

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT
ADVISORY COMMITTEE MEETING
February 22, 2011
MINUTES

Chairman Vander Pluym convened the meeting at approximately 7:30 p.m.

I. Director's Report

Mike Villegas, APCO, stated that the U.S. EPA has delayed the announcement of the new national ambient air quality standard for ozone until the end of July. This is another seven-month delay.

Mr. Villegas stated that 2010 had the cleanest air quality on record. In 1990, there were 117 days over the 75 ppb national ambient air quality standard for ozone. In 2000, there were 57 days over the standard and only 11 days in 2010.

Committee member Keith Moore noted that with a new more stringent federal standard for ozone, much of the Country would be designated as nonattainment. Committee member Keith Moore asked how being designated nonattainment would impact growth in the County. Mike Villegas replied that under the federal and California Clean Air Acts, any new or modified facility must provide emission offsets for any increase in emissions above a certain threshold. The more severe an air quality problem becomes the lower the offset threshold is set.

II. Call to Order

Chairman Vander Pluym called the meeting to order at approximately 7:40 p.m.

III. Roll Call

Present

Raymond Garcia

Todd Gernheuser

Sara Head

Marleen Luckman

Hugh McTernan

Keith Moore

Michael Moore

David Morse

Duane Vander Pluym

Absent

Scott Blough (excused)

Stephen Garfield (excused)

James Tovias (excused)

Michael Kuhn (excused)

Ron Peterson (excused)

Aaron Hanson

Greg Patterson (excused)

Kim Lim (excused)

- The draft budget for FY 2011-12 shows the District is expected to have a balanced budget. This is also dependent on our federal grant not being significantly reduced.
- For FY 2011-12 and the following few years, the costs to fund the current retirement system is expected to increase. This will create an increase in District expenditures via increased labor costs. Further, labor costs account for 77 percent of District expenditures.
- The District does not have the ability to increase revenue significantly in any one year. This is because permit fees account for only 30 percent of District revenue and increases are capped at 15 percent.
- Based on these facts staff is proposing a modest increase in permit fees at this time to avoid the need for large fee increases in the future.

Mr. Villegas added that there is a possibility of the District's federal grant being reduced in the future.

Committee member Michael Moore stated that the District had a sizable fund balance and questioned how a fee increase could be justified.

Mr. Villegas noted that the District is projected to spend down \$1.7 million from the fund balance over the next four years.

Committee member Keith Moore asked how the District is going to deal with the work related to the proposed more stringent ambient air quality standards.

Mr. Villegas stated that existing staff will handle the inventory, forecasting, planning, rule development, permitting, and enforcement for stationary sources.

Committee member Keith Moore asked if the District could charge a fee for tracking emission reduction credit transactions.

Mr. Villegas stated these transactions are part of permit actions and the District assesses permit processing fees to defray these staff costs.

Committee member Luckman asked if the small sources are seeing an annual fee increase of \$10, how much of an increase would the large facilities be subject to?

Mr. Villegas stated that a large oilfield operator such as Aera Energy would be subject to an increase of \$2,000. The two largest payers of permit renewal fees are the two power plants in Oxnard.

Committee member McTernan stated with the sizable fund balance staff should consider deferring the fee increase until staff learns more of about potential cuts to the federal grant.

Vice Chair Head asked staff if there was a cap on fee increases in any one year.

Mr. Villegas responded yes there was a cap of 15 percent under State Health and Safety Code.

Committee member Keith Moore asked if the District received revenue to cover the costs of enforcing the water heater regulations.

Mr. Villegas responded that water heaters are not permitted by the District and we do not have a revenue stream to defray these costs.

Vice Chair Head stated that an indirect source review fee for water heaters would be more controversial than the current staff proposal.

It was moved (Head) and seconded (Luckman) to recommend adoption of amended Rule 42, as proposed by staff. The motion passed with a vote of 5 yes and 3 no and one abstention.

IX. Adjournment

The meeting was adjourned at approximately 8:30 p.m.

Prepared by:

Mike Villegas
Air Pollution Control District Staff