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**Spokane Regional Clean Air Agency  
Minutes from March 22, 2010 Retreat  
Held at St. Joseph Family Center, 1016 N Superior Street Spokane**

**Board Members Present:**

Jeff Corkill  
Rose Dempsey  
Bonnie Mager  
Edward Crockett  
Tom Brattebo

**Staff Members Present:**

Bill Dameworth  
Ron Edgar  
Lisa Woodard  
Matt Holmquist  
Barbara Nelson  
Michelle Wolkey, Legal Counsel @ 3:20

Meeting began at 11:30

**Section Reviews:**

**Technical Services Section** - Ron Edgar gave an overview of the programs that he manages: engineering, monitoring, information services, and pollution prevention P/2.

Ron reviewed the duties of each section and went into some detail about the permits the engineers process and mentioned that they have been covering the pollution prevention needs while Margee has been out on maternity leave.

Tom asked if he knew who the TitleV AOP sources were. Matt had a list handy and responded with the company names for the 9 AOP sources currently operating.

**Compliance Section** – Matt Holmquist explained that his section is fully staffed with five inspectors. He talked about the various duties inspectors handle on a daily basis.

Matt also talked about a program through Work Source “Next Generation Zone” for youth looking at careers. SRCAA will be participating in the program this summer. A youth 18-21 will be fully paid by work source and come to SRCAA and work with the inspection staff for 16 – 30 hours per week.

Tom Brattebo asked what will they be doing. Matt described some duties being: assisting inspection staff on inspections, taking notes, recording equipment data, and letter writing to name a few.

**Public Education/Communication/Outreach Section** – Lisa Woodard went over the various topics and methods of education and outreach that are in place. Summer is the time for Ozone



education with the Mow Down Air Pollution promotion running another year, giving away donated electric lawn equipment. Partnering with other agencies is done whenever possible to get our message out and share the costs. The web site has recently been improved and is a key method of communication with the public. Lisa is always looking for grant funding for special projects.

**Administrative Services**– Barbara Nelson gave a brief summary of the support staff, consisting of two full time and one 80% employee. Each is responsible for supporting a different program as well as covering for each other and conducting general office tasks.

Bonnie Mager asked about the support for posting notice of violations to the web page. Barbara explained that the responsibility is Debbie Riley's as the support person for the enforcement program and posts completed violations to the web page. Also of note, the retention period for these records is five years and the system automatically drops the entries off when they meet that requirement.

**Budget Presentation** – Barbara Nelson gave an overall description of the FY-2011 budget (that is Status Quo) where local assessments continue to cover the shortfall between program cost and revenue collected for the NOC and Registration fee based programs. The out years in the five year projection includes expected reductions in the state and federal grants, while other funding sources remain about the same.

The general expenses are prepared with a very lean program. A .5 percent COLA has been included in the cost for salary and benefits; this will be adjusted to the CPI U West figure March 31 to be used in the final budget proposal. Reserves have been included for the equipment, retirement payoff, and the building maintenance funds. The staff has no plans to replace vehicles or equipment in FY-11.

There was some discussion about the spreadsheets included in the information packet. Barbara explained the program cost sheet which details direct, indirect, and labor costs for each program. This sheet shows exactly where the funding comes from for each identified program. The method used to calculate the indirect cost was also explained.

Bonnie Mager complemented Barbara on the easy to understand layout of the spreadsheets.

There was discussion regarding penalties and how those funds are used. Bill brought up the possibility of giving some back to the cities and county when the total received is greater than the budgeted amount. Another possibility would be to give the cities and county a refund on the local assessment if there was money available.

Rose Dempsey stated that she would rather see those funds used to make the air program better, just another step to improve air quality by putting it back into the program. Bonnie Mager agreed.

Bill brought up the board objective of achieving full cost recovery within the fee based programs. The Notice of Construction and the Registration programs are currently covering the direct costs after implementing the fee increases approved last year; however fees still do not bring in enough revenue to cover the indirect costs. The local assessments continue to support these programs. The number of NOC permits has dropped this year along with the economy, which is affecting the engineering staff work load. The plan is to have all the engineers work 80% time doing engineering work. The two full time engineers have been informed of this change and have the option to stay full time by working 20% time doing source registration inspections and work. One engineer has been working as an 80% employee and will continue at that level.

Bonnie commented that the County has done something similar in the permitting department.

Bill noted that this is directly related to a reduction in work load in the permitting area; however there is plenty of work in the compliance area under Matt Holmquist's section.

Matt reported that the additional staff time in the compliance section will allow them to achieve an inspection rate up from 80% to 100% of registered sources. The program costs will shift from the NOC program to the registration and or asbestos programs.

Jeff Corkill asked if there would be any contract issues with the engineers.

Bill responded that the agency has no contract employees; all are treated the same.

Rose stated that it the responsible thing to do.

**Fee Increases and Full Cost Recovery** - Matt presented information on the registration program fees including the number and types of sources registered along with some description of what's involved to ensure continuous compliance. When the board adopted a fee schedule in 2006 it was designed to move toward a full cost recovery program with an annual review of fees and adjust them as necessary.

Matt prepared several options for fee increases for review and presented them to the Advisory Council in February. The general consensus of the Advisory Council was not to increase fees at this time based on the current economy. Option A is no fee increase at all.

Matt went over the other 3 options from increasing fees about 37% to only adding a new toxics fee that would generate about \$22,000 annually.

Rose commented that when the economy gets better we can look at raising fees again, for now she would prefer to go with option A – the current fee schedule. Jeff and Bonnie agreed. Staff will use this information in preparing the FY-11 draft budget which will be presented at the May regular board meeting

Tom asked what the plan is when you reach full cost recovery; will the local assessments be reduced?

Bill responded that the plan is to leave local assessments at the current level and develop a process to give each city a rebate. This would be preferable over reducing one year and raising the next year. Ron added that there has not been an increase in local assessments for 15 years.

Matt ended by stating that we will not be looking at increasing fees based on what the board has said. Bill noted that the agency will survive without a fee increase.

Ron presented information regarding NOC permits received as well as current and possible changes to the fee schedule. The addition of a “Complex permit condition revision” fee was discussed. This would be a fee charged when a source requests changes to an active permit that requires significant engineering review.

Bill noted that NOC permit fees are different than registration fees in that a permit fee is a one time fee when a company builds or adds new equipment and registration is an annual fee.

Bonnie asked what is the recommendation?

Ron answered that any increase should be small, maybe 5.5%; adding the complex permit condition revision fee would cover the direct cost to do that work.

Bill commented that the fees should cover the direct costs.

Bonnie asked how much do permit fees influence a company actually building here or somewhere else?

Bill, speaking from experience, responded – “not much”. They have a budget and permit fees are part of the cost of the business.

Rose said it is the principal of fees being raised whether it is 2 cents or \$20,000 dollars.

Ron said it is the small sources that have the biggest problem because they start operating first and then learn about the needed permits.

There was more discussion about permits. All agreed the complex fee would be ok to look at more closely. A draft NOC fee schedule will be presented as part of the FY-11 draft budget. Rose would rather hold off on any other fee increase at this time.

**Review of Full Cost Recovery Objectives in By-Laws** – Bill opened the discussion by reminding the board that the By-Laws Article IV.5 states that the fees will be reviewed annually with the ultimate goal of achieving full cost recovery from the fees for services.

Bill said that when this was put in place the board and staff believed that full cost recovery was achieved if direct costs were recovered. Only after the last state audit did we learn that we must also include indirect costs as well. Currently the fees in place are covering the direct costs as planned.

There was discussion within the group about the local assessment funding the indirect element of these program costs. It comes down to raising fees to the full cost recovery level or continuing to partially fund the programs with the local assessments.

Jeff stated and Rose agreed that the agency should collect the direct costs from fees and work toward the full cost recovery in the future for all fee based programs.

Michelle Wolkey, legal counsel, joined the meeting

**Board Training: Open Public Meetings Act** – Michelle Wolkey opened the training by reminding the Board that this training is a result of the Resolution of the Center for Justice Lawsuit. It is always good to have a refresher and all public boards and employees need to know these rules.

Michelle gave an overview of the reason behind the act and that the main objective was to keep government open to the public eye. She went over what constitutes a meeting and described a number of occasions where a majority of the board (3 members) might be at the same event or even riding together to an event and if they discussed any agency business at all it would be considered a meeting. She went over the duties of committees or sub committees and the importance of never having a quorum of the board on any committee.

She also covered the rights of the public at meetings according to the act as well as the proper public notice for regular and special meetings. The rules on continuing a meeting, calling an emergency meeting and adjournment requirements were described ending with executive session rules.

The group asked questions and clarified specific situations through-out the presentation.

Meeting adjourned at 3:50 pm.

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Rose Dempsey, Chair                      Date

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William Dameworth, Secretary                      Date