

**SPOKANE REGIONAL CLEAN AIR AGENCY
BOARD MEETING MINUTES**

**May 5, 2011 9:30 a.m.
Spokane Clean Air's Conference Room
at 3104 E. Augusta Ave.**

BOARD MEMBERS PRESENT:

Board Member Tom Brattebo (Chair)
Board Member Jeff Corkill
Board Member Rose Dempsey

STAFF MEMBERS PRESENT:

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

WORK SESSION: The work session began at 9:30 a.m.

1. **Review of Workshops on Indirect Source Rule – April Westby**

April gave a brief summary of the high points of the presentations given on the Indirect Source Rule. The rule applies to indirect sources which are any facility, building, structure or installation which generates or attracts mobile source activity that results in emissions of air contaminants. This could include warehouses, rail yards, industrial parks, transportation centers, etc. It doesn't include construction sites that operate for less than a year or facilities that are solely comprised of public roadways. The reason that this rule was developed is because diesel particulate matter has been identified by Washington, California and a host of other agencies as a toxic air pollutant based on its potential to cause cancer and other health effects. EPA is also proposing a more stringent ozone standard that we may be close to and they also adopted a one-hour NO₂ ambient standard that these types of sources would contribute to. Indirect sources are a category of sources mentioned in the Clean Air Act that have previously been unregulated by SRCAA.

The applicability for the rule are new and existing indirect sources with PM_{2.5} emissions above 0.5 tons per year and/or NO_x emissions above 25 tons per year that cause or contribute to a violation of one or more federal, state, and/or local ambient air quality standards or an adverse human

health effect. The applicability is a two-step process. Step-one is to calculate on-site emission from mobile source activity at an indirect source. To do this we would need information from the facility on the size and age of their engines, hours spent idling, type and amount of fuels used, length of on-site trips, etc. Then we would use EPA or other published emission factors to calculate emissions and determine if their emissions are above the thresholds. Step-two is where we determine if the emissions are above thresholds, then we would determine if the indirect source causes a violation of one or more ambient air quality standards or adverse human health effects which is defined as higher than average or expected occurrences of cancer or modeled levels of toxic air pollutants which exceed 1 in 100,000 cancer risk based on a 70 year exposure.

Violation of the Ambient Standards or Adverse Human Health Effect determination would be made using computer air dispersion modeling of emissions to predict ambient impact concentration at the nearest point of unrestricted public access; health information would be provided by Washington Department of Health, and/or a health risk assessment prepared by federal, state or local agencies could be used. The procedure for the applicability determination would be that Spokane Clean Air would provide written notice to an indirect source of our intent to make an applicability determination. We would perform emissions calculations, assess the ambient impact and utilize health information to make a formal applicability determination and then provide the source with a written letter of our determination. The rule also has the ability for the source to challenge the determination if they choose. The source must submit a plan specifying additional information that they would like to submit to Spokane Clean Air for consideration; after reviewing additional information submitted by the source, the agency would either modify or confirm the applicability determination. Once we have determined that an indirect source is subject to the rule, at that point they need to submit an emission reduction plan to Spokane Clean Air. The plan is flexible, but the goal is to reduce emissions to the greatest degree practicable in the shortest time practicable. Examples of emission reduction plan contents would be to add-on control equipment to the engines, engine replacement to cleaner technology, installation of shore power to eliminate idling, changes to operating procedures, fuel changes/substitution and improved O&M for engines.

After Spokane Clean Air deems the emission reduction plan acceptable, we would hold a 30-day public comment period. Then we would consider any public comments prior to the issuance of a final decision and once that was approved, then the indirect source will be required to implement their emission reduction plan according to the time lines set up in the plan. There was stakeholder input on the draft rule at three stakeholder workshops; it was posted on the web-site for public comments; and we received several comments which were incorporated into the rule. EPA and DOE have reviewed the draft rule and provided initial comments to Spokane Clean Air. There is a possibility based on comments by EPA that only portions of the rule related to criteria pollutants may be federally enforceable. EPA Region 10 will likely wait to see what happens with San Joaquin, CA indirect source rule before formally reviewing our rule.

Revisions to the rule, as a result of comments received, consist of several grammatical changes to improve readability; change made to applicability for construction sites – rule now only exempts construction sites that operate for less than one year; clarification that health information used in applicability determination must be prepared by a government agency; and new wording that emission reduction measures must occur within the boundary of the indirect source. The next steps will be to begin the formal rulemaking process which would include a formal 30-day public comment

period, including: written notice and draft rule sent to all identified stakeholders; public notice published in the newspaper; announcement and draft rule posted on Spokane Clean Air's web-site; e-mails sent to contact list for those who have requested regulation updates; and a public hearing at a future board meeting.

There was discussion between the board members present, Bill and April. The Board directed the staff to proceed with the rule making process.

2. FY-2012 Draft Budget – Barbara Nelson

Barbara gave a brief overview of the draft budget. Some things to point out with the revenue are the expected reductions in the state and federal grants for FY-2012. Another item to note is that we will continue with the same level of local assessment shown for this five year picture and this has not been raised since 1999 and is used to fund the core program. The penalty money remains at \$60,000 for budgeting purposes and anything beyond that amount goes to the project account. The local assessment calculation is done by getting the population and property values (the population comes from the State Population Trends Information as produced annually and the property value information comes from the County Assessors Office) and that is the core funding for our basic core program. The remaining part of our revenue comes from our fee based programs. One thing to note on our fees received for the registrations in FY-2011, we budgeted \$705,000 and we are on track with that; and then the out years are \$380,000 and this is due to the billing process that changed from monthly to billing all sources in January and that allowed for the additional collection in FY-2011. The fund balance will be carrying over to the other years and we will be full-cost recovery in that program in FY-2012 and in FY-2013.

The NOC permit fees have been budgeted at \$143,000 and that is based on our current revenues being up and we have been getting more NOCs submitted. This was carried through the whole picture. The Title V program revenue is consistent from FY-2011 to FY-2012 and we are expecting to be running a deficit of about \$15,000 in FY-2011 and the regulation is written so that if we run a deficit, we will collect it the next billing cycle. If there is an overage, we will appropriate it for expenditure in the next billing cycle. The NOC program again will be partially funded with local assessment money.

Looking at expenses, the COLA of 2.5 percent is based on the CPI-U, west urban for the 12 month period ending March 31st has been included for FY-2012. A 2 percent COLA has been added to the out years for planning purposes. There have been discussions by staff and board members at the retreat on staff paying a larger portion for medical benefits. We proposed in this budget that the employees will begin picking up 10 percent of the dependent care costs beginning January 2012 and then in those out years it was put at 20 percent beginning in January of each of those years. We received a notification that there has been an increase in the state retirement and the employer will be paying 8.61 percent in FY-2012 and 9.3 percent in FY-2013. The projected cost to the employer in FY-2014 and out is 11 percent. The employee also pays a portion of the state retirement and that is up .69 percent for FY 2012 and 2013 and for FY-2014 and beyond they will be paying an additional 1.12 percent. The salaries and benefit are 85 percent of the total budget.

The general expenses are for the CORE program and the total general expenses come in at \$229,000 and that is for the general operating of the office including the liability insurance, general maintenance, phones, electricity, etc. The monitoring and education program have specific budgets although they are paid from the same funding source which is our state and federal grant and the local assessments. The cost recovery programs specific expenses are for direct costs that can be identified; the asbestos program has more professional services than the others, most of this will be training; and the AOP has that \$15,000 deficit collection. We would like to continue to fund our reserves for our building maintenance, equipment and retirement; the office building will be paid off in FY-2014. Bill stated that in the past Spokane Clean Air has used the project reserve to fund programs with environmental benefits or we could return rebate checks to the cities and the county or a combination of the two. Barbara also added that the other reserves have specifically identified purposes and the project reserve has been used for many good purposes. It is also available for appropriation to balance the budget or anything the Board would direct for use of that money. Board Member Corkill stated that Spokane Clean Air and the Board Members could get together and discuss what to do with the funds that are available for special projects. The Board Members present agreed for Barbara to move forward with the COLA. There was more discussion between the Board Members, Matt, Bill and Barbara. It was agreed that a list of environmentally beneficial projects would be presented at a future board meeting.

BOARD MEETING: The board meeting was called to order at 10:30 a.m.

1. Advisory Council Report – Bud Leber

There was a review of the budget, presented by Barbara. There were two areas of discussion: The first was about the full-cost recovery for programs such as asbestos, registration and Notice of Construction and does the income from these programs cover the expenses and to make that balance so that they are self-sustaining as a policy? The Advisory Council members present thought that this should occur and the programs should pay their way. The second was on the FYs 2015 and 2016 which clearly have expenses exceeding income and that was an issue and how would full-cost recovery affect that and what other things could be done to recognize that four years out things will be in the red in terms of expense over income.

2. Director's Reports for March & April – Bill Dameworth

As April pointed out we've made some changes to the Indirect Source Rule and we will be going ahead with public comment and proceed towards having the board approve it. The air quality agencies from Washington and Oregon signed a letter urging EPA to reconsider their proposed new source performance standards for outdoor wood fired boilers that are the same as the voluntary guidelines published a few years ago. EPA made some improvements but they are still far from what is allowed in Washington as far as the emission standards are concerned. The letter asked EPA to at least require the same emission limits as in Europe for this equipment. Installation of these devices in Spokane County could place us in non-attainment for PM_{2.5}. There was some discussion between the Board and Bill on this subject. We settled the Baker Commodities case that was on appeal before the Pollution Control Hearings Board. The Washington Air Directors sent a letter to Representative Norm Dicks requesting that Congress restore EPA funding for state and local air agencies to the

levels proposed in the president's budget. Ecology drafted the letter with input from the local air agencies.

3. Public Information/Education Update for March & April – Lisa Woodard

Lisa gave a brief overview of the March and April activities. Events consisted of five science fairs at the local schools, a community presentation at the north side library, two home shows, two chipping events, a transportation fair at SCC, three events for Earth Day, a car care fair at SCC and Arbor Day at the Finch. Print and online materials were the EnviroKids newsletter, On the Air spring issue was printed and distributed, and coloring books (statewide collaborative project) were printed and distributed to agencies. The business recognition program reviewed applications for recognition and we have received over 100 applications to receive their recognition. Special projects include asbestos outreach, outdoor burning alternatives, recreational fire TV spots with KREM and KHQ and coordinating continues for the Spokane Youth Environmental Conference. Media consisted of distributing a news release on spring asbestos and renovation projects and new displays at the permit centers; and air quality & car care interviews conducted on four radio stations during the Car Care Fair.

**4. Compliance Activity for February & March – Matt Holmquist
Permitting and Air Monitoring Activity for February & March – Ron Edgar**

Matt gave a brief overview of the compliance activity (complaints, inspections, NOV's, etc.). The source inspection rate is over 90 percent. We do approximately 149 asbestos inspections over a 12 month period. Through the months of January to April, we received the least amount of outdoor burning complaints. There are no cases with the PCHB at this time. There was some discussion between the Board and Matt.

Ron gave a brief overview of the permitting and air monitoring activity. NOC permits have increased and there are a lot of rock crushers and emergency generators. Our pollution prevention consultation has been going well. February air quality had a few moderate days and March was a good month. There was some discussion between the Board and Ron.

5. Treasurer's Report for March & April 2011 – Barbara Nelson

Barbara gave a brief overview of the treasurer's report.

6. CONSENT AGENDA – ACTION ITEM –

- a. Approval of the March 3, 2011 Board Minutes;
- b. Approval of the March 25, 2011 Board Retreat Minutes;
- c. Approval of the Vouchers for March 2011 – Numbered 5548 thru 5624 totaling \$70,260.28 and March Payroll of \$129,201.90 for a Grand Total of \$199,462.18; and
- d. Approval of the Vouchers for April 2011 – Numbered 5625 thru 5700 totaling \$26,451.17 and April Payroll of \$135,249.63 for a Grand Total of \$161,700.80.

Board Member Dempsey moved to approve the Consent Agenda and Board Member Corkill seconded it. Motion passed unanimously.

**7. Resolution 11-16 Appointment of Advisory Council Members – Bill Dameworth
Public Health Representative – David Swink
Fire Protection Representative – Andrew Stenbeck**

Bill stated that Spokane Clean Air received one application for each position and he interviewed both applicants. Bill believes that both candidates are well qualified.

Board Member Corkill moved to approve the Resolution 11-16 and Board Member Dempsey seconded it. Motion passed unanimously.

8. Resolution 11-17 Authorization for Director to enter into Limited Agricultural Spot Burning Agreement with F.D. 2, 11 & 12 – Matt Holmquist

Matt stated that this pertains to the WAC 173 430 being revised by the State effective January 1, 2011. It predominantly pertains to agricultural burning fees; those fees have increased and we had some fixed dollar figures in the Memorandum of Understandings with Fire Districts 2, 11 and 12. They've administered agricultural spot burning for years for permits up to 10 acres of weedy patches, equipment plugs, etc. We thought it would be appropriate to revise those MOUs and reference the WAC for the applicable fees rather than specifying a fixed permit fee so we don't have to update the MOUs as often. Also, rather than mailing permit documents to the Washington State DOE twice annually, we've put in a provision where if they would like to fax, e-mail or mail the permits to Spokane Clean Air we can compile them and forward them to DOE twice a year because we have to do that with the permits we issue. Another point of interest is although the regulations allow us to keep up to half of the permit fee (\$30); we could technically have those fire departments send \$15 to us for each permit they issue. That previously had to go to DOE; now it is considered a smoke management fee instead of a DOE administrative fee. Since we're making the burn decision still we could receive \$15 of each permit; but Barbara, Bill and I talked about it and I think for the hassle of having them cut a check for every permit that is issued and us processing that check, which historically combined those three Districts have only issued five to twenty permits annually, we prefer for the time being to allow them to keep the full permit fee of \$30. This could be changed in the future should we decide to collect the \$15. Rather than bringing the MOUs in front of the Board for approval, I thought we would set it up like the last time so the Director on behalf of the Board, signs those as they come in. This resolution allows the Director to sign those as they come in.

Board Member Corkill moved to approve the Resolution 11-17 and Board Member Dempsey seconded it. Motion passed unanimously.

9. Resolution 11-18 Adoption of Board Member Handbook – Bill Dameworth

This is something that the Washington State Air Directors were working on. This handbook was drafted by Mark Asmundson at Northwest Clean Air and I worked with him quite a bit on editing it as did the attorney from Puget Sound Clean Air. This basically summarizes the responsibilities for board members. This will be good to give to any new board members and it is also a good refresher for everybody.

Board Member Dempsey moved to approve the Resolution 11-18 and Board Member Corkill seconded it. Motion passed unanimously.

10. Board Concerns – There were no board concerns, questions or comments.

11. Public Forum –

Les Stone: I have talked to you Tom and you Matt and I understand at your retreat you did bring up the general subject of the garden and yard waste subject burning. (Les then gave a brief overview of what he has stated at past board meetings.) I would suggest that you create another category, don't worry about yard and garden waste and create a new burning category similar to recreational burning that addresses the burning of woody material, which is the fire hazard material that is being accumulated in the county. If you created this, there are some pretty good guidelines on how to do it. DNR has all those guidelines in place and they work very well and they allow by rule permit to burn small amounts of silvicultural debris and you can do it anytime of the year that there's not a restriction on general burning by the Fire Marshall or Spokane Clean Air because of the high pollution levels; which means that most of the time during the year whenever it makes good sense, people can go out and burn their silvicultural debris. There's an example of how it could be done. The current rules on burning are a mix of rules and regulations that are confusing. You can burn DNR material from unimproved areas, you can burn prunings from an orchard if you sell stuff from it but if you don't sell fruit from your fruit tree you can't. If trees fall down in your yard you can't burn it but if you cut it into firewood, it is no longer yard and garden wood it is firewood and you can burn that in your recreational fire and it is legal. Unofficially, DNR doesn't care if some yard and garden waste ends up in the silvicultural pile. If you would create a new category allowing the burning of woody material similar to the DNR rules, a lot of this mishmash of rules that are confusing would disappear and it would satisfy a lot of need to get rid of fire hazard debris. If you like something like this, I have some other things that we might be able to pursue. I would like you to get creative and try to work something out to take care of this growing problem of piles of fire hazard debris. When I met with the Fire Chiefs (Bob Anderson) I became aware that there was a real disconnect between Spokane Clean Air and the Fire Chiefs for some reason and I don't know why.

The meeting adjourned at 10:21 a.m.

The next Board Meeting will be June 2, 2011 at 9:30 a.m. – Spokane Regional Clean Air Agency office at 3104 E. Augusta Avenue.

BOARD MEMBER TOM BRATTEBO, CHAIR

WILLIAM DAMEWORTH, SECRETARY