



**ANGELA THOMPSON, CHAIR**  
*Vice Mayor, Biggs*

**ALAN WHITE, VICE CHAIR**  
*Mayor, Paradise*

**BILL CONNELLY**  
*Supervisor, District #1*

**LARRY WAHL**  
*Supervisor, District #2*

**MAUREEN KIRK**  
*Supervisor, District #3*

**STEVE LAMBERT**  
*Supervisor, District #4*

**KIM YAMAGUCHI**  
*Supervisor, District #5*

**SCOTT GRUENDL**  
*Councilmember, Chico*

**JERRY ANN FICHTER**  
*Mayor, Gridley*

**CHERI BUNKER**  
*Councilmember, Oroville*

**W. James Wagoner**  
*Air Pollution Control Officer*

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## **Minutes of the Butte County Air Quality Management District Governing Board of Directors Meeting of June 23, 2011**

### **Members Present**

Angela Thompson  
Alan White  
Bill Connelly  
Larry Wahl  
Maureen Kirk  
Steve Lambert  
Kim Yamaguchi  
Cheri Bunker  
Jerry Ann Fichter  
Ann Schwab, Alternate

Vice Mayor, City of Biggs  
Mayor, Town of Paradise  
Butte County Supervisor  
Butte County Supervisor  
Butte County Supervisor  
Butte County Supervisor  
Butte County Supervisor  
Councilmember, City of Oroville  
Mayor, City of Gridley  
Mayor, City of Chico

### **Staff Present**

W. James Wagoner	Air Pollution Control Officer
Bob McLaughlin	Assistant APCO
Robyn Sousa	Admin. Services Officer
Armen Kamian	Associate AQ Planner
David Lusk	Senior AQ Engineer
Greg Einhorn	District Legal Counsel

### **Members Absent**

Scott Gruendl  
Councilmember, City of Chico

### **Others Present**

Linda Furr	League of Women Voters
Chuck Solt	Wild Goose Storage
Matt Lakota	Highway 70
Steve Seidenglanz	Highway 70
Don Rust	City of Oroville
Steve Culleton	Town of Paradise
Anthony Siiho	Enterprise Record

**1. Call to Order**

Chair Thompson called the meeting to order at 10:03 a.m. at the Town of Paradise Council Chambers, 5555 Skyway, Paradise, California.

**2. Additions and Deletions to the Consent Agenda**

There were no additions or deletions to the consent agenda.

**3. Consent Agenda**

- 3.1 By Consent, approve Minutes of the May 26, 2011 Meeting of the Board of Directors.
- 3.2 By Consent, Accept and File, Activity Report on Butte County Air Quality Management District.
- 3.3 By Consent, Accept and File, Financial Status Report for Fiscal Year 2010-2011.
- 3.4 By Consent, Accept and File, report on Calendar of Events.

**Action Requested: Approve Consent Agenda Items 3.1 through 3.4.**

There were no public comments.

**Motion: Approve Consent Agenda Items 3.1 through 3.4.**

AYES: Vice Mayor Thompson, Mayor White (motion), Supervisor Connelly, Supervisor Wahl, Supervisor Kirk, Supervisor Lambert, Supervisor Yamaguchi, Mayor Schwab, Mayor Fichter (second), Councilmember Bunker  
NOES: None  
ABSTAIN: None  
ABSENT: Councilmember Gruendl

**Motion Carries.**

**4. Items Removed from the Consent Agenda for Board Consideration and Action.**

There were no items removed from the consent agenda.

**Regular Agenda**

**5. Consider Adopting Proposed Amendments to the Community Bank Provisions of Rule 431 *Emission Reduction Credits and Banking.***

Senior Air Quality Engineer David Lusk discussed the proposed amendments to the community bank provisions of Rule 431.

**PUBLIC HEARING:** Opened at 10:10 a.m.

Mat Lakota spoke on behalf of Highway 70 Industrial Park. Mr. Lakota provided the Board several documents. He expressed concerns about the impact on Highway 70 Industrial Park, a current holder of credits. He said that Lindh and Associates, acting on behalf of a foreign oil company, has represented that Highway 70 does not want to sell credits. Mr. Lakota said this is not the case. He said that Lindh and Associates does not want to pay the fair market value and wants to lease the credits from the District instead. He expressed concerns about the definition of "feasible" as it would allow someone to lease credits from the District if they did not like the purchase price offered by a private credit holder. He further stated that of the two other air districts in the state that lease credits, the lease terms are all 3-5 years instead of the 30-50 year term proposed. The shorter term lease forces the leasee to go back and purchase credits. Mr. Lakota also said there is no law that allows the District to buy or sell credits. Section 40711 allows buying and selling from one person to another person only. Mayor White had clarifying questions and Mr. Lakota provided responses.

Steve Seidenglanz from Highway 70 Industrial Park discussed his recent negotiations with Lindh and Associates. He expressed his concerns that the proposal would put government in competition with private enterprise. He urged the Board not to approve the proposal. Supervisors Kirk and Connelly had clarifying questions and Mr. Seidenglanz provided responses.

Chuck Solt from Lindh and Associates, representing Wild Goose, stated that he handled the negotiations with Highway 70. He discussed the recent credit transactions in Butte County and the Sacramento Valley that he is using to determine the value of credits. Supervisors Kirk and Connelly had clarifying questions and Mr. Solt provided responses.

**PUBLIC HEARING:** Closed at 10:36 a.m.

Supervisor Yamaguchi stated that the Board needs to be cognizant of the need for credits for public services. With the upcoming realignment of services coming from the state, the County jail expansion will need credits. This is one example. He also stated that the proposed cost averaging is flawed. He also expressed concerns about the District competing with private business and striking biomass from the essential public services definition.

Mayor Schwab said we need to make sure the price reflects fair market value. She stated the government's role is to help create jobs and if there are excess credits available they should be used to help with job creation locally.

Councilmember Bunker stated that she was concerned about competing against private industry. She also had a problem with taking out biomass from the definition.

Supervisor Kirk expressed concerns about determining market value and whether availability of credits is feasible or not feasible.

Mayor White noted the concerns about going in the private sector yet he is not aware of any publicly owned biomass facilities. Perhaps the biomass provisions should be worked on later. He also stated a 30 to 50 year lease is too long. Perhaps a short term lease allowing the industry time to purchase privately owned credits. Pricing could be based on statewide median, perhaps at 40% for a 5 year period.

Supervisor Yamaguchi recommended consideration of a tiered proposal for a short term lease, requiring the leasee purchase credits from the private sector by the end of the lease.

Supervisor Connelly said that there was no need for this proposal since credits are available for purchase from the private sector. He said if credits are not available in a year we can always come back and look at this again. He also said that the only way to create jobs is through the purchase of credits from the private sector.

**Action Requested:**

- 1. After a public hearing, consider proposed amendments to Rule 431, including 3 or 5 year payment option; and,**
- 2. Approve the proposed resolution adopting the amendments as modified in Attachment D to this report and adopting the Board Implementation Policy.**

**Motion: I move no change to the regulation.**

AYES: Vice Mayor Thompson, Mayor White, Supervisor Connelly (motion), Supervisor Wahl (second), Supervisor Kirk, Supervisor Lambert, Supervisor Yamaguchi, Councilmember Bunker  
NOES: Mayor Schwab, Mayor Fichter  
ABSTAIN: None  
ABSENT: Councilmember Gruendl

**Motion Carries. Rule 431 is not amended as proposed.**

**6. Public Hearing to Present the Proposed Final 2011-2012 Fiscal Year Budget.**

Administrative Services Officer Robyn Sousa presented a summary of the proposed budget.

**PUBLIC HEARING:** Opened at 10:52 a.m.

There were no public comments.

**PUBLIC HEARING:** Closed at 10:52 a.m.

**Action Requested:**

- 1. Following a Public Hearing on the 2011-2012 Fiscal Year Budget, accept and consider comments; and,**
- 2. Approve revised resolution 2011-07 adopting the proposed 2011-2012 Budget including a 2% increase in the hourly rate pursuant to District Rule 509 *Subject Research Fees and Hourly Rate*; and,**
- 3. Approve implementing resolution 2011-08 authorizing contracted legal services, as included in the proposed Budget released April 22, 2011.**

**Motion: I move to approve the budget as presented.**

AYES: Vice Mayor Thompson, Mayor White (motion), Supervisor Connelly, Supervisor Wahl, Supervisor Kirk, Supervisor Lambert, Supervisor Yamaguchi, Mayor Schwab, Mayor Fichter, Councilmember Bunker (second)  
NOES: None  
ABSTAIN: None  
ABSENT: Councilmember Gruendl

**Motion Carries.**

**7. Consider Approving Carl Moyer Year 13 Request for Proposals.**

Associate Air Quality Planner Armen Kamian presented a summary of the Carl Moyer program, including on-going work on projects funded under Year 12 and recent Year 11 funds received under the Rural Assistance program. She also reported that Year 12 Rural Assistance program funds are now available through CAPCOA. Staff requested approval for release of a request for proposals for the Year 13 funding allocation.

There were no public comments.

**Action Requested: Approve the Carl Moyer Year 13 request for proposals (RFP).**

**Motion: I move to approve.**

AYES: Vice Mayor Thompson, Mayor White (second), Supervisor Connelly, Supervisor Wahl, Supervisor Kirk, Supervisor Lambert, Supervisor Yamaguchi (motion), Mayor Schwab, Mayor Fichter, Councilmember Bunker  
NOES: None  
ABSTAIN: None  
ABSENT: Councilmember Gruendl

**Motion Carries.**

**8. APCO Report.**

Air Pollution Control Officer Jim Wagoner provided a report on air quality issues at the local, state and federal levels. He reported that at their June 3<sup>rd</sup> meeting, the Sacramento Valley Basinwide Air Pollution Control Council approved amendments to the Smoke Management Program, which governs agricultural burning in the Valley. The most significant change was proposed by Butte, allowing more burn days for orchard prunings on high north wind days. He also reported that the California Air Resources Board issued a letter requesting EPA find the Butte County nonattainment area in attainment with the PM 2.5 standard.

There were no public comments.

The Board took no action on this item.

**9. Other Business.**

Chair Thompson discussed her plan to work with staff on a series of informal meetings or round table discussions with different groups in the community, such as agriculture. This would be an opportunity to get feedback on common areas of interest. Board members could also attend as their schedules allow. Several Board members talked in support.

**10. Public Comment Period.**

There were no public comments.

**11. ADJOURNMENT: 11:08 a.m.**

  
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W. James Wagoner, Air Pollution Control Officer

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on June 23, 2011.

ATTEST:   
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Clerk of the Governing Board