



SPOKANE COUNTY AIR POLLUTION CONTROL AUTHORITY
BOARD MEETING MINUTES

April 5, 2007 9:00 a.m.

SPOKANE COUNTY PUBLIC WORKS BUILDING
LOWER LEVEL HEARING ROOM

BOARD MEMBERS PRESENT:

Board Member Melissa Ahern
Chair Jeff Corkill
Councilmember Mike DeVleming
Commissioner Bonnie Mager
Mayor Matthew Pederson – 9:09 a.m.

STAFF MEMBERS PRESENT:

Bill Dameworth, Director
Barbara Nelson, Finance & Personnel Admin.
Matt Holmquist, Compliance Administrator
Joe Southwell, Engineer I
Lisa Woodard, Public Information Officer
Ron Edgar, Chief of Technical Services
April Westby, Engineer II
Michelle Wolkey, Legal Council
Mary McDermott, Secretary II

WORK SESSION: The work session began at 9:08 a.m.

1. Agency By-Laws – Bill Dameworth

Copies of other local Washington air agencies' by-laws were sent out to the Board and staff would like to know if the Board wants to incorporate some of these by-laws or start from scratch? Does the Board want to handle this by themselves or do they want some input from staff and legal assistance? Councilmember DeVleming stated that the by-laws are the Board's responsibility. Chair Corkill stated they could bring this up at the retreat rather than have a discussion here and then the Board Members could look at what the other agencies have and see where they want to go from there. Councilmember DeVleming suggested taking by-laws that already exist and working with them so they fit the SCAPCA Board. He would like to allot time at the retreat or a future board meeting to decide which model they want to go after and start discussions. It will probably take a couple of board meetings to get the by-laws done. Chair Corkill suggested the Board look at the by-laws sent out and at the retreat, they can decide which model they want to use.

2. FY-08 Budget Presentation – Barbara Nelson

Barbara gave a presentation of option one and two for the increase of Notice of Construction (NOC) fees. One is using information available based on the current NOC fees that are in place and two is based on moving the NOC fees to full-cost recovery. The reason for the increase in the NOC fees is to get the program to full-cost recovery and have the fund balance supportive of the agency

for long term. Chair Corkill asked if the local assessment was a fixed amount and if it is fixed, can SCAPCA ask for more or less? Barbara replied that the local assessment is a fixed amount and the method SCAPCA uses is a combination method which takes into consideration the population and assessed property value. The way it is done is you take the figure that you are going to collect and disperse it to the cities and towns in the county based on their percentage of the population and assessed value. You can ask for more or less money. It is money that you are allowed to assess to keep your budget balanced. Councilmember DeVleming asked when the last time the local assessment amount changed and what triggers the change? Barbara replied about 1995 or 1997. Barbara gave a summary of the history of the local assessment process. Chair Corkill stated that it reflects who pays for SCAPCA, whether the polluter pays or the citizens and he believes that by raising the fees is a way to get the people who produce the pollution to pay rather than having the public pay.

The big question in this presentation is the amount of money necessary to balance the budget that would be appropriated from the unreserved undesignated fund balance and it could be between \$200,000 to \$250,000, depending on the NOC fees. Board Member Ahern asked if this scenario will allow the Board to fill that vacant air quality specialist position. Barbara replied yes.

The beginning balance for the unreserved undesignated fund balance is \$945,735 which is a projection based on the current activity. We would like to establish a retirement payoff reserve account which would be funded from the unreserved undesignated fund balance and that money would be moved into an unreserved designated fund balance similar to the project account. That money would then be held to pay retirement payoffs at the time of any retirements.

Looking at expenses, the main expense is the salaries which are 81% of the total budget. These salaries have been calculated to include the cost of the vacant air quality specialist position, a two percent COLA and inflation for medical and dental. The rest of the expenses are general expenses which have been kept very tight and consistent over the years. Three things that are different are the training and travel for the staffing changes that are coming and some of the redirection in other staff time; the repairs and maintenance is up because of aging air monitoring equipment and with some upgrades, it will extend their life; and we need to replace one vehicle which has been costing SCAPCA a lot of money in repairs. Money is set aside in a fund balance for equipment reserve and we are planning to use that to replace the vehicle.

There are three reserve accounts: The unreserved undesignated fund balance is used to balance the budget and other needs. The reserved fund balance holds the monies that SCAPCA receives that has special requirements for expenditure (Supplemental Environmental Projects (SEP) fees, School Bus Retrofit Grant, etc.). The unreserved designated fund balance holds the money that has been designated for certain projects (project account and equipment reserve account) and the retirement payoff account would be held in this fund balance.

Barbara went over the basic programs, cost recovery programs and the full-time employees involved in these programs. The local assessment money is mostly being used for the general administration. Chair Corkill stated that the increase in NOC fees would support that program more and decrease the use of the local assessment money to fund that program.

Commissioner Mager asked what percentage the NOC fees represents in terms of the budget right now. Barbara replied that SCAPCA collects \$36,000 for NOC fees and it costs SCAPCA about \$130,000 to run the program. Councilmember DeVleming stated that he is in support of moving towards the full-cost recovery because the program needs to run as efficiently as possible. He would also like to see it reflected in the local assessments when the NOC program is moved to full-cost recovery so that the taxpayers are not shouldering the burden of running the programs. Chair Corkill agreed with Councilmember DeVleming. Barbara added that SCAPCA would like some information back on the COLA and the vacant AQI position being filled so that in June the budget will be what the Board Members expect to approve.

3. NOC Rule Changes – Matt Holmquist

Matt gave a short overview of the NOC fee rule changes. Regulations require that a one-time permit application be submitted and approved prior to the construction and installation of an air contaminant source. We have never had fee based cost recovery and fees have not been increased in about 15 years. Matt went over comments received on the NOC program fees and presented three options for increasing NOC program fees. Option one is a one-step fee increase. Option two consists of phasing in fees over three years. Option three would consist of leaving the program as is and subsidize the program with local assessment funds. Mayor Pederson feels strongly about Option two so that the sources impacted have time to adjust. Chair Corkill stated that he would be in favor of the one step but maybe a compromise would be better and bring it to full-cost recovery in two years. Board Member Ahern agreed. Councilmember DeVleming moved to make a modified step towards the full-cost recovery on NOC fees to be implemented over a two-year cycle in equal increases and added that there needs to be an annual review on the NOC fees so that they do not go this long before something is done. Matt stated that SCAPCA is building into the regulation itself a periodic review requirement so this doesn't happen again. Chair Corkill reiterated the motion to go for a two-year phase in equal amounts. The motion passed unanimously.

4. Asbestos Rulemaking Update – Matt Holmquist

The first public comment period ended on March 21, 2007. IRS Environmental commented and there may be other comments. We will bring those comments and SCAPCA's responses back to the Board in May for review and discussion.

5. Source Test Rulemaking Update – Joe Southwell

There are facilities that are required to perform periodic tests of their emissions to demonstrate compliance with emission standards. Over the years, SCAPCA has identified some concerns regarding source tests performed in its jurisdiction. To address these concerns, staff was directed to develop a source test rule. After some reviews and discussions, staff developed a preliminary draft for the source test regulation which establishes notification, performance and reporting requirements for a source test performed in SCAPCA's jurisdiction. The preliminary draft was sent out for comments from SCAPCA's sister agencies within this state and to source testing companies who have submitted source test data and reports to SCAPCA over the last several years. With the Board's approval the next step would be to provide notice of the proposed regulation on SCAPCA's web page and mail requests for written comments to the stakeholder

groups. We would come back at the June meeting and review the proposed regulation in more detail, review the comments received and get the Board's direction to proceed with the rule making process.

Chair Corkill thinks there should be procedure for the source testing. Board Member Ahern believes that the testing should be done in a random way so that testing cannot be stopped because emissions might be higher than the permitted limit. Bill stated that agencies use to do the testing of sources but that program is very expensive to run and so the burden was shifted to the industries because it is the polluter pays concept. What the source is suppose to do is come up with a source test plan that describes how they are going to operate their equipment and conduct the test, and the equipment operation is suppose to be at their maximum normal level of operation. Because we have no rules, the source could operate at 60% right now because SCAPCA has not specified that you can't do a compliance test at less than full capacity. So the agency cannot surprise the source and the source can prepare for the test but SCAPCA wants to make sure that they cannot stop the testing because things don't look good and then restart later. They will have to follow the rules and the testing plan has to be approved, in advance, by SCAPCA.

BOARD MEETING: The board meeting was called to order at 10:16 a.m.

1. Advisory Council Report – Peter Williams

There were two issues of discussion at the last council meeting. First was Lisa Woodard presenting the education/outreach program for FY-08. She went over the programs planned and the budget impacts. SCAPCA's education/outreach program is an excellent program and Lisa does an excellent job with that. During the presentation, Lisa explained there was a 20% cut for FY-08 from FY-07 and Bill explained that there had been a shift of time for Margee to do two days a week in compliance education. Bill's explanation was that it was still education so there really hasn't been a decrease in education; there has just been a shift in the audience. There was no consensus on this matter but a few Council Members were concerned about the decrease in the education/outreach program. Nobody had an issue about increasing compliance education but Peter feels if we want to do that, we can do it without decreasing the education/outreach program. The other issue was on the NOC fees. Our industry representative said that his company is a recipient of this type of fee and he was shocked at how low the fees are and he knows the fees are lower than other states and he advocated raising the fees even if it meant a large jump in scale and there was a general consensus with the Advisory Council that the NOC fees should be raised to obtain full-cost recovery.

2. Director's Report – Bill Dameworth

The Waste-to-Energy plant provided an acceptable policy on evaluating "special wastes" which has been approved. A copy was sent to the Board Members in the board packet. Requests for proposals have been sent out to two firms to review SCAPCA's employee manual and assist in revising it to ensure it meets all current requirements. We are also working on employee review forms. We should have an annual review program so that employees will know what is considered a good job performance, what is expected of them for the upcoming year, what kind of projects they are expected to work on, etc. and the employee will sign off on it. Both of the Bills dealing with the

burn ban for curtailing wood stove use during impaired air quality are moving forward through the legislature. We are investigating any possible legal remedies we might have to prevent the sale of non-complying wood fired boilers in Spokane County. One manufacturer has agreed to modify his products so they can't burn solid fuels until he is able to develop a product that will pass the emission tests. Staff has visited him and it looks like he has done that. We have received some odor complaints from Baker Commodities. We gave them an opportunity to do some experiments at the plant but not to ignore their operations and maintenance plan. They were told that is not what this meant, they were allowed to do some experiments and that we need to quantify the effect of the experiments on their process as far as how it affects the odors in the community. We have extended the testing period throughout the summer with the caveat that odor complaints do not increase and we expect to see some results.

Mayor Pederson asked who approved the policy for the WTE plant and does it meet all of SCAPCA's concerns. Bill replied WTE's Board approved it and we are happy with the policy.

3. Public Information/Education Update – Lisa Woodard

The agency is going through a name change and have had a jingle made up to get the new name out in the public. We will be creating a 30 second radio spot and getting it out on the airwaves in May and June. Lisa then showed the winning logo design. The winning graphic designer was involved in the process and she is pleased with the final logo. Mayor Pederson stated that he liked the new logo's appearance. He has a problem with the jingle sounding like it is only focusing on the City of Spokane and it needs to paint a regional picture. Chair Corkill asked if there was a way to get regional in the jingle. Lisa stated that regional didn't fit into the jingle well but with all of the programs and outreach/education programs it will be conveyed that we are a regional agency. Verbally from a public communication we will refer to ourselves as "Spokane Clean Air". Board Member Ahern added that she thought the jingle was great and greater Spokane might be something to think about; it is a rough approximation of the word "regional". The Board would like to see the jingle tweaked.

4. Activity Report for February 2007 – Ron Edgar

There has been nothing unusual. You will see a large civil penalty collected, it was the Goodrich penalty. Everything else is pretty much normal for this time of year. There are a few more rock crusher permits coming in as the construction season starts to pick up. As of the first of February, the State of Washington started to install their new telemetry system. In Ron's opinion, it is not going nearly as smoothly as they would have liked it to go. So there are some holes in SCAPCA's data as far as data collection. Do to the weather, there were probably no critical days missed, but in general, February was good air quality and March continues to be that way. The information on the web page and automated phone line are updated manually. Chair Corkill asked if SCAPCA has the raw data and when does the ozone monitoring start. Ron replied it was supposed to come in through the telemetry system and the state runs the CO monitor and didn't catch it soon enough so the first part of the month was lost as far as the carbon monoxide data at Third and Washington. CO is really no longer much of a problem. The numbers are very low all winter long and during the summer he may not even report them because they are so low. Ozone monitors will start the first of May.

5. Approval of Minutes of the March 1, 2007 Board Meeting

Chair Corkill pointed out a few changes in the minutes. On page 5 paragraph 1, Lisa corrected the 78% to 50 to 60%. On page 10 the last paragraph "Chair Corkill . . . on the dais." should be taken out because it is stated in the next paragraph also. Councilmember DeVleming asked about the Chair of the Board being the Chair of the Advisory Council. Ron stated that it is stated in the state law in the makeup of the Advisory Council. Mayor Pederson stated that he has never seen this done before and in prior years the Board had a discussion that it was actually a conflict to have the Board Chairman as the Advisory Chair and Mr. Skelton had always been the Chair for the Advisory Board. Ron added that that is not how it is stated in the state law. The common practice has been that the Board Chair has been the Chair but the Vice Chair sets the agenda and runs the meeting. Ron stated that he doesn't know what information Mr. Skelton gave Mayor Pederson but the way the law is stated to the Advisory Council Members is that they are electing a Vice Chair and Mayor Pederson should have been informed that as Chair of the Board he was Chair of the Advisory Council also. Mayor Pederson added that if any member of the Board was to sit on the Advisory Council, then the Advisory Council is no longer an independent board. He finds it interesting that the state law would be written that way because as an Advisory Board, they should have the ability to operate independently of the Board to make a recommendation to the Board, not for the Board to be setting their agenda or giving input at the Advisory level to in any way guide the discussion of the Advisory Board. Councilmember DeVleming suggested that the Board get Michelle Wolkey, legal counsel for SCAPCA, to see exactly what the options are and the Board can implement that into the By Law discussion later this month.

Councilmember DeVleming moved to approve the March 1, 2007 minutes, as modified and Commissioner Mager seconded it. Motion passed unanimously.

6. Income/Expense Statement for February 2007 – Barbara Nelson

There is nothing specific to point out; SCAPCA is on track at this point. Councilmember DeVleming asked about the circling of two points on the statement. Barbara stated that was to point out the year-to-date figures and they balance with her books.

7. Voucher Approval for March 2007 - \$158,790.82

Councilmember DeVleming moved to approve the March 2007 voucher and Board Member Ahern seconded it. Motion passed unanimously.

8. Letter Requested by Puget Sound Regarding EPA Funding – Bill Dameworth

Does the Board want to send a letter independently to mirror the one sent by Puget Sound regarding EPA cutting funding for local air agencies and give Bill authorization to sign letters like this that are strictly in agreement with SCAPCA's stated mission? The fact this is going to elected representatives in Washington D.C. is what caused him to want Board direction on this letter. Chair Corkill would like to set a guideline that anything that Bill or the Board approves like this be in the board packet and come to a board meeting for approval. Bill asked if he needs to get approval to

send any kind of letter out to the EPA and does all of his mail have to be approved in advance? Mayor Pederson stated no, you don't have to have Board approval for every letter you send, but when it does come to the area of setting policy, the answer is yes. Chair Corkill added if you are sending something to an elected official which is viewed as lobbying that should go through the Board. Mayor Pederson added that all correspondence with elected officials, for policy purposes, should have the signature of the Board Chairman. He is the spokesman of this Board in the legislative actions and all letters should come from the Board Chairman in that area. Bill asked if he should draft the letter for Chair Corkill or should he sign it. Chair Corkill stated that Bill and he could sign it. Commissioner Mager added that when they have their by-law discussion, there should be some kind of provision that if it is an emergency, there is an ability to poll the Board outside of the meeting so that they do not end up missing an opportunity. Michelle Wolkey stated that it would not be in line with the Open Meetings Act. The Board would have to call a special meeting.

Councilmember DeVleming moved to approve Bill Dameworth crafting the letter on this particular issue for both Chair Corkill and Bill's signatures and Board Member Ahern seconded it. Motion passed unanimously.

9. Resolution 07-10 – Amendment to Regulation I, Section 6.17 Standards for Municipal Solid Waste Combustors – April Westby

April gave some background on the Standards for Municipal Solid Waste Combustors. Every five years EPA reviews the emission guidelines and updates them as they see fit. So to bring SCAPCA's local rules up-to-date with the federal emission guidelines, the regulation needs to incorporate the revisions. A brief summary of the changes are: to make the emission limits for a particulate matter, cadmium, lead and mercury more stringent, effective April 28, 2009; some minor changes to the operator training requirements; clarifications to startup, shutdown, and malfunction exclusions; addition of the option to install continuous emission monitor in lieu of annual testing for particulate matter (cadmium, lead, mercury, HCl and D/F); and revisions to minimum data recovery requirements for NOx, CO, SO2, unit load and baghouse temperature continuous data requirements and clarifications to annual testing requirements. Proposed revisions have been drafted and sent to WTE for review and they have gone through a 30-day public comment period and no comments were received. Chair Corkill asked whose option is it to install CEMs. April replied it is the plants option.

There were no public comments. Board Member Ahern moved to approve Resolution 07-10 and Commissioner Mager seconded it. Motion passed unanimously. Councilmember DeVleming departed the meeting.

10. Resolution 07-11 – Approval of Wood Stove Grant Matching Funds – Lisa Woodard

SCAPCA was notified earlier this year that it was one of the three areas that received a recommendation for a federal grant award by the EPA. We would then use our matching funds in the grant from SCAPCA's special project funds, project reserve account. Commissioner Mager asked how many wood stove conversions SCAPCA anticipates being able to do with the money and how would it be communicated to the public that this is available. Lisa replied that this program

would be for vouchers of \$500 to \$600 dollars off a new device and it would result in 83 vouchers and the replacement program would be 21 devices. We would work with SNAP and the local retailers are interested in contributing to the advertising so there may be some TV/radio PSAs with that. The word will get out there that this is on a first come first served basis. This also includes a component for a media and outreach campaign so that we are communicating to the community the importance of upgrading and a research component for determining how many dirty burning stoves are out there being used. Board Member Ahern stated that the wording in the resolution is confusing to her in the third “WHEREAS, EPA has lowered the PM_{2.5} standard . . .” it has raised the standard not lowered it. Bill replied that it could say that the standard has been made more stringent. Chair Corkill stated that the change would be to “WHEREAS, EPA has adopted a more stringent PM_{2.5} standard . . .”

There were no public comments. Commissioner Mager moved to approve Resolution 07-11 with the change and Board Member Ahern seconded it. Motion passed unanimously.

11. Resolution 07-12 – Name Change to Spokane Regional Clean Air Agency – Lisa Woodard

We would like to move forward with the marketing promotion of the name change prior to its effective date in June. It won't be changed in any legal documents or enforcement until it is legally official. Chair Corkill stated for the record Resolution 07-12 is for authorizing marketing and promotion of the agency's new name “Spokane Regional Clean Air Agency” prior to its effective date in June, not for how it is listed on the agenda.

There were no public comments. Mayor Pederson moved to approve Resolution 07-12 and Commissioner Mager seconded it. Motion passed unanimously.

12. Resolution 07-13 – Authorizing a Revised Agreement with Spokane County Investment Pool – Barbara Nelson

This is a house keeping issue where they had updated the agreement and this resolution is requesting that Bill have the authorization to sign that agreement as the Director.

There were no public comments. Board Member Ahern moved to approve Resolution 07-13 and Mayor Pederson seconded it. Motion passed unanimously.

13. Legal Counsel Contract Negotiation – Bill Dameworth

SCAPCA's current contract with Michelle Wolkey is still in effect but a number of changes have occurred. Another person has been added to the name of the firm and we have also negotiated a reduced rate for her attendance at board meetings. The Board at the last meeting talked about an annual performance review and we would also like to annually take a look at the rates that are paid to see if those are competitive and reasonable. To accomplish this we will need to redo the contract and bring it to the Board for approval. The Board agreed to update the contract and bring it back at the May meeting for approval.

14. Board Retreat Draft Agenda – Jeff Corkill

Board Member Ahern stated that the EWU Spokane Indicators Project which has a set of environmental indicators and their conference is April 18 all day and she would like to start the retreat a little later so that those who want to attend the morning session of this conference can do so. Commissioner Mager asked if the retreat could start later and go later. Mayor Pederson stated that he is not opposed to moving the time back slightly. The Board agreed to start the retreat at 12:00 and go until 5:30 p.m.

15. Board Concerns

Mayor Pederson would like the letter approved earlier to the EPA on this agenda to be added to the public record as a part of this meeting because if any member of the public were to seek a copy of that letter through the meeting minutes, it is not attached. Michelle Wolkey's recommendation is to have this as an agenda item at the next meeting and then have that in the comments of this meeting. At the next meeting when you get to the point of approving the minutes that would be a good place to have as an additional part of that that you are going to have that read prior to the minutes. Mayor Pederson stated that after the last meeting when Bill sent out the request about the letter, there were a couple of Board Members who had sent emailed replies indicating a vote was being taken through the email system and he would like to caution everyone against doing so because it is a conflict with the Open Public Meetings Act. He would also like to have the Board go to a training seminar that deals with the Open Public Meetings Act so that they have a better understanding of their role and what the role of staff is and where their lines merge. He also stated that all Boards and Commissions whether elected or appointed must fill out a PDC form with Washington State that are due on April 15th, he doesn't know if SCAPCA Boards have done that with unelected members in the past, but this is something that should be looked into. Chair Corkill asked Bill to find out about the PDC forms for Board Member Ahern and his self. Bill stated that they would look into the forms and he will check into future conferences for the Open Public Meetings Act for the Board Members that would like to attend. Board Member Ahern asked if there was any way that Bill could summarize for the retreat what he thinks the issues are that are very relevant and important for the Board and she would value a training opportunity. Jeff agreed with Board Member Ahern and appreciated Mayor Pederson's guidance and comments.

15. Public Forum: There were no public concerns.

The meeting adjourned at 11:27 a.m.

The next Board Meeting will be May 3, 2007 at 9:00 a.m. in the lower level of the Public Works Building.

JEFFREY CORKILL, CHAIR

WILLIAM DAMEWORTH, SECRETARY