



Advisory Council Minutes
March 22, 2007
Regional Health District
Environmental Health Conference Room

Members Present:

Peter Williams
Nancy Enz Lill
John Hjaltalin
Jana McDonald
Tom Brattebo

John Livingston
Ray Kelleher

Staff Present:

Bill Dameworth
Lisa Woodard
Barbara Nelson
Ron Edgar
Debbie Naccarato

The meeting was called to order at 8:03 a.m.

1. Approval of the February 22, 2007 Minutes:

Ray Kelleher moved to approve the February 22, 2007 minutes and John Livingston seconded it. Minutes approved.

2. Education & Outreach Program for FY-08 – Lisa Woodard:

This is an overview of the changes for the next year. We will have a new name (Spokane Regional Clean Air Agency) and logo in the next couple of weeks.

Wood heating continues to be a big part of our program, about 18% of the education budget. There has been a revised standard for PM_{2.5} and we are working at the legislative level to be able to have an adequate trigger value for calling burning curtailments. We are working on changing out the old woodstoves in the air shed with grant money and also continuing our education with the community on what are the clean burning processes. Print ads, articles, radio and television spots are placed during the three-month core heating season.

Outdoor burning education and outreach activities consist of informing residents of the rules, health effects, alternatives and incentives to engage in alternatives. We focus on non-burning options like the fall and spring “Chipping, Composting and Burn Barrel turn-in” event; spring yard and garden season dates/rules; radio, print and unpaid messages; and development and distribution of burn season flyers, brochures, alternatives flyer and know the rules postcards.

The Compliance Assistance Program (CAP) is designed to ensure that regulated facilities and other businesses know who SCAPCA is and how to contact us; understand what is required of their facilities; have an opportunity to attend compliance assistance workshops specific to their industry sector; and businesses are recognized for their efforts. This area may be an area

that is growing; Bill has redirected our Public Information Specialist two days a week to work in the compliance section. Part of what she is doing is developing a pollution prevention program to assist businesses to voluntarily reduce emissions. We also have an annual clean air award that we provide to our sources and Huntwood Industries was the recipient this year. Every two years with the annual registration form, we send a form out for the businesses to check off if they've paid their fees on time, if they're up-to-date and they haven't had an NOV in the last three years, they then receive a window decal.

Summer ozone is 15% of the education budget. Last year and the year prior, we put together some partnerships with gas stations; this year because of budgeting and staffing reductions, we are pulling back from our gas station partnerships. We also have a "lawn care and clean air" element encouraging people in the summer to upgrade to electric or manual devices, don't mow on really hot days when ozone is most likely to form and the "transportation options/trip reductions" will be an element of the summer program. We do a variety of things with that; we sponsor the Spokane Indians Baseball which includes announcements of weather/game time/current air quality/clean air tip. We also have a partnership with the Spokane County Commute Trip Reduction (CTR) office and they work with about 150 work sites in our community to promote air quality. We do some paid media for the summer ozone program and radio.

The Transportation/Mobile Source area has been cut down to 12% of the education budget because of reassigning one person part-time to work in the compliance section on pollution prevention. Our focus will be on the CTR aspects of the transportation issues in Spokane by promoting bus, car pool, ride sharing and vehicle idling. We won't be involved with the car care fair.

Under General Air Quality we do a lot to promote the agency, who we are, where you can find us, what we do and where people can access information on our web site. Part of that is working with our local news media and being available to meet with them on a semi-annual basis and talk about programs and emissions that are a concern to Spokane. We will be redoing our "Welcome to the Neighborhood" postcard that goes out via a couple of different welcome companies.

Our School/Youth Program is more meager than it has been. We still believe that youth is a very important audience for our community and for the future of our clean air. We do classroom visits on a request basis and ask students to network with their school so that we can present to two to three classes while we are there. We dropped the teacher workshops. Our Youth Conference is a multi-agency partnership and has been a successful program every year for grades 7-12. We used to have a Clean Air Kids Club but we wanted to expand that to be an Enviro-Kids Club so that we can bring in other agencies and share the work. The idling program was started a couple of years ago as a result of a state grant and has been a very successful program; we have had to cut that back because of staffing so we will be working with three schools a year instead of six. We are involved with about 12 other kid's activities and camps that take place throughout the year.

SCAPCA applied for a wood stove replacement grant in the summer of 2006, the matching funds would come from three areas: \$20,000 in staff hours, current replacement funds

\$20,000 and direct funds of \$12,000 from the woodstove education budget. Nationally EPA says 70% of the devices used are uncertified.

Peter Williams asked what was the rationale for cutting the education and outreach program budget by 20%. Bill replied that what we are doing is taking 40% of Margee's time (Public Information Specialist) and having her do business assistance on the pollution prevention program. We are directing her more towards helping small businesses and also look for opportunities to help them to make changes and run tests on their equipment to help decrease air pollution. She will not be wearing an enforcement hat; she will be out there to help them comply with regulations and standards. Peter asked what Margee was doing before the compliance education. Bill replied some of it was the pump toppers at the gas stations and ozone related education. Lisa stated that all of the programs that she described Margee had a role in except for the CAP. Peter stated that he has concerns when both in Lisa's written material and her presentation, there were a hand full of things being scaled back and to him they all seem important. He understands what Bill is saying, that he is reallocating some time so that he can have someone doing work in CAP. Bill replied that it is education but it's a different audience. Margee will be helping many of the small businesses that do not have professional air quality staff to help them with the regulations and staying in compliance. This has been done in L&I and DOE has one for hazardous waste and these are directed towards dry cleaners, gas stations and spray painting. Peter added that the CAP sounds fine; he just wishes it could be done without cutting from the education and outreach program. Nancy Enz Lill agrees with Peter that education is very important and she hates to see it cut. Bill replied it's a matter of who you are educating and what your messages are and where you're directing it. His perception is that SCAPCA should be spending more time with the small businesses than it has been. We will probably not get any more staff and it is an allocation decision, and we'll see how it goes. John Livingston stated that he is in support of education and outreach it sounds like things are going well and he understands what Bill is trying to do with changing the focus a little bit but he would like to keep supporting general outreach as much as possible. In response to Peter's question about whether this has been presented to the Board, Lisa stated that Barbara will be presenting this in the budget and she will be there if questions come up. Tom Brattebo stated that it does take a person to go to the school to do the no-idle program. Some of the County people have AmeriCorp people who are young enthusiastic people that could go out to a school and do public education pretty cheap. You can have them for a year or six months or whatever and they are dedicated to saving the world. It would be an interesting way to get this message out for a low cost. Lisa thinks that is an excellent idea. Bill asked if they have an office here in town. Tom was unsure but you could Google AmeriCorp and Gonzaga has a large contingent of AmeriCorp people running service learning programs.

3. Draft Budget FY-08 – Barbara Nelson:

For the revenue side, a reduction in the federal grant is expected and the local assessment remains unchanged. We have gone to the Board for several months working to get our fee based programs up to full-cost recovery. The fees for the asbestos, registration and the AOP programs have been increased. These are expected to be at full cost recovery using the formulas presented to the Board when the fees were changed. The one that is still under review is the Notice of Construction fee. Right now we are collecting approximately \$100,000 less than it costs to run that program. We use approximately \$250,000 of the Fund Balance to balance the budget for FY-08. We would like some input from the Council on your idea on the importance of raising

those fees. If we raise NOC fees to full-cost recovery and collect half of that additional revenue in FY-08, by the end of our five year picture we will have a fund balance of about 20% which is what we have been directed to do by the Board. If the fees are not raised, we will have a fund balance of approximately minus \$60,000 by 2012.

On the expense side, 80% of the overall budget is salaries and benefits and that includes filling a vacant air quality specialist position that has been left vacant since May of 2005. It has been left vacant because of the struggle with the fund balance not being sufficient to carry us through without the fee increases. This includes inflation for medical and dental costs and a 2% COLA. Grants received for the operation of the PM_{2.5} monitors and wood stove enforcement and education programs will be used to pay salaries. General office operation needs continue to be very similar to the past years. Staffing changes and associated training needs, and the cost of repairs and maintenance for the air monitoring equipment are necessary to continue operation.

The reserved fund balance has specific uses such as the Supplemental Environmental Projects (SEP) which is money collected from a violator and a certain portion of that is used for a specific project. SEPS do not affect the revenue or expense of the core program. The School Bus Retrofit Grant funds are included in the reserve fund balance because it has specific use requirements. For the unreserved undesignated fund balance, we are proposing to establish a retirement payoff reserve account for staff that will be retiring within the next five years. The reserved designated fund balance is used to replace major office equipment, vehicles and monitoring equipment. We are planning to purchase a replacement vehicle this year out of the equipment reserve account.

John Livingston stated that it seems only fair that SCAPCA would cover the costs of whatever program, how do you determine what cost recovery is. Barbara replied she developed a spread sheet that takes the percentage of time of each of the employee and puts it into the programs where they do their work. The fee based programs are required to pay for themselves and if we over collect, we either refund the money or reduce the fees for the following year or keep it in an account and do a balance every two years or so. By law we are not allowed to collect more than what it costs to run the program. The NOC is the only program that is not at full-cost recovery. We are working on it and the NOC fees have not been updated for 12 years, so the fee increase would be a substantial amount. Tom Brattebo asked who pays for the short-fall in the NOC program. Barbara replied that the local assessment money that is collected from the Cities and Towns has been funding it. Tom asked who would pay the increase, is it when you build a house? Bill replied it is when somebody builds a business that will be an air pollution source, they need a NOC permit. John Hjaltalin asked if the NOC fees update includes the NOI temporary permits. Bill replied yes they are both included. John added so it is really business or industrial related permitting activity and the proposal that the Board had heartburn with was the flat base fee with an hourly recovery based on the hours spent on the NOC. Bill stated that SCAPCA didn't propose an hourly rate because people would believe that we would be spending more hours so that we could soak them for more money, so we figure out what the fees are going to be before. Title V fees do have any hourly fee base because the timing is variable and federal law requires those to be full-cost recovery and we have to collect for past shortfalls because it is required by EPA. John Hjaltalin stated that coming from industry, SCAPCA fees for NOCs or NOIs are quite a bit lower than other agencies throughout the west. He is also comfortable with the increase in the fees because he is able to see that SCAPCA works on barebones and he sometimes wishes SCAPCA had more people so that they could get

permitting stuff done quicker, short-term. He doesn't believe there is any fat in the budget that says you're buying too many cars or there's too much monitoring going on and we're trying to recover that. So as his voice as industry, he would say yes SCAPCA needs to collect more. He would also like to see some sort of relationship between what the fee charge is and the complexity of the source. Also, it is a little bit of if we are willing to do some homework before we bring our application in and have things laid out, we should be able to get a lesser cost permit than where they just bring in hand written scratch and a sketch on a piece of paper and say work this out for me. Bill added that the application has to come in an appropriate form, in other words, SCAPCA does not prepare the application for the source, and they have to do a lot of the work. John added that SCAPCA probably uses more time for someone who is less sophisticated and he is a little concerned about subsidizing those kind of competitors in some cases that aren't willing to step up to the plate and be proactive in the permitting process. Bill added that SCAPCA would run into an issue to if we do too much of that kind of work, we end up competing with the private sector-consulting firms that would normally pick up that work. We will minimize how much of that kind of help we would offer. John added that his opinion is that some adjustment in the NOC cost for permits is warranted. Nancy Enz Lill agreed. Bill stated that basically what happens is two-thirds of the permitting is paid for by the general public which is not right. In the future what he would like to do is to look at program by program as to where the money comes from, what we do to spend the public's money. Public education is almost all going to be out of local assessment dollars, so we need to explain what we are doing for that. The permitting, enforcement, compliance, etc. should all be paid for by the permittees and then the monitoring program is partially paid for federally and it is getting less. Nancy Enz Lill asked if the goal was full-cost recovery for the NOC program, it is just how soon we will get there. Bill stated that the Board directed SCAPCA to do this but when they saw how much it was they were a little stunned. The Board was sensitive to the argument FAFB made in their comment letter on the increase in NOC fees. John Hjaltalin stated that he doesn't want to be frivolous at how our fees are but \$2,000 doesn't make or break a project or even when a business moves to Spokane.

4. Other Items of Interest:

There were no other items of interest. John Livingston moved to adjourn the Advisory Council meeting and John Hjaltalin seconded it. Motion passed. The meeting adjourned at 9:03 a.m.

ADVISORY COUNCIL MEMBER

WILLIAM DAMEWORTH, DIRECTOR