District maintains a banking register. The tracking of ERC certificates can be quite complex. Certificates can be split, sold or leased, and there must be a clear paper trail that links the disposition of the credits to the initial certificate issued. In addition, portions of the credits deposited are placed in a community bank for air quality purposes, and/or are designated for use to promote essential public services. This information is posted on the District website and updated as any changes occur.

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**District Goals and Performance Expectations  
for Fiscal Year 2017-2018**