

MEMORANDUM OF UNDERSTANDING
BETWEEN
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
AND
FAIRBANKS NORTH STAR BOROUGH
FOR
AIR POLLUTION CONTROL

I. Purpose

The purpose of this memorandum of understanding is to clarify the joint responsibilities for air pollution control and monitoring within the Fairbanks North Star Borough with respect to PM_{2.5} and for the maintaining and monitoring of carbon monoxide within the Fairbanks North Star Borough. The Alaska Department of Environmental Conservation (DEC) and the Fairbanks North Star Borough (Borough) have joint responsibility for air pollution control in the Fairbanks North Star Borough. The parties to this Memorandum of Understanding recognize that clear lines of responsibility must be established and maintained to maximize the efficient utilization of available resources and to provide the greatest protection to the public's health and safety. It is with this recognition that these two parties hereby enter into this agreement.

II. Major Stationary Sources

DEC will retain responsibility for permitting, inspection, surveillance, and enforcement of all currently permitted facilities under DEC authority, and for any new sources that require DEC permit approval under AS 46.14.

DEC will:

notify the Borough upon receipt of any permit applications or renewals for State Air Quality Permits for stationary sources located within the Borough, to allow sufficient time for Borough comment on such permitting activities;

respond to Borough requests during the Department permit review, for additional information from a permit applicant pursuant to 18 AAC 50 or the State Implementation Plan for Air Quality Control; and

provide information in a reasonable time period to the Borough in response to requests for information on permitted facilities.

The Borough will:

register with DEC's online system for public notice announcements when it becomes available; and

notify DEC when it desires information on a permitted facility, permit application or renewal.

III. Open Burning

DEC will be responsible for issuing approvals for open burning of materials from land clearing operations of 40 acres or greater, and for the open burning of petroleum-based materials or other materials in a way that gives off black smoke.

DEC will:

provide the Borough with copies of all open burning approvals issued by DEC for sites within the Borough; and

notify applicants to contact the Borough regarding the Borough Codes pertaining to open burning.

The Borough will:

provide DEC and the Division of Forestry with copies of a handout, designed for distribution to burn permit applicants, which outlines the Borough open burning regulations;

advise DEC and the Division of Forestry of any changes to the Borough's open burning regulations and permit procedures; and

conduct an advertising campaign designed to educate the public regarding any significant changes in the Borough's open burning regulations and permit procedures.

IV. Area Source Control Programs

The Borough and DEC recognize that many small stationary pollution emission sources have the potential to collectively impact air quality. These small sources are categorized as area sources by EPA and DEC and may be regulated by local, state, or federal rules, but are not typically permitted by the DEC Air Permit program. They include, but are not limited to, the following types of sources: solid fuel-fired heating devices, commercial and residential space heating, small sources that fall below permitting thresholds, and fugitive dust sources.

The Borough will:

take the lead in developing and implementing local control programs to address pollution from area sources and will notify and consult with DEC regarding local control programs being considered for implementation to

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insure coordination with any existing state programs or regulations;

DEC will:

notify and consult with the Borough regarding any proposed state area source programs or regulations that could impact a local control program or activities within the Borough; and

provide technical assistance related to state and federal requirements that could impact development and implementation of a local control program.

The Borough and DEC will:

look for opportunities to share data related to area sources that can further technical efforts in assessing air quality impacts;

jointly determine whether, and when, the two agencies will need to coordinate on implementation of an area source program;

jointly determine the roles and responsibilities for each agency in implementing any coordinated area source program;

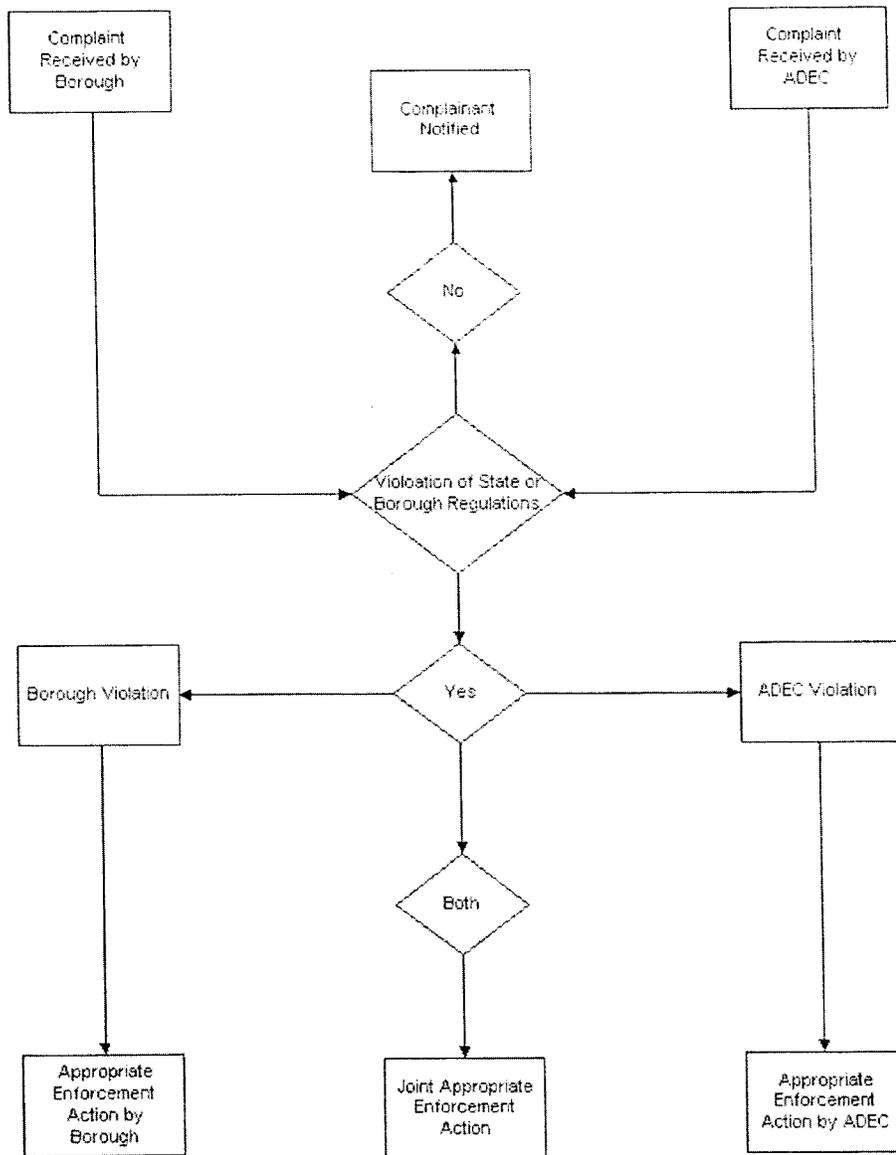
upon agreement by both agencies as to the roles, responsibilities, funding, and any other essential details of a coordinated area source program, work cooperatively to implement the program; and

amend this agreement, as soon as practical, to incorporate the relevant details related to an approved area source program so that clear lines of responsibility are delineated.

V. Complaint Response

DEC and the Borough will continue to respond jointly to public complaints regarding air pollution within the Borough. The flow chart delineates the course of action to be used in assessing the need for appropriate enforcement actions.

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As indicated above, both DEC and the Borough will be responsible for assessing whether or not an air quality complaint received by their respective agency is a violation of either Borough or State regulations. This will necessitate close communication between the agencies regarding each other's regulations. Once it is determined whether or not either, or both, State or Borough regulations are being, or have been violated, the appropriate agency will take the lead role in enforcement action.

Complaints received by DEC related to permitted stationary sources will be handled by DEC. If the Borough is interested in any complaints regarding permitted facilities, the Borough will contact DEC and DEC will provide the information.

VI. Ambient Air Monitoring/Air Quality Forecasting

The Borough will maintain and operate the network of carbon monoxide (CO) and fine particulate (PM_{2.5}) ambient air monitors to identify and describe existing air quality conditions within the Borough. The Borough will review monitoring needs with DEC and EPA in consideration of resources available for the purpose of assigning monitoring priorities. The Borough will continue to provide recorded daily ambient air quality forecasts during the period of October 1 through March 31 each winter. DEC will provide technical support and quality assurance related to the ambient air monitoring network.

Close communication and cooperation between the agencies is necessary to share information on ambient air conditions to determine the need for issuing an air quality advisory, or declaring an air episode due to anthropogenic or natural events.

DEC will:

continue to provide technical assistance to the Borough in the areas of ambient air monitoring science, instrument operation, and quality assurance;

send to the Borough copies of correspondence and applicable materials associated with air quality monitoring work performed by DEC within the Borough and air monitoring information received from EPA or other sources which may be of interest to the Borough;

notify the Borough as to reporting requirements, due dates, etc.;

review and approve in writing monitoring site locations as required;

provide, or facilitate in-state, technical assistance and training as time and funding allows;

perform quarterly audit tests on the Borough's air quality monitoring network;

assist Borough staff with field monitoring during periods of Borough staffing problems as time and funding allows;

provide filter weighing operations for the analysis of particulate filters;

loan air monitoring equipment, shelters and supplies for use in FNSB seasonal monitoring studies, based on availability;

replace air monitoring equipment (e.g. CO, PM, meteorological monitors,

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data loggers) in future years, based on state amortization priorities and available funding;

work cooperatively with the Borough to select the State's N CORE site, to be located in Fairbanks;

provide assistance for major repairs to air monitoring equipment to insure minimum down time for instrumentation during catastrophic failures; and

conduct an annual monitoring network assessment and develop recommendations for any changes which may be necessary in coordination with the Borough and EPA.

The Borough will:

operate and maintain the CO and PM_{2.5} ambient air and meteorological monitoring network as required in accordance with state and federal regulations, guidelines, and the yearly DEC/EPA and Borough Air Programs work plan;

operate and maintain the PM_{2.5} speciation monitor in accordance with state and federal regulations, guidelines, and the yearly DEC/EPA and Borough Air Programs work plan;

conduct special air monitoring studies of criteria pollutants to identify/better define air quality problem areas, as funding and staff allow;

maintain instruments and equipment in good working order subject to available funding. In the event that funding is reduced DEC/FNSB will discuss and mutually agree before deferring maintenance;

submit to DEC in writing for approval any desired/required changes in the monitoring network;

maintain trained staff capable of operating and maintaining monitoring equipment and coordinate training needs with DEC to identify potential local and in-state training opportunities;

participate in the State's air quality data quality assurance program, and submit required data to DEC and/or EPA;

submit annual/quarterly air quality monitoring data to DEC within 30 days after the end of a quarter, to include but not be limited to CO and PM_{2.5};

work cooperatively with DEC to select the State's N CORE site, to be located in Fairbanks;

continue to implement, as needed, the Borough's emergency episode

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prevention and response plan for CO;

provide a recorded daily CO forecast during periods of poor air quality, when CO concentrations are of concern. The daily CO forecast will also be provided on the Borough web page and phone system for media and the general public; and

provide a recorded weekly PM_{2.5} forecast to address potential impacts during the summer wildfire season and the winter PM_{2.5} season. A daily forecast will be provided during periods of poor air quality. The PM_{2.5} forecast will also be provided on the Borough web page and phone system for media and the general public. As part of that forecast, provide a description of the air dispersion (poor, fair, or good) forecast for each day, with weekend and holiday projections made the previous Friday.

VII. Air Quality Planning

The Borough will continue its efforts to maintain the national ambient air quality standard for carbon monoxide and work towards meeting attainment for fine particulate matter (PM_{2.5}). This will include the study and possible implementation of reasonable, cost-effective strategies designed to reduce ambient air pollutant concentrations which will allow the Borough to maintain the carbon monoxide standard and attain the PM_{2.5} standard.

DEC will:

- provide technical and administrative assistance to the Borough;
- in the area of maintenance of the national ambient air quality standard for carbon monoxide; and
- In the area of development of the attainment plan for PM_{2.5}

work with the Borough to develop additional programs that will;

- aid the Borough in maintaining the health based standard for carbon monoxide in the Fairbanks area, subject to available funding;
- aid the Borough in attaining the health based standard for PM_{2.5} in the Fairbanks area, subject to available funding; and
- assist the Borough in its dealings with EPA, particularly in the development of additional strategies to reduce ambient air pollutant levels in the Fairbanks area.

The Borough will:

continue its efforts to maintain the national ambient air quality standard for carbon monoxide;

update the CO maintenance plan per the Clean Air Act requirements or as

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needed to address local objectives;

continue its efforts to attain the national ambient air quality standard for PM_{2.5};

implement PM_{2.5} strategies to attain the standard that are shown to be reasonable and cost effective;

assist DEC to study PM_{2.5} concentrations at cold temperatures, and the resultant impact of PM_{2.5} on the prospects for attaining and maintaining the PM_{2.5} standard in Fairbanks, including potential use of new and innovative programs;

develop emission inventories as needed to support or implement PM_{2.5} SIPs; and

take the lead in collaboratively developing with DEC a PM_{2.5} attainment plan to bring Fairbanks into attainment with the national ambient air quality standard.

VIII. Mobile Source Control Programs

The Borough and DEC recognize that air pollution emissions from motor vehicles and other mobile sources have the potential to collectively impact air quality. Mobile sources are typically regulated by federal and state rules, but local programs can be beneficial in reducing emissions.

The Borough will:

take the lead in developing and implementing local control programs to address pollution from mobile sources and will notify and consult with DEC regarding local control programs being considered for implementation to insure coordination with any existing state programs or regulations;

DEC will:

maintain state regulations that allow a vehicle inspection & maintenance program to remain as a CO contingency measure in the Fairbanks CO maintenance plan as required by EPA;

notify and consult with the Borough regarding any proposed state mobile source programs or regulations that could impact a local control program or activities within the Borough; and

provide technical assistance related to state and federal requirements that could impact development and implementation of a local control program.

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The Borough and DEC will:

look for opportunities to share data related to mobile sources that can further technical efforts in assessing air quality impacts;

jointly determine whether, and when, the two agencies will need to coordinate on implementation of an mobile source program;

jointly determine the roles and responsibilities for each agency in implementing any coordinated mobile source program;

upon agreement by both agencies as to the roles, responsibilities, funding, and any other essential details of a coordinated mobile source program, work cooperatively to implement the program; and

amend this agreement, as soon as practical, to incorporate the relevant details related to any approved mobile source program so that clear lines of responsibility are delineated.

IX. Dynamometer Testing System and Congestion Mitigation & Air Quality Projects

The Borough will:

use the test van, dynamometer, analytical equipment and support equipment for vehicle and cold weather testing projects as needed;

share data collected from all studies utilizing the dynamometer testing system;

with adequate notice, provide DEC access to the dynamometer testing system for special projects; and

provide DEC the opportunity to reclaim the dynamometer testing system.

DEC will:

notify the Borough 90-days prior to the department's need to use the dynamometer testing facility for special projects; and

share data collected from all studies utilizing the dynamometer testing system.

DEC and the Borough will:

coordinate requests for CMAQ projects; and

jointly determine roles and responsibilities for implementing CMAQ projects

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at the time that the projects are submitted to the metropolitan planning organization or Department of Transportation for funding.

X. Notice/Project Contacts

For purposes of this agreement each agency will identify a project manager who will have overall responsibility for management of the agreement. The project managers may designate and identify in writing to the other agency, other staff with responsibility for implementing specific activities under the agreement.

For purposes of this agreement DEC's project manager is,

Alice Edwards, Acting Director, Division of Air Quality

For purposes of this agreement, the Borough's project manager is,

Glenn Miller, Director, Department of Transportation

All project work plans and approvals shall be submitted through the project managers designated in this section.

Parties agree to notify each other in writing of changes in project manager or activity managers within 10 days of change.

XI. Budgetary

DEC and the Borough shall negotiate annually funding agreements for the coming year. These annual funding agreements will be negotiated between the DEC Air Quality Director and the FNSB Director of Transportation. Future year appropriations shall be discussed and operational costs agreed upon no later than January 31st of each year to assist with annual budget development. The annual funding agreements shall be documented in writing and make specific reference to this Memorandum of Understanding.

DEC shall:

provide each year that the conditions of this Memorandum of Understanding are met, a total of \$54,000 per year for the work described in the approved annual work plan and up to \$18,500 per year for operation and maintenance of the PM2.5 speciation sampler (to be negotiated annually); and

make, upon receipt of a request for reimbursement which shows at least 50 percent of the local match funds have been expended, an initial payment of \$40,000. The balance will be provided upon completion of the work identified in the approved annual work plan, for each fiscal year, and the

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submission of a final Financial Status Report which identifies the total program expenditures.

The Borough shall:

adhere to applicable sections of 40 CFR 30, 31, 32, 33, and 35, Subpart A. The principal "parts" of 40 CFR, Chapter 1, Subchapter B, and Part 32 "Debarment and Suspension Under EPA Assistance Programs"; Part 31 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"; and Part 32 "Debarment and Suspension Under EPA Assistance Programs";

comply with the requirements of the Single Audit Act (OMB Circular A128);

file a preliminary financial status report on or before August 20 each-year;

file a final financial status report on or before September 20 each year;

inventory and track all equipment purchased. Disposal shall be in accordance with current federal requirements. Purchase of equipment exceeding \$3,000 for a complete unit must be approved by DEC in advance of purchase;

when issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole or in part with grant money, clearly state (a) the percentage of the total cost of the program or project which will be funded with grant money, and b) the dollar amount of grant funds for the project or program;

make a good-faith effort to maintain a drug-free work place by publishing a statement notifying employees that manufacturing, distributing, dispensing, possessing, or using a controlled substance in the work place is prohibited;

when issuing contracts, ensure all contractors and subcontractors have a valid Alaska business license;

provide for DEC representation on committees reviewing RFPs and contract awards using DEC pass through or DEC grant and Borough funds;

submit copies of signed subcontracts and purchase orders between FNSB and minority/women construction and supply firms on a quarterly bases;

ensure that no portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74;

ensure that the cost principles of OMB Circular A-87 are applicable to this award. When indirect costs are included within the assistance budget, the

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recipient must be in compliance with A-87 and EPA regulations regarding allowable project costs. Actual indirect costs charged to this agreement may not exceed the final approved rates as negotiated annually between the State and the appropriate cognizant federal agency;

in accordance with the Clean Air Act, Section 105 b(3) and EPA regulations, provide matching funds to support the programs which are at least equal to the local matching funds spent in the prior year; and

spend local matching funds on at least a pro rata share with the understanding that local funds spent for the year must equal or exceed the amount spent in the previous year. Should the amount of local funds not equal or exceed the previous year's grant expenditures, the grant may be revoked. Unexpended grant funds shall revert to DEC to be reprogrammed (if prior to June 30 of each year) or returned to EPA according to federal law.

XII. It is mutually agreed:

1. that the Borough and DEC shall employ and maintain staff to carry out the activities necessary to administer the air quality programs outlined in this agreement;
2. that payments under this agreement require funds from future appropriations and are subject to future appropriations by the Borough Assembly and the state legislature;
3. that nothing in this agreement shall be construed as obligating DEC or the Borough to the expenditure of funds, or for the future payment of funds, in excess of that authorized by this agreement.
4. that the Borough may provide funding to DEC for performing special projects negotiated under this agreement.
5. that future year awards will be authorized only upon receipt of federal funds and upon an approved annual work plan, which must include lawfully appropriate detailed budget information, project period, and signature blocks for both parties.
6. that an interim financial status report will be filed on or before March 31 each year. The purpose is to determine if all grant funds will be expended by the end of the fiscal year (June 30). If grant funds will not be fully expended, DEC may restrict the amount of grant funds and reprogram the unexpended funds in accordance with EPA regulations.
7. that specific full-time equivalents listed for each task in the annual work plan are both parties' best estimate and only approximate; and

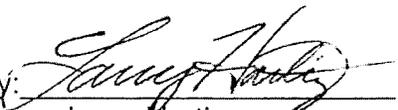
- 8. that amendments to this agreement may be proposed by either party and shall become effective upon approval of both parties.

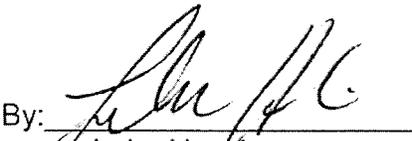
XIII. Execution/Modification and Duration of Agreement

This amendment will be in effect upon signature by both parties until amended or revoked. The agreement may be terminated upon 90 days' written notice by either party. FNSB shall return all unexpended funds to DEC. In addition, all notes, data collected, equipment and any draft reports shall be submitted to DEC within 30 days of termination of this agreement by either party.

Alaska Department of
Environmental Conservation

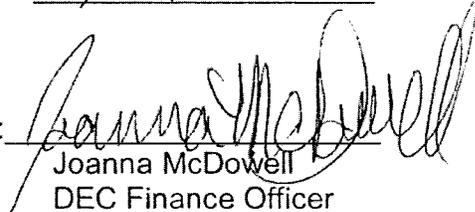
Fairbanks North Star Borough

By: 
Larry Hartig
Commissioner

By: 
Luke Hopkins
Mayor

Date: 1/26/10

Date: 1/20/10

By: 
Joanna McDowell
DEC Finance Officer

Date: 1/22/10

Reviewed by Legal Department
Date: 1/20/10
By: clb