



**Spokane Regional Clean Air Agency
Minutes from April 17, 2009 Retreat
Held at St. Joseph Family Center, 1016 N Superior Street Spokane**

Board Members Present:

Jeff Corkill
Rose Dempsey
Bonnie Mager
Edward Crocket

Staff Members Present:

Bill Dameworth
Ron Edgar
Lisa Woodard
Matt Holmquist
Barbara Nelson
Michelle Wolkey, Legal Counsel @ 2:30

Meeting began at 11:10

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. A Pollution Prevention/Compliance Assistance (CAP/P2) has been developed in the last year under his section. Margee Chambers has been working with businesses helping them meet and understand the compliance requirements. She is also sharing ideas with the businesses that may want to go beyond the required controls, thereby improving the air and reducing their own operating costs. Engineering staff are managing this program while Margee is out on maternity leave.

Jeff Corkill asked Ron Edgar about the agency web page structure and availability of most recent board meeting minutes. He also asked about making it easier to access staff email addresses. Jeff asked what WEDS data is and Ron explained the process of collecting the data from the registered sources that has to be reported to the Washington Emission Data (WEDS) data base, this is required by EPA.

There was some discussion about the Vehicle Emission Reporting Program (VERP) how long it would continue, what kind of emission reductions are realized, and funding sources. Ron reported that in the earlier years of the program the emission reductions were considerable; however with the new technology and different emission testing methods, the actual reductions are harder to measure. The program is considered to be effective in repairing cars that would otherwise not have been fixed. The current funding is expected to be exhausted by December 2009. At this time, no additional funding has been identified to continue the program.

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.

Inspectors are inspecting gas stations every year now and continue to find problems with poor maintenance of caps and seals. The enforcement program and the options for corrective action notices, warnings, and notice of violations came up and Matt stated that we would be going into that as an item on the agenda this afternoon. The asbestos program continues to have considerable activity and violations. Bonnie Mager noted that she has been hearing good things from others on how this agency handles the asbestos program.

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 and one of the points of focus is gas powered lawn and garden equipment and ways to reduce their impact on ozone levels. Manual and electric equipment has been donated and will be given away this summer in some enter to win promotions. Partnering with other agencies is done whenever possible to get our message out and share the costs.

Jeff Corkill asked about the No-Idle Zone program. Lisa reported that the program is still in place and has added several schools this year. The plan is to go into a maintenance mode with the current participants; all the schools in the area have been approached one or more times during this program.

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.

Budget Presentation – Barbara gave an overall description of two options for FY-2010 budget. The options are: “Status Quo” where local assessments continue to cover the shortfall between program cost and revenue collected for the NOC and Registration fee based programs and “Increase Fees” where NOC and Registration fees will be increased to achieve full cost recovery as described in the Board of Directors By-Laws.

The fee based programs are separate funds with their own budget including revenue and expenses, which include capital equipment, training, direct staff time, and indirect overhead costs. Currently the revenue collected from fees for the NOC and Registration programs is running behind projections and a yearend shortfall is expected.

Both the options reflect an anticipated 42% reduction in Federal Grant funding for FY-2011 and beyond. General expenses have been reduced or held to the previous level and there are no plans to replace vehicles or equipment in FY-2010. It was pointed out that the building loan payment and the cost of utilities nearly match the previous cost of office rent. The building loan will be paid off in FY-2014. The Status Quo draft budget shows that the agency could continue for two years using the fund balance and the local assessment to balance the core program as well as the fee based programs without increasing fees. Fee increases for NOC and Registration to bring them to full cost recovery would be significant.

Jeff asked why charge the indirect cost to each of the programs? Barbara explained that the State Auditors pointed out in the last audit that the indirect costs are an important cost to all programs and must be calculated and funded.

Bill added that his goal is to refund local assessments to the cities and county if the fees collected for NOC and Registration programs reach full cost recovery. Bonnie Mager agreed that giving assessments back is a good thing.

There was discussion about fee increases and how much they would have to be and Matt passed out some spreadsheet work he had done on projecting fee increases for the Registration Program. His work was reviewed and discussed; the FY-10 increase would be 38% and 18.7% again in FY-11 to achieve the level of recovery stated in the current By-Laws.

Bonnie would like to see a comparison of our fees vs. other similar agencies. She is also concerned those that have more emissions that affect the public health should have greater fees.

Rose Dempsey stated that staying with the Status Quo would be better at this time in this economy, it could damage the agency image to raise fees now.

Bill mentioned that these are just two budget scenarios and any number are possible. For instance, the NOC fees do not have to be treated the same as Registration fees since they are associated with new construction projects.

Jeff asked if registration fees could be brought up to cost recovery over time and the NOC program be increased now to the full cost recovery.

There was more discussion about other options for increasing fees over time and much interest in comparing our fees to other agencies. We will bring fee increase detail comparisons, and options to the board meeting in May with the draft budget.

Rose asked if asbestos will ever go away. Matt briefed the board on the general use of asbestos and the fact the asbestos is still used today in products, so the health hazard will be an issue for many years to come.

Michelle Wolkey, legal counsel joined the meeting.

Enforcement Procedures and Policy, Including Recent Enforcement Actions – Matt presented the Compliance/Enforcement/Settlement Overview flow chart and went over each step in the entire process from issuing a notice of violation “NOV” to settlement. The board received a 30 page packet of detail about every step in the process for this meeting.

Rose asked who pays the PCHB. Matt explained that the process is free to the party that chooses to take his case to that level, the members of the Hearings Board come to Spokane, the party generally represents him or her self.

There was discussion about the case that was brought to the Board at the April Board meeting by Patriot Electric who had received an NOV for an asbestos violation caused from his business roof collapsing from the snow. Matt explained the details of the case to the Board and shared a copy of the letter that the City of Spokane sent to Patriot Electric ordering the building cleanup. He also went into detail regarding steps that were taken to get the word out to contractors and

businesses that had roofs collapsed from the snow. In the case of Patriot Electric, the building had been removed completely so no survey could be done, there was nothing left to sample, there was no NOI filed and an NOV and penalty had been issued following the steps in the flow chart. It had come to the point of Patriot Electric filing an appeal with the PCHB.

There was discussion about who did the removal and should they have known about the asbestos rules. Matt stated this is not the type of work they would normally do; they do backhoe digging most of the time and are a friend of Patriot's.

Bonnie stated that she has known Patriot Electric over the years and he called her very upset about the whole situation. He told her the story, he did not know the rules, and tried to do the right thing at the time and received a Notice of Violation. She believed him and it does seem unfair, he would pay the cost of the NOI permit, however is unwilling to pay the asbestos survey portion of the penalty.

Bill referred to the letter the City sent him, which indicated he should fence the area and did not directly demand that he demolish the entire building and haul off the debris.

Rose stated she strongly differs with Bill, she believes the man tried to do the right thing. This was an emergency situation in the city with snow very deep and many places shut down.

Bonnie stated he took care of it all at once.

Michelle Wolkey asked if the Board intends to allow NOV's to come to them. There is a good process in place for violators to follow.

Rose added that the city was in a state of emergency, this is no time to issue NOV's. In extraordinary circumstances people do things different, "this seems wrong to me".

Michelle asked what about all those that paid the fees and followed the rules, and other NOV cases?

Matt went over a proposed asbestos rule change that adds something about states of emergency.

Rose stated that to say he profited is ridiculous, he lost his business he is at a loss now.

Bonnie stated that she has seen bad actors before and she believes him, he did what he thought was right and got caught and received the NOV.

Michelle stated the PCHB process is in place and this is the process he should go through. Matt added that the next step for him would be to file an appeal to the PCHB. This information has been provided to Patriot Electric.

There was general discussion about the details of this situation and what is best for the agency. The issue of the economic benefit is one of the issues at this point as well as the fact the Patriot Electric does not want an NOV on his record. The fact that there is a process in place came up

several more times. Other methods of getting the word out to the public during states of emergency were brought up; media announcements, TV, Radio working closely with the cities and county departments would all help. There was more discussion with all present on various aspects of handling emergencies in the future from identifying emergencies, to the fact that even during such times certain activities still generate harmful emissions and pose a public health risk.

Matt stated that the agency can change the policy and procedure if the Board would like to handle these cases differently.

Jeff stated that there is a good process in place and it should be followed.

Bonnie stated that generally speaking she knows the NOV is correct and believes the staff does a good job. She sees and understands both sides of this isolated case. She was not aware that there is a process in place and believes we should use it.

Rose agreed that this case has specific issues, until today she was not aware of the enforcement process in place either and also believes it should be followed.

There was more discussion about working with the cities in these types of situations to help inform the public.

Bill stated that he feels this has been a useful discussion of the enforcement program for the Board and the staff.

Rose stated she still feels that we might back off some and not be so hard nosed in emergency situations.

Agency By-Laws and Future Direction- There was brief discussion about the current Agency By-Laws, specifically Article IV 5, which talks about the agency policy to achieve full cost recovery for all fee based programs by fiscal year 2011. As reported in the draft budget presentation, significant fee increases will be necessary to accomplish this goal within the dictated time frame. It was noted that amending the By-Laws will be required if the Board wants to review and accept some other timing in the goal of reaching 100% cost recovery for these programs. Some options and possible language will be discussed at the May Board of Directors meeting.

Meeting adjourned at 4:30 pm.

Jeffrey Corkill, Chair	Date
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William Dameworth, Secretary	Date
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