

SPOKANE REGIONAL CLEAN AIR AGENCY
BOARD MEETING MINUTES

July 3, 2008 9:00 a.m.
SPOKANE COUNTY PUBLIC WORKS BUILDING
LOWER LEVEL HEARING ROOM

BOARD MEMBERS PRESENT:

Mayor Edward Crockett
Board Member Melissa Ahern
Councilmember Rose Dempsey
Chair Jeff Corkill

STAFF MEMBERS PRESENT:

Ron Edgar, Chief of Technical Services
Barbara Nelson, Finance & Personnel Admin.
April Westby, Air Quality Engineer
Brenda Smits, Air Quality Specialist
Michelle Wolkey, Legal Council
Mary McDermott, Secretary

WORK SESSION: The work session began at 9:03 a.m.

1. Proposal for Changes to the Asbestos Regulation – Brenda Smits

Brenda went over some of the general changes. Section 9.02 – Definitions; clarifies demolition, structure, suspect asbestos-containing material and remove references to 40 CFR Part 763.85 and 763.87 and include minimum requirements in the regulation. Section 9.03 – Asbestos Survey Requirements; clarify what exceptions exist and that surveys are not required prior to renovation or demolition of underground storage tanks. Section 9.04 – Notification Requirements; these have previously been in paper format along with the payment. Spokane Clean Air is working on getting this done electronically so that we can take payment through Pay Pal which should decrease the paper work load. Section 9.05 – Asbestos Removal Requirements; Spokane Clean Air was able to only look at projects that were renovation or demolition and now if we go in somewhere where there is a popcorn ceiling in poor condition and may be impacting the people that are in the area we would be able to address that. Section 9.08 – Alternate Means of Compliance; minimum requirements have been included in the regulation. Section 10.09 – Asbestos Project and Demolition Notification Waiting Period and Fees; this will extend the waiting period for owner-occupied, single-family residences from advance notice of three days to allow time for compliance inspections and will be changed to ten days in order to be uniform with the rest of the demolition permits. Chair Corkill and Board Member Ahern had some questions and Brenda and Ron Edgar answered them. Chair Corkill stated that there was a consensus of the Board to move forward with the formal rule making for these regulation changes.

2. Proposal for Changes to the Outdoor Burning Regulation – Brenda Smits

Brenda gave a brief overview of the changes to Section 6.01 – Outdoor Burning. The regulation does not restate anything that is already included in Chapter 173.425 WAC. Fire fighting instruction fires and fire extinguisher training fires will no longer require an annual permit or fees. General requirements for conducting burning will be included in Section 6.01 of the Regulation. Noxious weed control fires go through the Noxious Weed Control Board first and then come to Spokane Clean Air for the permit. Brenda has talked with Dave of the Noxious Weed Control Board and asked him if his agency would like to permit these fires instead of having the extra step of going through our agency. Dave will take it to his Board for approval since there is so few of them and it would save a step. The permit conditions would stay the same as what Spokane Clean Air uses because they are all from Washington State law. The residential yard and garden burn program is eight designated days in the spring. Fire Districts 2, 5, 11 and 12 have delegated agreements with Spokane Clean Air where they implement this program in their own jurisdictions with the same rules applying except for the eight designated days. Spokane Clean Air would no longer implement this program and the Fire Districts may implement residential burning within their jurisdictions. This allows the Fire District's flexibility and control for residential burning and they wouldn't be limited to just eight days but would still have to follow the WACs. If any Fire District chooses not to implement this program, then there would be no burning in that fire district. Spokane Clean Air will still be doing a lot of education and out reach for alternatives to burning in Spokane County. Spokane Clean Air would still be the enforcement agency and issue NOVs and respond to complaints of burning prohibited material or inside the no-burn areas. The burning of silvicultural, agricultural, fire hazard abatement burning, etc. will continue as is right now. Land clearing burning allows for a permit to be acquired if you are clearing less than an acre of land from a five acre or larger parcel and the permit is good for 30 days. DNR issues burn permits that last a year for forested lands. Spokane Clean Air issues very few land clearing permits a year because a lot of people burn the slash under DNR permits or rule burns and so Spokane Clean Air is looking at no longer offering this type of permit after the year 2010. Chair Corkill stated that maybe Spokane Clean Air could send letters to the Mayors of the affected areas so that they can get the message out to the public in their areas. There was some discussion between the Board Members, Brenda and Ron. Chair Corkill stated that there was a consensus of the Board to move forward with the formal rule making for these regulation changes.

BOARD MEETING: The board meeting was called to order at 9:43 a.m.

Advisory Council Report – Ray Kelleher

Ray gave an overview of the April 24th Advisory Council meeting. Staff gave an overview of the business recognition program which recognizes businesses that do not receive NOVs for the past two years and paying registration fees on time. Those who qualify receive a decal and are posted on the CAP Update Newsletter and the Spokane Clean Air web site. Spokane Clean Air intends to expand this program. The Council was also briefed on the solid fuel burning device retail inspections and 84% were in compliance. There is an ongoing NOV for a wood fired boiler being sold. There were no NOVs issued this year and Spokane Clean Air is waiting for Ecology to take the lead in regulating pellet stoves. At the June Council meeting, the Council was briefed on the yard and garden program changes. The Council's input was for the Fire Districts to handle the yard and garden program so that they would know who was burning yard waste and if they don't want to participate in this program; then don't allow this type of burning. The Council also received an update on the status of the building

purchase. The larger facility would be great for the agency because they are short on office and laboratory space and the equipment on the Health District would be moved to that site. The agency is also planning to monitor for NO₂ and total hydrocarbons. Ray also keeps in touch with the business community. Ray attends the East Valley Governmental Affairs meeting and the West Valley Chamber; both of those were informed about what was happening with the burning and the full-cost recovery. The East Valley people were surprised that they were picking up the tab for the businesses and were in favor of the full-cost recovery program.

1. Director's Report for May – Ron Edgar

We have received little in the way of technical comments from other air agencies on our proposed rendering plant rule. The other air agencies were supportive and are looking forward to how successful it will be when it is adopted. One of our inspectors, Bennett Orton, has resigned and gone back to Kansas. Also, Brenda Smits has accepted a position with Ecology and will be leaving on July 15, 2008. We will be looking to fill two inspector positions. Bill and Barb met with the Treasurer's Office and there will be further discussion on the financing of the purchase of the new building for Spokane Clean Air.

2. Activity Report for May 2008 – Ron Edgar

Business as usual, lots of inspections going on. We have had a few odor complaints on Baker Commodities and the Waste Water Treatment Plant. Out door burning complaints were up probably due to DNR's rule burns and permitted burns. Air quality was good in May and the ozone levels have been low.

3. Income/Expense Statement for May 2008 – Barbara Nelson

Barbara stated that Spokane Clean Air has over collected on some of the revenue line items and is over on a couple of its expenditure line items (approximately \$1,000 over on professional services, \$2,000 over on office rent from an increase and \$2,000 over on the hardware/software item) but overall the budget is in good shape. Spokane Clean Air's budget is adopted as a total budget so we are not required to adjust line items, overall budget is mainly what Spokane Clean Air looks at and she can get the specific expenditures that put us over if the Board would like. On the revenue side, the main line item that we have over collected on is the interest revenue which is \$45,000 more than expected and the penalties collected are \$40,000 more than expected. The registration fees are more than what was budgeted by \$70,000 and the main reason for that is the fee increases that were put in place after the budget was adopted last year. Commissioner Mager wanted to state that she appreciates Barbara's spreadsheets because they can be easily read and understood.

4. CONSENT AGENDA – ACTION ITEM – Approval of the June 5, 2008 Board Minutes and Vouchers for June 2008 Numbered 2700 through 2777 in the amount of \$44,564.02 and Payroll of \$120,807.52 for a Grand Total of \$165,371.54. Councilmember Dempsey moved to approve the Consent Agenda and Mayor Crockett seconded it. Motion passed unanimously.

5. Resolution 08-16 – Amendments to By Laws – Barbara Nelson and Michelle Wolkey

Barbara stated that this will basically align the By-Laws with what the Board adopted in Spokane Clean Air's budget process at the June board meeting and that is, for the Source Registration

program the local assessment will be used to fund 100% of the program's overhead costs for FY-2009; 50% of the programs overhead costs for FY-2010; and achieve full-cost recovery from fees for FY-2011 and beyond. This Resolution is detailing that the Board is moving toward full-cost recovery and that is the objective, there is an interim period moving in that direction.

Board Member Ahern moved to approve Resolution 08-16 and Councilmember Dempsey seconded it. Motion passed unanimously.

6. Resolution 08-17 – Loan Agreement with Spokane County Treasurer – Barbara Nelson and Michelle Wolkey

Michelle stated that this is a compilation of documents that is the Resolution 08-17, Exhibit A (Promissory Note) and Exhibit B (Agreement/Authorization to Disburse Recitals). The Agency has agreed to purchase a new office building at 3104 E. Augusta Ave. A purchase and sale agreement was signed and approved by the Board in the amount of \$469,000. \$244,000 is coming from the Agency's project reserve account which left \$225,000 that needed to be acquired. The Treasurer's Office has agreed to loan the Agency that money and it will be then guaranteed by the County.

The Promissory Note is the document that obligates the Agency to pay back the Treasurers Office. The Treasurer's money comes from an investment pool. This is not the sort of deal they ordinarily do because they just invest money enough to gain interest. So what they are looking to do is loan this money to Spokane Clean Air and make what they would make if they could put it out in the market for an investment in a conservative way. They prefer annual payments over a five year period and how they view that is that each year is a separate loan. That's why you see it listed as loan number one we're hoping to fund on July 30th so it will be July 30th of 2008 through July 30th of 2009. The principal payback will be \$45,000 which is one-fifth of the total amount. The interest rate on that \$45,000 is 2.79 % and the next year is a two-year term with an interest rate of 3.27%, etc. through the five years. These interest rates are good for 30 days, if Spokane Clean Air doesn't get this process completed within 30 days they will be different interest rates. At the end of five years, Spokane Clean Air will have paid back all of the money. If for some reason Spokane Clean Air did not make a payment, then the Treasurer's Office would give Spokane Clean Air notice after ten days, Spokane Clean Air would have five days to make up that payment. If we didn't, then the Treasurer would notify the County and the County would make that payment on Spokane Clean Air's behalf. Bill Dameworth will be signing the Promissory Note as stated in the Resolution.

The Agreement/Authorization to Disburse Recitals is the document that protects the County in the event that Spokane Clean Air does not pay and they have to step in for Spokane Clean Air on their guarantee. What happens is if the County has to pay, they will notify Spokane Clean Air and give ten days to pay them. If the County doesn't get payment from Spokane Clean Air, then the Treasurer's Office maintains a fund of money that is the Agency's money it's in an account and the Treasurer then would be authorized to take that money and pay the County back out of Spokane Clean Air's money. If there is not enough money there, that would be a continuing obligation, so as money came into that account, it would go back out to pay the County for Spokane Clean Air's obligation. This document protects the County and makes sure they get their money back if they have to step in on their guarantee.

The Resolution is the document that authorizes Bill to sign the Promissory Note and the Agreement/Authorization to Disburse Recitals. It goes through that Spokane Clean Air currently rents

space from the Health District, that Spokane Clean Air agrees to purchase and is contractually obligated to purchase the property at 3104 E. Augusta Ave., that the \$244,000 is coming from the Agency's project reserve account, that the \$225,000 is coming from the Treasurer for a term of five years, and that the Board authorizes Bill Dameworth to enter into a Promissory Note and everybody is going to sign. Michelle recommended that the Board add that the Agency Board further authorizes Bill Dameworth to execute the Agreement and Authorization to disburse. This was not included in the Resolution because it did not exist until yesterday afternoon. This would make it clear that the Board is authorizing Bill Dameworth to sign both of those documents appropriately and the Auditor would be happier with it done this way. Spokane Clean Air is hoping to fund by July 30th and close September 9th for the outside date. There were some questions from the Board, which Michelle answered.

Chair Corkill stated that the Board amends Resolution 08-17 to state "Spokane Regional Clean Air Agency further authorizes Spokane Regional Clean Air Agency's Director William Dameworth to execute the Agreement/Authorization to Disburse (Exhibit B) and further that the Promissory Note (Exhibit A) would be authorized by Spokane Regional Clean Air Agency's Director William Dameworth in his capacity as Director".

Board Member Ahern made a motion to amend Resolution 08-17 as stated above by Chair Corkill and Councilmember Dempsey seconded it. Motion passed unanimously.

Board Member Ahern moved to approve Resolution 08-17 and Councilmember Dempsey seconded it. Motion passed unanimously.

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7. Resolution 08-18 – Amendment to Regulation I, Article X Air Operating Fee – April Westby

April gave a brief overview of the Air Operating Permit program fees presented in the April board meeting's work session for the benefit of Spokane Clean Air's new Board Member. The public hearing is in regards to some revisions to Article X which relates to Spokane Clean Air's Air Operating Permit program fees, which has some of the lowest AOP fees in the State. There were no negative comments received during the comment period. There were some questions from the Board which April answered.

There were no comments from the Public. Board Member Ahern moved to approve Resolution 08-18 and Mayor Crockett seconded it. Motion passed unanimously.

8. Resolution 08-19 – Amendment to the Burn Out Oven Fee Schedule – Brenda Smits

Brenda gave a brief overview of the Burn Out Oven Fee Schedule. This fee was added to the fee schedule around 1997. It was added because the air pollution sources tended to be problematic or time consuming during inspections and follow-up. This remains the case for some of the facilities with incinerators (crematories); we haven't seen many problems or spent much additional time at facilities with burn out ovens. Matt Holmquist and Bill Dameworth looked at this additional fee and decided the \$200 extra for a burn out oven was no longer necessary. This proposal is to remove the \$200 burn out oven fee and leave the crematory fee because they still require additional time and expense to do these types of inspections. There were a few questions from the Board which Brenda answered.

There were no comments from the Public. Board Member Ahern moved to approve Resolution 08-19 and Councilmember Dempsey seconded it. Motion passed unanimously.

9. Resolution 08-21 – Approve Budget for School Bus Retrofits, May 2008 – June 2009 – Ron Edgar

Ron stated that Spokane Clean Air has received another grant from the State to continue to fund the retrofitting of school buses with particulate filters and crankcase ventilation systems. There were a few questions from the Board which Ron answered. Board Member Ahern wants the staff to start thinking about how to help school buses retrofit for electric and would like more information on them if it is available. Ron checked on it but he has not found any retrofits for Hybrid electrics. Central Valley is buying new buses for approximately \$97,000 each and a Hybrid would cost them approximately \$247,000.

Councilmember Dempsey moved to approve Resolution 08-21 and Mayor Crockett seconded it. Motion passed unanimously.

10. Board Concerns – Chair Corkill stated that there is no Vice Chair with Steve Taylor leaving the board. He would like to see the election of a Vice Chair on the agenda for August.

Board Member Ahern had a concern that we are in an era now where the rate of inflation is going to be increasing substantially and she would like to give a heads up to staff and the board to be cognizant of that and a little more pro-active in thinking about that because this is going to involve recovering full-cost and so on and we are moving into an interesting era where we need to be very pro-active on that type of issue.

11. Public Forum – There were no public comments.

The meeting adjourned at 10:41 a.m.

The next Board Meeting will be August 7, 2008 at 9:00 a.m. in the lower level of the Public Works Building.

JEFFREY CORKILL, CHAIR

WILLIAM DAMEWORTH, SECRETARY