

Reservoir Committee and Authority Board Meeting

Agenda Item 2.5: Air Quality MOU

October 17, 2025



Air Quality Impacts and Mitigation Measure AQ-1.2

- Even with BMPs, Project would:
 - Exceed the applicable air quality thresholds
 - Cause significant air quality impacts within *certain* air district boundaries from emissions of nitrogen oxides (NOx) and particulate matter of 10 microns or less in diameter (PM10)
- Mitigation Measure AQ-1.2 requires Authority to:
 - Enter into an MOU with the Air Districts *where exceedances of thresholds occur* to reduce impacts of NOx and PM10 emissions through offsite mitigation programs administrated by the Air Districts

MOU with Colusa and Glenn Air Districts

- Authority pays offset fee plus admin fee
 - For NOx and PM10 emissions above applicable thresholds
- Air Districts use funds to implement emissions reductions programs for NOx and PM10
 - First priority, closest to the Sites Project
 - Then within the overall Sacramento Valley Air Basin
 - Air Districts will enter into MOU together to manage funds collectively
- Term of the MOU – From signature to 2 years after the end of construction
 - Allows for final disbursement of funds by Air Districts

MOU with Colusa and Glenn Air Districts (cont)

- We all do our best
 - Authority's obligation limited to offset fee based on actual emissions
 - Air Districts do their best to select cost effective offset projects
 - Complicated to monitor and calculate actual reductions over time
- Construction contractors will need to get stationary source permits (i.e., concrete batch plants)
- Construction contractor means and methods may offset some emissions

Pricing

- Offset Pricing
 - \$34,000/ton NOx or PM10
 - Based on EIR emissions ~ \$63.7 million total
- Admin Costs
 - 7.25% of total offset fees (in addition to offset fee)
~\$4.6 million total, set based on statewide standards
 - Paid in annual equal installments over term of MOU
~\$511,000/Yr
 - About 2.5 FTE to administer the Program across both counties
 - This is a major expansion for the existing programs in Colusa and Glenn County – admin fee to be revisited in 2-3 years to ensure no redirected impacts on other county services

Next Steps

- Working with Colusa and Glenn County APCDs to finalize MOU
- Colusa and Glenn County APCDs working on an agreement between themselves to manage funding/Program actions
 - Will wait for this agreement to be finalized before signing the Authority / Air Districts MOU
- Negotiate with Yolo-Solano APCD closer to construction on Dunnigan Pipeline
 - May be able to avoid exceedances with construction contractor means and methods

Thank you!

