OLYMPIC REGION CLEAN AIR AGENCY
2940 LIMITED LANE NW
OLYMPIA WA 98502

AGENDA of April 8, 2026, 8:30 a.m.
Finance Committee Meeting

ORCAA's meeting will be available virtually

If you would like to participate in the meeting via Zoom video conference, visit https://events.zoom.us/ej/AgXuGHn2UnzRjHkDuP2CMq7uk_Mxz1ICFrI_JjA_XKWp_hbx3SJ0~A0IJH-bOFwINsWUt-QT59Ojy4qiOd6Dhk-jvshEAnWA_0zVLee-XYmQq2GF1A

Be courteous – mute your mic if not speaking

CALL TO ORDER

APPROVAL OF AGENDA (*action item*)
(Ask for any corrections, additions/omissions)

APPROVAL OF MINUTES (*action item*)

1. Minutes of March 11, 2026

UNFINISHED BUSINESS

1. Follow-up on March Finance Committee discussion

NEW BUSINESS

1. FY26 Third Quarter Update
2. FY27 Draft Budget

GOOD OF THE ORDER

ADJOURNMENT

NEXT MEETING – May 13, 2026 - 8:30 a.m.

ORCAA Acronyms
ORCAA Handbook

OLYMPIC REGION CLEAN AIR AGENCY
2940 Limited Lane NW
Olympia, Washington 98502

Finance Committee Meeting – Hybrid via Zoom

March 11, 2026

A video recording of this meeting is available at:
https://www.youtube.com/ORCAA
Files discussed at this meeting are available at:
http://board.orcaa.org/

Members' Present:	Emily Clouse, Thurston County (Chair) Mike French, Clallam County (via Zoom) Greg Brotherton, Jefferson County (via Zoom) Randy Neatherlin, Mason County (via Zoom)
Staff Present:	Jeff Johnston, Executive Director; Mike Shults; Compliance Manager; Tyson Justis, Financial Services Manager; Tiffany Flores, Records Specialist/Public Records Officer; Debbie Moody, Operations Manager; Dan Nelson, Communications Manager (via Zoom).

The meeting was called to order at 8:32 a.m.

APPROVAL OF AGENDA (0:00:22)

Clouse asked for approval of agenda. Brotherton moved approval. The motion was seconded by Neatherlin and carried unanimously.

APPROVAL OF MINUTES (0:00:47)

Clouse asked for approval of the minutes. Neatherlin moved for approval. The motion was seconded by Brotherton and carried unanimously.

NEW BUSINESS (0:01:01)

FY2027 Draft Budget Discussion:

Justis highlighted budgetary items that will be presented in the draft Fiscal Year 2027 budget. Johnston and Justis explained the reduction of federal and state grants and the impact on this budget. Justis briefly went over key aspects of the draft FY2027 budget, including the proposed general fund contingency draw.

After some discussion related to apparent funding issues, Clouse asked the committee for suggestions, for staff, regarding improvements to the budget. Additional conversation followed with the Board giving some suggestions to staff and making requests for additional information to bring to our next meeting.

GOOD OF THE ORDER (00:59:23)

Nothing for the good of the order.

ADJOURNMENT (1:02:01)

Clouse asked for a motion to adjourn the meeting. Brotherton moved for adjournment. The motion was seconded by Neatherlin and carried unanimously.

The meeting adjourned at: 9:35 a.m.

CERTIFICATION

I hereby certify this is a true and correct copy of the minutes of the meeting of the ORCAA Finance Committee held hybrid, via Zoom, on March 11, 2026, in Olympia, Washington.

ATTEST:

_____	_____
Jeff C. Johnston, Executive Director Olympic Region Clean Air Agency	Emily Clouse, Chair ORCAA Finance Committee

DATED: _____

ORCAA's Fund Balance – Looking Back, Looking Forward

Finance Committee

April 8, 2026

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Covered Topics

- Year end performance.
  - The 2025 fund deficit.
- Variances between actual and budgeted figures.
- Estimated projections.
- Looking forward.

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Lookback: Actual Performance

FY2020 – FY2025

FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
$62,668	$127,615	$177,797	$198,477	$2,376,642	($101,207)

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Number of Employees	17 – 22	15 – 18	15 – 18	16 – 18	17 – 20	18 – 20
Full Time	14 – 16	15 – 16	15 – 17	15 – 17	16 – 19	17 – 19
Part Time	1 – 6	1 – 2	1	1	1	1 - 2

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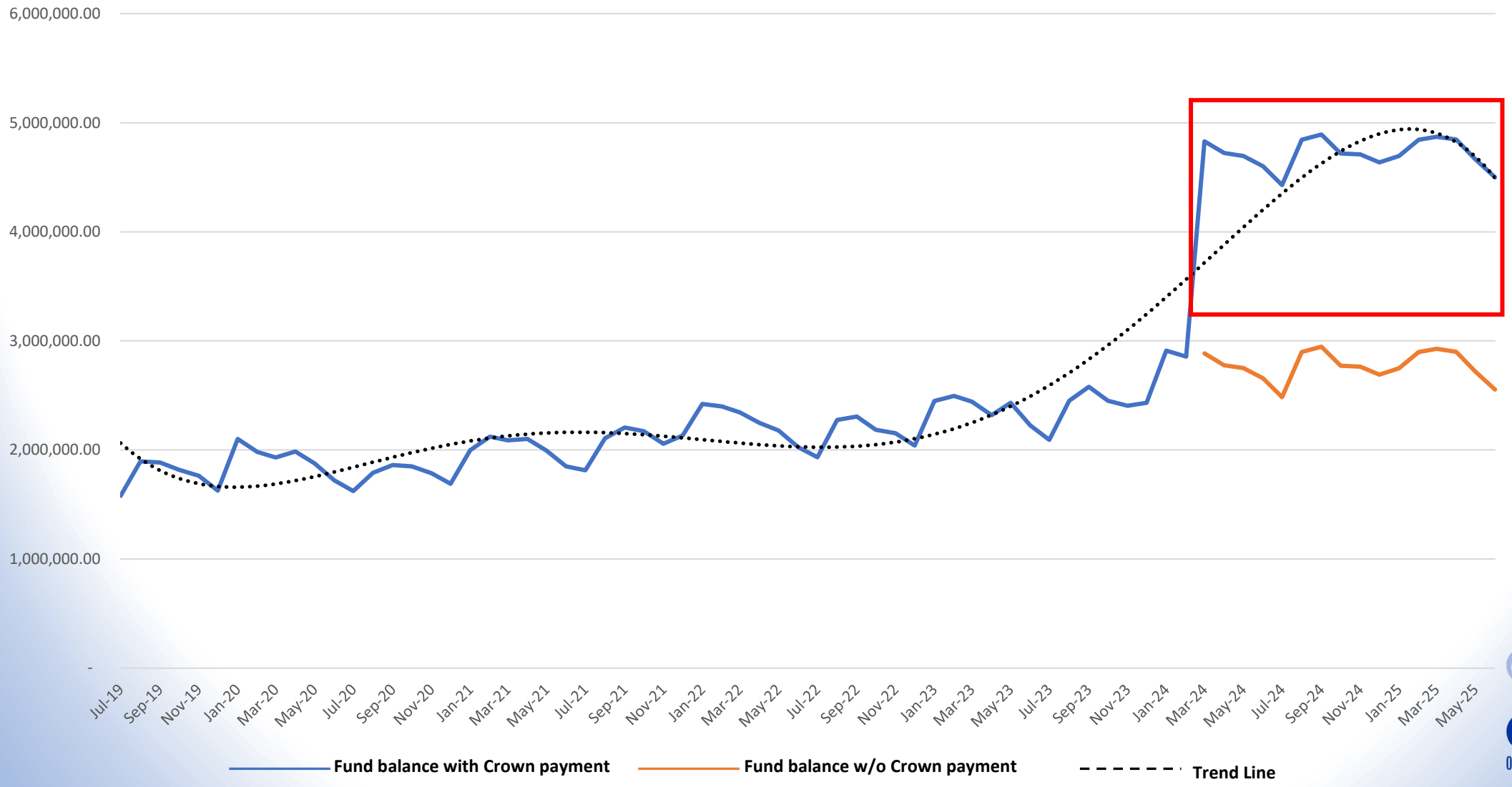
Lookback: Actual Performance

FY2020 – FY2025



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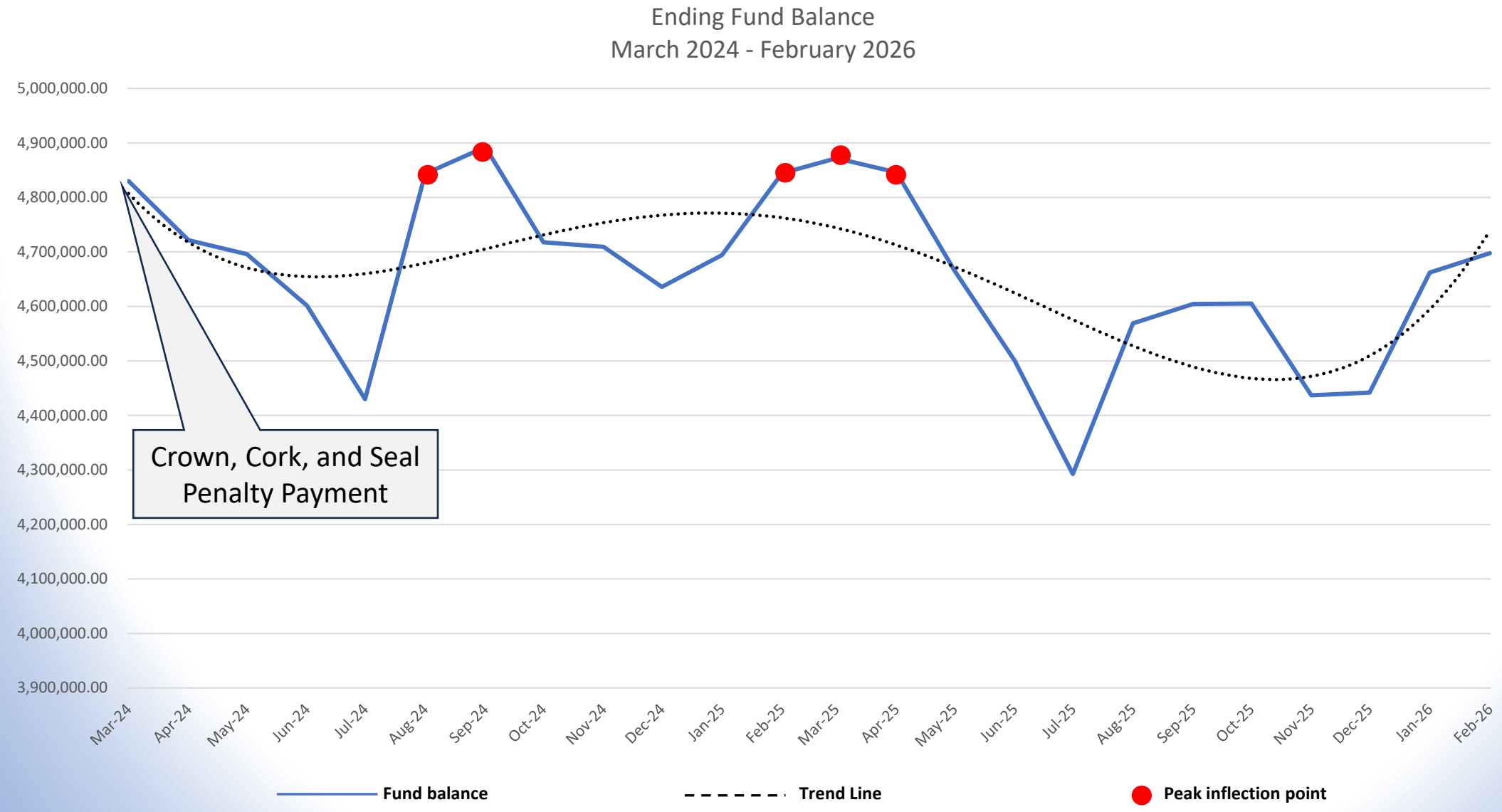
Lookback: Actual Performance



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Lookback: Actual Performance 2025

- Only fiscal year with a negative ending balance.
- Revenues were higher than budgeted, but expenditures still exceeded revenue.
- Unique expenditures during FY2025
  - Retirement of Senior Manager = $54,000
  - Legal fees = $55,000

Ending, Actual	Ending, Budgeted
($101,370)	($415,640)

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Budget to Actual Variances

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	Variance	Variance	Variance	Variance	Variance	Variance
Revenue						
Grant	119,013.69	(47,240.04)	(84,492.21)	(97,897.57)	(52,872.61)	33,400.78
Fees	51,428.87	227,025.11	(175.34)	(55,446.94)	117,390.42	(45,323.82)
Other	25,349.48	92,090.54	163,287.68	269,264.47	2,168,214.84	22,081.82
	195,792.04	271,875.61	78,620.13	115,919.96	2,232,732.65	10,158.78
Expenditures						
Payroll	(45,469.51)	(62,520.65)	25,728.77	(58,600.86)	(130,170.89)	(118,563.30)
Non-Payroll	(6,757.97)	(29,790.00)	(22,648.23)	(33,728.41)	(57,498.50)	(101,148.32)
Building Maint.	(8,454.69)	11,615.50	(76,463.50)	(6,035.16)	(41,671.13)	(56,598.98)
Operational	25,696.70	(32,682.12)	(91,035.69)	(149,662.74)	(17,385.98)	(27,779.71)
	(34,985.47)	(113,377.27)	(164,418.65)	(248,027.17)	(246,726.50)	(304,090.31)

- Positive Revenue variance = more funds received than budgeted
- Negative Expenditure variance = less expenditures than budgeted

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Source of Variances Between Actual and Budgeted

Revenue	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
NSR	24,985	166,873	434	(94,365)	103,952	(32,850)	169,028
NOI	5,773	4,320	1,912	4,217	(967)	440	15,695
Asbestos	(7,801)	23,343	13,637	9,534	27,894	14,142	80,748
Land Clearning	16,909	18,237	16,659	13,812	(15,454)	614	50,776
Penalties	11,207	104,409	162,550	255,040	2,115,238	30,175	2,678,619
Investments	14,923	(9,326)	(1,854)	22,649	42,190	5,961	74,543
	65,997	307,855	193,337	210,887	2,272,853	18,481	3,069,409

Expenditures	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Health Insurnace	(45,896)	(45,701)	(35,753)	(19,320)	(31,918)	(46,731)	(225,320)
Vehicle Purchase	-	(20,000)	(20,000)	(26,000)	(5,899)	(35,000)	(106,899)
Capital Expenditures	(14,000)	(30,000)	(30,000)	(12,427)	(43,481)	(35,000)	(164,909)
	(59,896)	(95,701)	(85,753)	(57,747)	(81,298)	(116,731)	(497,127)

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Retrospective Summary

- Historical trends show strong performance.
- Actual to budget variances explainable.
- 2025 deficit due to normal business operations.

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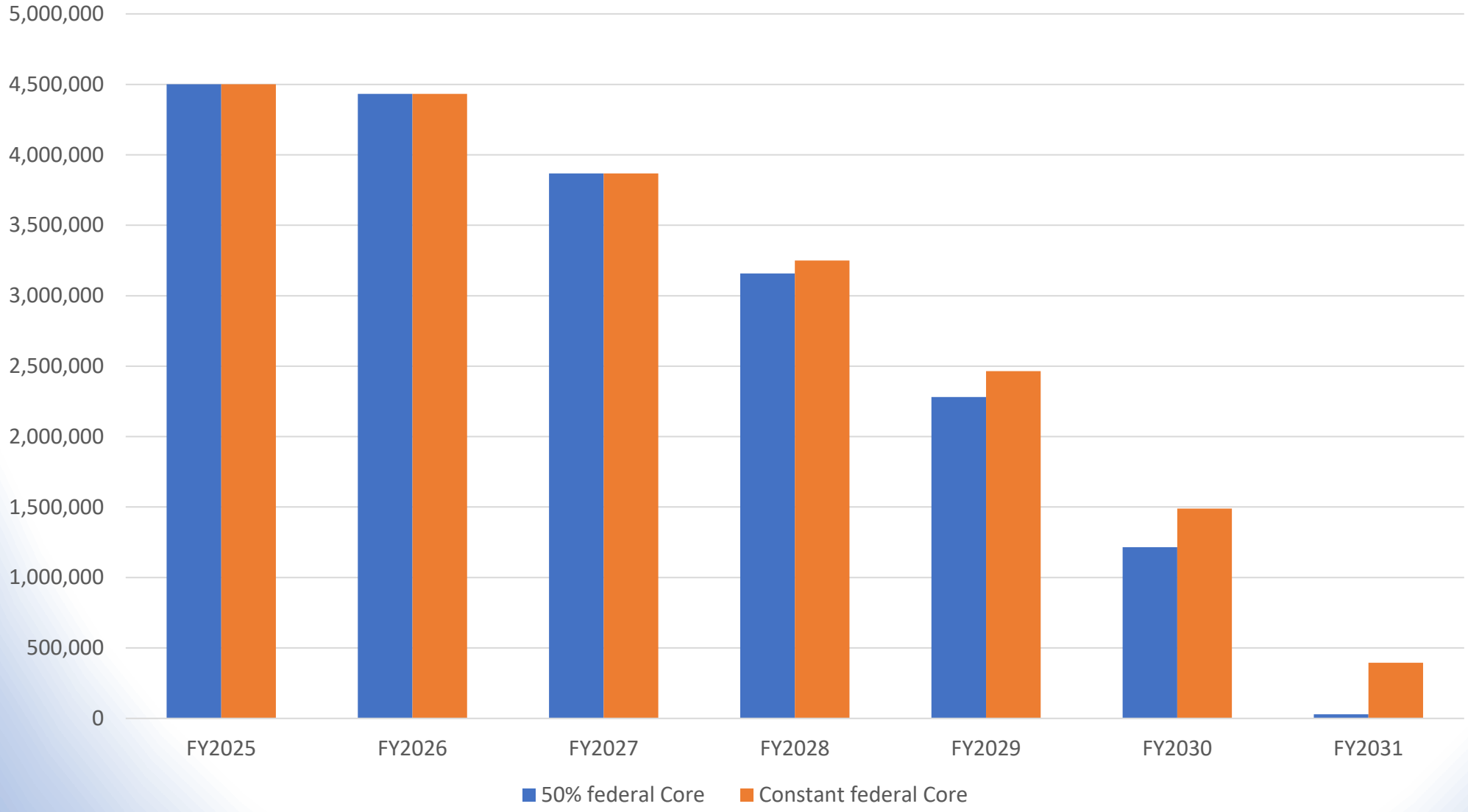
Estimated Projections



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Looking Forward

- Strong financial base.
- New challenges and future uncertainty.
- Need to address full cost recovery for programs.
- Funding ORCAA reserved funds.

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Questions & Discussion

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Olympic Region Clean Air Agency
Statement of Revenue, Expenditures, and Budget
FY2026 - For the Perod Ending March 2026

	FY2025 Actual 7/1/24-3/31/25	FY2026 Budget 7/1/25-6/30/26	FY2026 Actual 7/1/25-3/31/26	FY2026 Remaining Budget	Budget Utilization FY2025	Budget Utilization FY2026
REVENUE						
Grants						
Core-Federal with ECY	$ 155,316	$ 139,657	$ -	$ 139,657	78%	0%
Core-State with ECY	103,544	134,210	-	134,210	77%	0%
PM2.5 - Ecology Monitoring with ECY	17,500	17,500	14,543	2,957	100%	83%
EPA - Cheeka Peak	70,634	90,462	88,887	1,575	78%	98%
IRA Grant with ECY	-	80,000	80,000	-	0%	100%
Woodsmoke Reduction & Recycle	140,238	148,000	58,552	89,448	95%	40%
Woodstove Education & Enforcement	9,406	11,398	2,515	8,883	83%	22%
Fees						
Assessments	$ 529,079	$ 575,137	$ 575,137	$ (0)	95%	100%
Annual Registration	420,822	422,000	428,711	(6,711)	101%	102%
Title V	631,116	670,307	615,576	54,731	94%	92%
NOC - NSR	75,861	120,000	129,891	(9,891)	47%	108%
NOI - Major/Minor	915	2,000	2,496	(496)	46%	125%
EFSEC	21,170	73,073	31,696	41,377	36%	43%
Ecology Oversight	11,468	15,000	14,783	217	74%	99%
Asbestos	128,074	165,000	127,255	37,745	84%	77%
Land Clearing	20,606	61,875	35,450	26,426	64%	57%
Other						
Penalties (NOV)	$ 129,893	$ 125,000	$ 340,846	$ (215,846)	87%	273%
Interest Income	104,478	96,000	100,452	(4,452)	75%	105%
Miscellaneous Income	1,773	7,500	2,616	4,884	18%	35%
Building Income	33,548	40,000	27,497	12,503	67%	69%
Agency Deposit	20.00	-	-	-	0%	0%
Total Revenue	**$ 2,605,459**	**$ 2,994,119**	**$ 2,676,903**	**$ 317,216**	86%	89%
EXPENDITURES						
Payroll						
Salaries	$ 1,479,338	$ 2,018,772	$ 1,495,992	$ 522,780	74%	74%
Employee Benefits	471,693	651,794	433,107	218,687	66%	66%
Total Payroll	$ 1,951,031	$ 2,670,566	$ 1,929,099	$ 741,467	72%	72%
Non-Payroll						
Office Supplies/Sm Supplies/Safety	$ 5,870	$ 8,200	$ 7,293	$ 907	48%	89%
Gasoline	2,852	6,200	2,946	3,254	46%	48%
Computer Hard/Soft./Supplies	9,056	29,800	14,459	15,341	32%	49%
Board of Directors Travel Reimbursement	11	300	-	300	1%	0%
Staff Training, Conferences, Travel	17,776	46,276	19,651	26,625	55%	42%
Professional Services	49,985	85,600	67,823	17,777	56%	79%
Telephone	10,214	16,000	9,298	6,702	60%	58%
Database	-	150,000	15,660	134,340	0%	10%
Advertising	634					
Postage	5,982	8,300	6,389	1,911	95%	77%
Insurance (Bldg, Veh, Staff)	46,067	49,945	43,685	6,260	101%	87%
Wellness Program	293	670	257	413	51%	38%
Public Education and Outreach	21,313	28,983	17,685	11,298	89%	61%
Miscellaneous	134	1,500	2,321	(821)	13%	155%
Dues & Subscriptions	5,977	7,896	3,914	3,982	88%	50%
Audit/Acctg	20,839	2,500	2,451	49	97%	98%
Maintenance - Copier / Purchase	1,388	2,500	1,273	1,227	58%	51%
Vehicle Purchase	-	48,000	42,087	5,913	0%	88%
Level 2 EV Charger	-	-	-	-	0%	0%
Maintenance - Vehicles	1,833	5,000	877	4,123	37%	18%
Total Non-Payroll	$ 200,224	$ 497,670	$ 258,070	$ 239,600	56%	52%
Building Operations/Maintenance						
Utilities	$ 11,888	$ 20,000	$ 14,129	$ 5,871	63%	71%
Alarm Monitoring	1,354	15,000	29,654	(14,654)	0%	198%
Janitorial and Supplies	12,102	22,000	10,132	11,868	81%	46%
Maintenance Office Bldg.	9,795	24,400	15,223	9,177	28%	62%
Leasehold Improvements	-	146,000	39,897	106,103	0%	27%
Total Building Operations/Maintenance	$ 35,138	$ 227,400	$ 109,035	$ 118,365	34%	48%
Program Operations						
Woodsmoke Reduction/Recycle Program	$ 97,000	$ 157,200	$ 51,200	$ 106,000	87%	33%
IRA - ECY - Operational - Mt View	-	80,000	76,413	3,587	0%	96%
Ecology Oversight Fees	11,468	15,000	14,526	474	74%	97%
Lacey Mt. View Site Improvements	-	22,300	37,892	(15,592)	0%	170%
Monitoring Program - CPO	16,597	47,000	33,997	13,003	47%	72%
Monitoring Programs	1,205	2,700	1,912	788	27%	71%
OlyMAP Project	-	8,000	8,000	-	0%	100%
Professional Services-Legal (Friends of GH)	18,888	10,000	8,945	1,055	29%	89%
Security Deposit Refunds	2,280	400	381	-	0%	0%
Total Program Operations	$ 147,437	$ 342,600	$ 233,266	$ 109,334	62%	68%
Total Expenditures	**$ 2,333,831**	**$ 3,738,236**	**$ 2,529,469**	**$ 1,208,767**	68%	68%
Net Surplus/(Deficit)	**$ 271,629**	**$ (744,117)**	**$ 147,433**			

Olympic Region Clean Air Agency
Fund Balance
FY2026 - For the Perod Ending March 2026

	FY 2025 General Fund 7/1/24-3/31/25	FY 2026 General Fund 7/1/25-3/31/26
BEGINNING Fund Balance	$ 4,601,610	$ 4,500,402
Plus : Revenue Fiscal Year	2,605,459	2,676,903
Less: Expenditures Fiscal Year	2,333,831	2,529,469
Adj: Payroll	(1,392)	66
ENDING Fund Balance	$ 4,871,846	$ 4,647,769
General Fund Contingency Draw applied to FY Budget	$ -	$ -
Current Fund Balances:		
Contingency & Capital Funds		
Less: Expense Contingency (**20%** FY Budget less Title V Exps)	$ 496,757	$ 530,488
Less: Title V Contingency	99,369	40,000
Less: Tenants Security Deposits	3,600	3,200
Capital Funds		
Less for Office Building	150,000	39,000
Less for Monitoring Equipment	20,000	20,000
Less for Database/Equipment	285,000	135,000
Less for Vacation/Sick Leave	190,130	148,634
Less for Prepaid DRS	6,837	-
Commited/Restricted/Designated Funds	1,251,693	916,321
Contingency Fund		
Title V Program (due General Fund)	-	-
UNRESTRICTED Fund Balance	$ 3,620,154	$ 3,731,448

Olympic Region Clean Air Agency
MODIFIED Statement of Revenue, Expenditures, and Budget
FY2026 - For the Perod Ending March 2026

	FY2025 Actual 7/1/24-3/31/25	FY2026 Budget 7/1/25-6/30/26	FY2026 Actual 7/1/25-3/31/26	Modified Exp. FY2026 Adjusted Actual 7/1/25-3/31/26	Modified Utilization Comparison FY2025	FY2026
Total Revenue	**$ 2,605,459**	**$ 2,994,119**	**$ 2,676,903**	**$ 2,676,903**	86%	89%
EXPENDITURES						
Payroll						
Salaries	$ 1,479,338	$ 2,018,772	$ 1,495,992	$ 1,495,992	74%	74%
Employee Benefits	471,693	651,794	433,107	433,107	66%	66%
Total Payroll	$ 1,951,031	$ 2,670,566	$ 1,929,099	$ 1,929,099	72%	72%
Non-Payroll						
Office Supplies/Sm Supplies/Safety	$ 5,870	$ 8,200	$ 7,293	$ 4,917	48%	60%
Gasoline	2,852	6,200	2,946	2,946	46%	48%
Computer Hard/Soft./Supplies	9,056	29,800	14,459	14,459	32%	49%
Board of Directors Travel Reimbursement	11	300	-	-	1%	0%
Staff Training, Conferences, Travel	17,776	46,276	19,651	19,651	55%	42%
Professional Services	49,985	85,600	67,823	65,419	56%	76%
Telephone	10,214	16,000	9,298	9,298	60%	58%
Database	-	150,000	15,660	-	0%	0%
Advertising	634	-	-	-	0%	0%
Postage	5,982	8,300	6,389	6,389	95%	77%
Insurance (Bldg, Veh, Staff)	46,067	49,945	43,685	43,685	101%	87%
Wellness Program	293	670	257	257	51%	38%
Public Education and Outreach	21,313	28,983	17,685	17,685	89%	61%
Miscellaneous	134	1,500	2,321	2,321	13%	155%
Dues & Subscriptions	5,977	7,896	3,914	3,914	88%	50%
Audit/Acctg	20,839	2,500	2,451	2,451	97%	98%
Maintenance - Copier / Purchase	1,388	2,500	1,273	1,273	58%	51%
Vehicle Purchase	-	48,000	42,087	42,087	0%	88%
Level 2 EV Charger	-	-	-	-	0%	0%
Maintenance - Vehicles	1,833	5,000	877	877	37%	18%
Total Non-Payroll	$ 200,224	$ 497,670	$ 258,070	$ 237,631	56%	48%
Building Operations/Maintenance						
Utilities	$ 11,888	$ 20,000	$ 14,129	$ 14,129	63%	71%
Alarm Monitoring	1,354	15,000	29,654	29,654	0%	198%
Janitorial and Supplies	12,102	22,000	10,132	10,132	81%	46%
Maintenance Office Bldg.	9,795	24,400	15,223	8,854	28%	36%
Leasehold Improvements	-	146,000	39,897	-	0%	0%
Total Building Operations/Maintenance	$ 35,138	$ 227,400	$ 109,035	$ 62,770	34%	28%
Program Operations						
Woodsmoke Reduction/Recycle Program	$ 97,000	$ 157,200	$ 51,200	$ 51,200	87%	33%
IRA - ECY - Operational - Mt View	-	80,000	76,413	76,413	0%	96%
Ecology Oversight Fees	11,468	15,000	14,526	14,526	74%	97%
Lacey Mt. View Site Improvements	-	22,300	37,892	7,433	0%	33%
Monitoring Program - CPO	16,597	47,000	33,997	33,997	47%	72%
Monitoring Programs	1,205	2,700	1,912	1,912	27%	71%
OlyMAP Project	-	8,000	8,000	8,000	0%	100%
Professional Services-Legal (Friends of GH)	18,888	10,000	8,945	8,945	29%	89%
Security Deposit Refunds	2,280	400	381	381	0%	95%
Total Program Operations	$ 147,437	$ 342,600	$ 233,266	$ 202,806	62%	59%
Total Expenditures	**$ 2,333,831**	**$ 3,738,236**	**$ 2,529,469**	**$ 2,432,305**	68%	65%
Net Surplus/(Deficit)	**$ 271,629**	**$ (744,117)**	**$ 147,433**	**$ 244,598**		

One Time Expenditures	
Office Chairs	2,375.91
Database	15,660.00
EV Charger Fence	4,299.70
EV Charger	6,368.40
Heat Pumps	35,597.16
Mt View Monitoring Shelter	30,459.35
Bahokas Peak	2,403.75
	$ 97,164.27

The adjusted actual column deducts non-recurring expenditures from actual expenditures. Non-recurring expenditures are infrequent costs which are not expected to occur year over year. In addition, the non-recurring costs do not have a corresponding grant or revenue source, but are expensed from the general fund.

Discounting the one time expenditures from the actual expenditures, yields an increase of $97,164 to the ending net surplus balance. This increase raises the net surplus from $147,433 to $244,598 as of the end of March 2026.

ORCAA

OLYMPIC REGION CLEAN AIR AGENCY

Fiscal Year 2027 Consolidated Operating Budget

July 1, 2026 – June 30, 2027

DRAFT

Adopted [....]

Olympic Region Clean Air Agency FY2027 Budget Summary

This summary outlines ORCAA's draft FY2027 budget, specific budget details are included in the pages immediately following this summary. The budget is based on our best estimates, applying the Consumer Price Index (CPI) as directed in Board Resolutions 274 and 275, and identifying key highlights for both revenue and expenses. The following documents are included with the budget package:

- Budget Summary
- Revenue, Expenditures, and Appropriations from Contingency Funds
- Fund Balance
- Agency Efficiencies and Innovations
- Description of ORCAA's Programs & Grants
- List of planned building maintenance and leasehold improvements
- Salary Costs Adjustments & Dependent Coverage Contribution history
- FY2027 Salary Step Chart
- ORCAA Organizational Chart
- Fee Schedule
- Asbestos/Demo and Registration fee increase memos
- Briefing memo explaining the SIP update project
- Resolutions #274 and #275 that direct staff on fee and assessment increases

FY2027 Overall Highlights:

- Applying the CPI for the year ending December 2025 of 2.8% to fee programs.
- The budget includes 18.3 FTEs. The Financial Specialist position will remain unfilled. The Maintenance Technician positions will be reduced to a single staff member. Landscape duties will be consolidated under the single Maintenance Technician position. We have budgeted for a project position which is tasked with the update of the State Implementation Plan. The update is anticipated to last two years. We have budgeted roughly $15,000 for FY2027.
- Programs that are unfunded or underfunded rely on federal/state Core grant support and Assessment revenue. Unfunded programs include outdoor burning, and certain costs associated with the NSR program. Underfunded programs include air monitoring activities, Woodstove Education and Enforcement, and Woodsmoke Reduction programs.
- The budget draws $580,093 of Unreserved fund balance to balance the budget. Of that general fund draw, $27,000 is for database development and service costs which is covered by the Database reserve fund.
- The budget continues to maintain set aside funds for the following Board approved contingency and capital funds:
    - Expense Contingency
    - Title V
    - Tenant Security Deposits
    - Office Building

- Monitoring Equipment
- Database
- Vacation/Sick Leave

Summary of Revenue:

- Budget revenues are projected at $3.5 million including contingency fund draws.
- Grant revenues represent 15%, Fees and Assessments 61%, Penalties 4%, Rents/Miscellaneous/Interest 4%, and a deficit draw of 16% from the general fund.
- The agency receives grant funding from several governmental sources including the Environmental Protection Agency (EPA), the Washington State Department of Ecology (ECY), and the Energy Facility Site Evaluation Council (EFSEC).
- Federal and State Core grant funds assist in implementing comprehensive air quality control programs in seven major categories: enforcement, permitting, monitoring, public education, program development, technical and business assistance, and administration.
    - State Core funding was reduced by 65% for fiscal years 2026 and 2027. We will use all state Core funds in FY 2026 so we will have no state Core funds in FY2027. The federal Core remain essentially flat.
- Grants are multi-year contracts with terms ranging from 2-4 years and support programs that include:
    - PM2.5: a 4-year grant funded by Ecology to operate three air monitoring sites in Aberdeen, Lacey, and Port Angeles
    - NCore: a 4-year grant funded by EPA to operate a remote monitoring site in Neah Bay on the Makah reservation in Clallam County.
    - Woodstove Education and Enforcement is a 2-year grant funded by Ecology to educate woodstove dealers and the public about woodstove emissions, methods for achieving better efficiency and performance from woodstoves, and to meet the goals of the State and Federal Clean Air Acts.
    - Woodsmoke Reduction is a 2-year grant funded by Ecology that provides funds to remove stoves that are not compliant with 2020 standards – as well as other qualifying solid-fuel combustion devices – and ensures their destruction and allows for replacing devices with a cleaner and more efficient alternative.
    - EFSEC is a 2-year grant to provide technical review of air emissions, permitting and monitoring services and assist EFSEC in carrying out its regulatory oversight of the Grays Harbor Energy Combustion Turbine facility in Satsop, Washington.
- Fee programs include the 2.8% CPI, as per ORCAA Board Resolution #274.
- The Title V Program is mandated by federal law under the Clean Air Act. The program is to be self-sufficient, financed by fees collected from major sources, and not rely on general fund resources to support its operations. ORCAA staff prepare a workload analysis with a projection of costs for compliance monitoring, permit writing, enforcement, and reporting to assure compliance with air quality requirements.
    - ORCAA's Title V program fees will increase by 2.5% in FY2027. The FY2027 budget includes unspent funds from the previous fiscal year and funds that will contribute to a Title V contingency fund.

- Budget includes an increase in Asbestos and Demolition fees, and in Registration fees approved by the Board during the March 2026 meeting. See briefing memos included with this packet.
- Other income includes interest income on the agency's fund balance, penalty and settlement revenue, miscellaneous income, and rental income from ORCAA's 4 tenants.
    - Interest income is projected to be slightly lower than the current fiscal year as ORCAA draws down contingency funds. ORCAA is part of Thurston County Investment Pool (TCIP). The TCIP's 12-month average interest rate, measured at the end of December 2025, was 3.69%. ORCAA will continue to invest 100% of funds within the TCIP.

Summary of Expenses:

- Budgeted expenses total $3.5 million, a decrease of 5.17% over the approved amended budget for FY2026. The FY2027 budget is projecting a decrease in all non-payroll activity due to large non-routine purchases made in FY2026. Payroll expenditures, the largest portion of expenses, represent 78%; non-payroll 13%; Building-Maintenance and Operations 3%; Direct Operating 6% (Woodsmoke Reduction vendor payments, Ecology Oversight fees, CPO operations & maintenance).
- FY2027 expenditures include a project position with a budget of $15,000 for this fiscal year. The project position will be updating the agency's State Implementation Plan. The project position is expected to last up to two years and is an hourly, part-time position, which is overtime eligible. As a part-time position, it does not qualify for health or retirement benefits. (See briefing memo explaining this project included with the budget packet.)
- Salaries include a 2.8% salary increase as a cost-of-living adjustment.
- Paid Family and Medical Leave is funded through premiums paid by both employees and employers. ORCAA has elected to pay the employee portion of the premiums at an estimated annual cost of $17,127.
- Employers and employees typically share in the costs of Labor & Industries (L&I) premiums that cover workers' compensation claims. ORCAA has elected to pay the employee portion at an annual cost of $ $10,908.
- The budget includes 18.3 FTEs. We're delaying the rehiring of the Financial Specialist. Health benefits include a conservative 15% increase for the second half of the fiscal year. The PERS employer portion is estimated at 6.1%. The rates are subject to change based on changes to plan provisions, assumptions, and actual events.
- The budget includes a line item for Legal and Professional Services, which includes expenditures for legal counsel, process server, and $15,000 for other professional services employed during ORCAA operations.
- Continuation of an annual contract with The Rhizome Collective for ongoing maintenance and support of the ORCAA website for $2,500.
- IT Hardware and software purchases include required subscription costs for software, cybersecurity, cloud, onsite storage needs, planned upgrades for virtual machines, and customized and service costs for the new agency database.
- Continue contracting with ADP for payroll processing.

- Purchase of a new agency fleet vehicle to replace one of our older vehicles.
- FY2027 budgeted expenditures include continued support to OlyMAP for $8,000,
- Invest in maintenance and improvements of office building that include flooring and window replacements. Please refer to the List of planned building maintenance and leasehold improvements for additional details on maintenance projects.

Contingency & Capital Funds:

Contingency and Capital Funds represent balances set aside for a specific project or purpose. The Board has previously authorized by Resolution funds be set aside for emergencies, office building improvements, replacement of monitoring equipment, a new agency database, and payment of vacation and sick leave to employees. The ending fund balance for FY2027 is projected to be $3,183,694.

The current level of General Fund Expenses Contingency is set at 20%, which is equivalent to approximately 2-3 months of administrative and operations costs. The Title V program includes a separate restricted contingency to help offset program expenditures. A budgeted contribution of $20,000 to the Title V program fund is anticipated for FY2027. Two additional fund transfers have been included in the FY2027 budget. One is a transfer of $27,000 from the Database fund into the general fund to help cover customized database work and service maintenance costs. The second transfer of $31,000 will be made from the general fund to the Building fund. This will bring the Building fund to $100,000. It will be used to offset large capital expenditures related to the maintenance and improvement of our office building.

An adequate fund balance is critical, and though we cannot identify all risks, such as revenue volatility (i.e., large, unexpected changes to our federal or state grants), economic downturn, rental income loss, increased pension costs by DRS, increased medical costs, staff turnover and costs of retraining, having an adequate General Fund Contingency helps ensure stability.

The Undesignated Fund Balance is the balance available for appropriation and expenditure as approved by the Board for operations.

Managerial Funds:

Managerial funds are a set of accounts the Board may elect to hold and track funds but do not have a legal or mandated purpose. The managerial funds are merely an administrative tool to track specific activity. Managerial funds are optional and are considered part of the unrestricted general fund for reporting purposes. For example, the Board may elect to track penalty revenue in a managerial account to provide more transparency on these funds and how they are being used.

Olympic Region Clean Air Agency
Revenue, Expenditures, and Appropriations
For The Fiscal Year Ending

	FY2025 Actual 7/1/24 - 6/30/25	FY2026 Budget 7/1/25 - 6/30/26	FY2026 Actual 7/1/25 - 2/28/26	DRAFT FY2027 Proposed 7/1/26 - 6/30/27
REVENUE				
Grants				
WS Education Grant	11,398	11,398	2,515	10,773
WS Reducation Grant	181,626	148,000	58,552	157,200
Ecology Monitoring (PM2.5)	17,500	17,500	14,543	17,500
EPA - NCore Grant	70,634	90,462	88,887	117,823
CORE-Federal	201,124	139,657	-	229,792
CORE-State	152,023	134,210	-	-
IRA Grant with ECY	-	80,000	80,000	-
Total Grants	$ 634,304	$ 621,227	$ 244,497	$ 533,088
Fees				
AOP (Title V)	669,139	670,307	526,070	687,302
NSR	127,150	120,000	117,529	120,000
NOI	2,440	2,000	1,248	2,000
Annual Registration	421,319	422,000	427,986	440,000
Assessments	557,157	575,137	518,951	594,030
ECY Oversight	11,468	15,000	14,783	18,750
Asbestos	166,642	165,000	109,113	200,000
Land Clearing Burn	32,614	61,875	31,875	50,000
Outdoor Burning	-	-	-	-
EFSEC	31,178	73,073	31,696	65,692
Total Fees	$ 2,019,106	$ 2,104,392	$ 1,779,251	$ 2,177,774
Other				
Penalties	180,175	125,000	304,892	125,000
Investment Income	145,961	96,000	100,452	103,600
Miscellaneous Revenue	2,178	7,500	1,953	2,000
Building/Rental Income	43,484	40,000	25,977	30,720
Agency Deposit	20	-	-	-
Total Other Revenue	$ 371,818	$ 268,500	$ 433,274	$ 261,320
Total Revenue	$ 3,025,228	$ 2,994,119	$ 2,457,021	$ 2,972,182
EXPENDITURES				
Payroll				
Salaries	1,985,901	2,018,772	1,329,352	2,136,943
Benefits	622,117	651,794	385,977	638,228
Total Payroll	$ 2,608,018	$ 2,670,566	$ 1,715,328	$ 2,775,171
Non-Payroll				
Office Supplies & Minor Equip.	6,866	8,200	6,995	8,815
Gasoline for Vehicles	3,628	6,200	2,704	5,200
Computer Soft/Hardware/Supp	20,256	29,800	13,334	49,048
Database	-	150,000	15,660	58,485
Bd. Prof. Ser. & Travel Reimb.	11	300	-	300
Training/Conferences/Travel	19,992	46,276	18,691	33,761
Legal & Professional Services	73,223	85,600	64,330	108,100
Telephone	13,743	16,000	8,357	14,000
Advertising (Legal/Job Notic)	639	-	-	-
Postage	7,582	8,300	5,855	9,500
Insurance (Bldg, Veh, Staff)	46,067	49,945	43,685	50,000
Wellness Program	293	670	217	650
Public Education	33,514	28,983	16,332	22,330
Miscellaneous	331	1,500	4,871	1,500
Dues & Subscriptions	7,352	7,896	3,591	5,820
Audits/Accounting/CC Fee's	21,218	2,500	2,307	24,000
Maintenance - Copier	1,735	2,500	1,166	2,000
Maintenance - Vehicles	2,447	5,000	877	5,600
Vehicle Purchase	-	48,000	42,087	50,000
Total Non-Payroll	$ 258,896	$ 497,670	$ 251,059	$ 449,109
Building Operations & Maintenance				
Alarm Monitoring/Security	2,364	15,000	29,111	3,500
Utilities (Office Bldg.)	16,566	20,000	12,694	19,200
Janitorial & Supplies	16,386	22,000	10,132	18,750
Maintenance - Office Bldg.	12,685	24,400	14,295	23,270
Capital Expenditures	-	146,000	4,300	46,000
Total Building Operations & Mair	$ 48,001	$ 227,400	$ 70,532	$ 110,720
Program Operations				
OlyMAP Project	-	8,000	8,000	8,000
Woodsmoke Reduction/Recycl	118,500	157,200	41,600	157,200
ECY Oversight Fees	11,468	15,000	14,526	18,750
Refund of Security Deposits	2,280	400	381	-
Prof. Srs-Legal (Friends GH)	55,074	10,000	8,945	-
Mt. View Monitoring Site	-	22,300	37,892	2,000
Monitoring - NCore	22,450	47,000	32,493	12,888
Monitoring Supplies-PM2.5	66	-	7	250
IRA Grant (w/Ecology)	-	80,000	76,413	-
Monitoring-General	1,847	2,700	1,863	6,186
Total Program Operations	$ 211,684	$ 342,600	$ 222,120	$ 205,274
Total Expenditures	$ 3,126,599	$ 3,738,236	$ 2,259,039	$ 3,540,274
Net Surplus (Deficit)	$ (101,371)	$ (744,117)	$ 197,982	$ (568,093)

	FY2025 Actual	FY2026 Budget	FY2026 Actual	FY2027 Proposed
General Fund Appropriations				
General Fund Surplus Draw	(101,371)	(492,717)	-	(592,093)
Expense Contingency	(33,731)	-	-	-
Title V Contingency	59,369	(10,000)	-	(20,000)
Vacation Sick Leave	41,496	-	-	-
Database	-	150,000	150,000	27,000
Office Building	-	111,000	111,000	(31,000)
Tenants Security Deposit	-	400	400	-
Title V - AOP Fee Breakdown				
Yearly Fees	669,139	670,307	526,070	687,302
Title V Contingency	-	10,000	10,000	20,000
General Fund Draw	-	-	-	-

Olympic Region Clean Air Agency
Fund Balance
For The Fiscal Year Ending

				DRAFT
	Actual	**Budget**	**Actual**	**Proposed**
	FY2025 General Fund	**FY2026 General Fund**	**FY2026 General Fund**	**FY2027 General Fund**
	7/1/24 - 6/30/25	**7/1/25 - 6/30/26**	**7/1/25 - 2/28/26**	**7/1/26 - 6/30/27**
BEGINNING Fund Balance	4,601,610	4,228,141	4,500,402	3,484,024
Revenue Fiscal Year	3,025,228	2,994,119	2,457,021	2,972,182
Expenditures Fiscal Year	(3,126,599)	(3,738,236)	(2,259,039)	(3,540,274)
Accrued WA Cares	163	-	(641)	-
ENDING Fund Balance	$ 4,500,402	$ 3,484,024	$ 4,697,744	$ 2,915,931

	Actual	**Budget**	**Actual**	**Proposed**
	FY2025 Reserve	**FY2026 Reserve**	**FY2026 Reserve**	**FY2027 Reserve**
	7/1/24 - 6/30/25	**7/1/25 - 6/30/26**	**7/1/25 - 2/28/26**	**7/1/26 - 6/30/27**
Fund Balances (Fiscal Year-End):				
Contingency Funds				
Less: Expense Contingency (20% FY Budget less Title V Cont)	530,488	566,174	530,488	638,055
Less: Title V Contingency	40,000	50,000	40,000	70,000
Less: Tenants Security Deposits	3,600	3,200	3,600	3,600
Capital Funds				
Less: Office Building	150,000	69,000	150,000	100,000
Less: Monitoring Equipment	20,000	20,000	20,000	20,000
Less: Database/Equipment	285,000	135,000	135,000	108,000
Less: Vacation/Sick Leave	148,634	155,000	155,000	195,000
Less: WA Cares Premium (Employee Contribution)	1,803	-	-	-
Commited/Restricted/Designated Funds	1,179,524	998,374	1,034,088	1,134,655
Contingency Fund				
Add: Title V Program (due General Fund)	-	-	-	-
Unrestricted Fund Balance	$ 3,320,878	$ 2,485,650	$ 3,663,656	$ 1,781,277

	Actual	**Budget**	**Actual**	**Proposed**
	FY2025 Managerial	**FY2026 Managerial**	**FY2026 Managerial**	**FY2027 Managerial**
Unrestricted Fund Balance	$ 3,320,878	$ 2,485,650	$ 3,663,656	$ 1,781,277
Penalty Revenue	$ -	$ -	$ -	$ -
Modified Unrestricted Fund Balance	$ 3,320,878	$ 2,485,650	$ 3,663,656	$ 1,781,277

Program updates

Agency Efficiencies & Innovations

Summary

As a public agency, the Olympic Region Clean Air Agency (ORCAA) has a responsibility to use public funds in an efficient and transparent way. The agency has a long history of fiscal responsibility, and there's always room for improvement. We are looking for program efficiencies and new, innovative ways to do our work. We also look at program effectiveness; is the work we're doing achieving the statutory and regulatory goals while supporting the agency's mission? We work to stretch our public funds as far as possible. This sheet details some recent and ongoing efforts.

Administrative Program

The ORCAA Administration staff continue to improve business processes to reduce costs while improving services.

- ### Digitizing records

  As a public record agency, ORCAA manages an extensive number of physical records. Our Records Specialist meticulously logs and maintains those records until they reach the end of their legal retention period. At that time, the records must be securely destroyed or permanently preserved at the State Archives.

  To ensure compliance with our records retention requirements, ORCAA completed the secure destruction of approximately 160 boxes of records that had reached their legal retention limit. Additionally, several boxes of records are currently being prepared to be transferred to the State Archives.

  To further enhance efficiency, our administration team is prioritizing the digitization of current source records, ensuring staff has streamlined, instant access to vital information, while also ensuring the long-term resilience of our agency's data.

  This step also allows our Records Specialist to locate records and fulfill public records requests promptly and accurately.

- ### Developing a new agency database

  ORCAA uses an aging database that tracks compliance and permitting-related data for all our programs. ORCAA recently hired a database contractor to deliver a new cloud-based database system to more efficiently track these programs. The new database will include efficiencies for the agency and the regulated community including expanded online permitting and reporting features, public access to more data increasing transparency and reducing public records requests, and the ability for ORCAA to send required data electronically to EPA. ORCAA's database team is currently in the early stages of development with the contractor.

Air Monitoring Program

Federal and State funding for the monitoring program has largely remained static over the last decade despite rising costs. In Fiscal Year 2026, Washington Department of Ecology (Ecology) cut Core grant funding to local clean air agencies, including ORCAA, by 65 percent. While ORCAA has other grants with Ecology and the EPA to pay for some monitoring activities, the reduction in Core grant funds is being felt in our monitoring program. With the reduced funding in mind, increasing operational efficiency has allowed ORCAA to provide the same level of quality air information to our communities.

- ### Training additional staff

  ORCAA maintains air monitors throughout the region. Training inspectors to perform basic monitoring functions has cut down dramatically on travel time since inspectors must regularly drive near the monitoring sites during inspections and complaint responses.

- ### New sensor technology

  ORCAA is supplementing the air monitoring network with low-cost sensors developed by Ecology. These sensors generally require service once a year, rather than every few months.

- ### Crowdsourcing public air sensors

  As more public sensors are installed, ORCAA has leveraged that data to complete saturation studies without needing to install and manage data from additional air monitors as was done in the past. This saves field work time including hours on the road. The sensors also allow for quick response evaluations in communities to distinguish local hotspots from widespread air quality events.

- ### New datalogging software

  Ecology is currently replacing air quality datalogging software throughout the state. ORCAA is one of the first adopters of the new software. Certain program functions streamline the Quality Control process and cut down on administrative time filling out forms and submitting them to Ecology for data validation.

Compliance Program

The ORCAA Compliance Program includes both the Engineering and Inspection teams. Each of those teams has developed new efficiencies in recent months.

Some program-wide efficiencies include:

- Staggering inspections to prevent a concentration of staff in a single area during the same week. This strategic scheduling ensures staff can respond more efficiently to complaints while significantly reducing overall drive time.
- Reducing peer review on inspection reports and report reviews. Peer review still conducted on most AOP and synthetic minor reports, all source tests (except gas stations), emission inventory reviews, and all reports that result in NOVs.
- Implementing new report receipt procedures that get the reports to the correct reviewing staff quicker, reduces confusion, and supports timely reporting to the U.S. Environmental Protection Agency (EPA).

Engineering team

- Permit process streamlining

  To help streamline the Notice of Construction (NOC) permitting processes, ORCAA engineers have initiated several program efficiencies.

  - Staff has minimized the number of engineers who review routine NOCs.
  - Where available, staff refers applicants to the business assistance page on the ORCAA website for applicability and application packets rather than providing customized emails for each project.
  - Staff has developed standardized language for first-contact emails including SEPA first contacts for asbestos & demolition and construction jobs.

- Program education

  Staff created a New Source Review (NSR) flyer that inspectors hand out at inspections to encourage registered sources to contact ORCAA when they *begin* to plan changes, so they know if they need a permit. Early contact reduces enforcement time and cuts the potential additional costs to the source if they don't install BACT or must make changes to their permit applications.

  The Engineering team, working with the Inspection team and Communications staff, is connecting with city and county permitting and code-enforcement departments throughout our jurisdiction. The goal is to ensure new businesses, as well as businesses planning equipment changes, work with ORCAA early in the permitting process to ensure efficient compliance with ORCAA permitting regulations.

  The Engineering team is also developing how-to videos to help guide new businesses through the process of completing forms necessary for ORCAA permits.

Inspection team

- Asbestos & Demolition notification processes

  The Inspection team streamlined the asbestos & demolition notification process. This included assigning a primary and secondary inspector for each notification to address notifications, conduct follow-ups, and document issues with active cases.

- Complaint response

  Facing reduced funding levels from Ecology and EPA, the Inspection team is reducing the time spent on responding to outdoor burning complaints. Situations that are most likely to put public health at risk – smoke near sensitive populations (schools, health care facilities, etc.) or complaints referred to ORCAA by fire departments or other public safety agencies will receive in-person visits when possible. Most complaint responses will be by phone, email, or direct mail.

- Inter-agency coordination

  The Inspection Supervisor regularly meets with staff from Thurston and Mason County code-enforcement teams to discuss compliance cases and share information. These loose partnerships encourage Thurston and Mason County personnel to act as stewards for ORCAA

and pass along information related to ORCAA's purview. ORCAA staff do the same for county case work that ORCAA inspectors observe when out in the field. Staff are seeking similar coordination with the other counties.

The Inspection team, coordinating with the Engineers and Communications staff, initiated meetings with city and county planning and permit departments throughout the jurisdiction. This helps ensure all permitting agencies are sharing ORCAA's requirements for asbestos and demolition projects with their permit applicants.

- Program education

  ORCAA staff spend considerable time responding to public queries via phone calls or in-office visits. Staff has sought to reduce the number and duration of those contacts by providing educational and informational tools for public use.

  - **How-To videos.** The Communications staff and Inspection team have developed a series of how-to videos explaining how to complete our online forms for asbestos & demolition notifications, land clearing burn permits, and filing a complaint.
  - **Website revisions.** Improvements continue to be made to our agency website to ensure the public can easily and efficiently find the resources they need.
  - **Direct outreach to the public.** Agency staff attend public outreach events such as home & garden shows, farmers' markets, and public festivals. Prevention of problems through education is more efficient than compliance enforcement after problems develop.

- Outdoor burn program improvements

  ORCAA is expanding its residential burn notification program to the entire ORCAA jurisdiction. This free, voluntary, on-line service provides people with information they need for safe, legal, yard-waste burns before they ignite their piles. It also provides ORCAA and partner fire agencies with the means to reach out to burners should problems arise.

Programs & Grants

Purpose: To identify and describe State/Federal grants, programs and revenue sources adminstered by ORCAA

Grants	Description
ECY-Core: Federal & State	Performance Partnership Grants (PPE) program- Section 105 of the Clean Air Act are funds that support the Agency's core air quality programs and are distributed through the Washington State Department of Ecology. The funds assist in implementing comprehensive air quality control program in seven major categories: Enforcement, Permitting, Monitoring, Public Education, Program Development, Technical & Business Assistance, and Administration.
ECY- Woodstove Education & Enforcement Program - State	Funding is provided under Chapter 173-433 WAC, Solid Fuel Burning Devices. The Program is designed to protect & enhance air quality within our jurisdiction and to meet the goals of the State and Federal Clean Air Acts. The funds support education including advertising, public service announcements, and costs associated with the implementation of Woodstove Public Education and Enforcement, and monitoring. Funds provided by Washington State Department of Ecology from fees collected on the sale of solid fuel burning devices.
ECY- Woodsmoke Reduction Program - State	Funding provided by the Legislature to improve local air quality by reducing PM2.5 pollution originating from woodstoves and other solid-fuel heating devices. The program provides funds to remove stoves that are not compliant with 2020 standards – as well as other qualifying solid-fuel combustion devices, and ensures their destruction and allows for replacing devices with a cleaner and more efficient alternative. ORCAA administers a Wood Smoke Reduction Program in all six counties in ORCAA's jurisdiction.
ECY- PM 2.5 Monitoring - Indirect Federal	Funding source is Section 103 of Clean Air Act. Funds are used to operate nephelometers at Mt. View Elementary - Lacey, Harbor High School - Aberdeen, Stevens School - Port Angeles. CFDA #: 66.034
EPA- NCore - Direct Federal (Formerly CPO)	Funding allows ORCAA to provide real-time web-based access to air quality data for the western tip of Washington State on the Makah reservation. ORCAA performs necessary data collection, data validation, data acquisition, instrument quality control and maintenance functions, planning, equipment purchasing, air quality forecasting, and administration. Funding source is Section 103 funding that includes a contract directly with EPA since 2004.
Energy Facility Site Evaluation Council (EFSEC) - State	The funding is used to provide technical review of air emissions, permitting and monitoring services, and assist EFSEC in carrying out its regulatory oversight of Grays Harbor Energy Combustion Turbine facility. This is a natural gas-fired electric generation facility located in Grays Harbor County. ORCAA has been providing engineering and compliance services since 2007.
Fee Programs	
Air Operating Permit (Title V) - Federally Approved State Program	ORCAA has been delegated authority by ecology to administer the federally approved state Air Operating Permit (AOP) program in its jurisdiction. ORCAA issues AOPs to sources required to obtain an AOP under Chapter 173-401 WAC (including major sources*). AOPs incorporate and clarify all air requirements that apply to equipment and establish necessary monitoring, record keeping and reporting conditions. AOPs are required to be renewed every five years, during which time they are subject to a public comment period and review by EPA. There are currently 11 sources subject to the AOP program in ORCAA's jurisdiction. (Fee authority - RCW 70A.15.2270) *Major Sources are those with a potential to emit more than 100 tons per year of any criteria pollutant, greater than 10 tons per year of hazardous air pollutant (HAP) , or greater than 25 tons per year of any combination of HAPs.
NSR Program (Minor)	Pursuant to RCW 70A.15.2210 (formerly 70.94.152), New Source Review (NSR) refers to the regulatory process designed to facilitate & evaluate compliance with air permitting requirements prior to construction, installation, modification or establishment of any new air pollution source. The goal is to ensure new sources are established in compliance with applicable air regulations and standards. Lumber mills, boilers, rock crushers, coffee roasters, crematories, and hot mix asphalt plants are examples of facilities that are required to comply with NSR. In most cases, NSR is initiated through submittal of a Notice of Construction (NOC) application.
Notice of Intent	Pursuant to RCW 70A.15, ORCAA has established a Notice of Intent (NOI) program for notification prior to the establishment of certain sources. A NOI is required prior to establishment of nonroad engines. In addition, the following sources may file a NOI in lieu of filing a NOC: 1) relocation of temporary portable stationary sources who already have complied with NSR requirements, 2) new or modified stationary sources whose emissions are below de-minimis thresholds, and 3) gasoline dispensing facilities that meet certain criteria. ORCAA may establish enforceable conditions of operation through a Regulatory Order as needed to assure compliance with applicable air pollution control requirements.
Asbestos	Fees are collected for asbestos removal and building demolitions to control the emission of toxic air pollutants and to provide uniform enforcement of air pollution control in ORCAA's jurisdiction. Asbestos is a federally regulated Hazardous Air Pollutant under 40 CFR Part 61 Subpart M.
Outdoor Burning & Land Clearing	Pursuant to WAC 173-425-070: Outdoor burning in any area within ORCAA's jurisdiction requires a permit, with the exception of certain city limits, municipal boundaries and Urban Growth Areas where outdoor burning is prohibited. Permits are issued for land clearing burning and agricultural burning as allowed for in state regulations.

Registration	Pursuant to RCW 70A.15.2200 (formerly 70.94.151), air contaminant sources are required to register with ORCAA. ORCAA maintains a current and accurate record of stationary sources used to evaluate the effectiveness of air pollution control strategies and to verify stationary source compliance with applicable air pollution requirements. Fees are collectined to cover the cost of adminstiering the registration program including but not limited to inspections, report reviews, and emission inventory. (Fee authority - RCW 70A.15.2200)
Assessments	RCW 70A.15.1600 (formerly 70.94.093) provides for additional income to be obtained to fund local air agencies, referred to as "supplemental income" in the RCW. Each municipality within ORCAA's jurisdiction is required to pay a portion of the supplemental income. This can be based on assessed valuation of property within ORCAA's boundary, the population, or an equal combination of the two methods. ORCAA utilizes the population method and charges a "per capita" fee per citizen.
Civl Penalties	Civil penalties are a result of enforcement actions. Any person or business who violates any of the provisions of chapter RCW 70A.15 (formerly 70.94) or any of the rules or regulations in force, may incur a penalty in an amount not to exceed $14,915 per day for each violation, as set in ORCAA's regulations.

FY2027 Building Improvements and Maintenance Costs

Maintenance Ongoing/Annual			
New HVAC service contract			3,400.00
Sunrise pest control			1,200.00
Fire alarm inspection City of Olympia			200.00
Fire extinguisher inspection			100.00
Miscellaneous Projects			10,100.00
		$	15,000.00
Tenant	**Contractor or ORCAA Staff**		
Add indoor tenant signs	ORCAA		1,250
Replace bathroom and kitchen flooring	ORCAA		1,300
Replace warehouse door with pushbar door	ORCAA		2,000
ORCAA			
Replace carpeting in large conference room	Contractor		21,000
Paint three other walls of building	ORCAA		1,720
Replace windows	Contractor		25,000
New lab door with pushbar	ORCAA		2,000
		$	54,270.00

Salary Cost Adjustments & Dependent Coverage Contribution History

				DepCoverage Per Mo.
Pending Approval		**2.80%**	**Fiscal Year 2027** **July 1, 2026- June 30, 2027**	**$ 525**
Board Approved	**6/12/2025**	**2.30%**	**Fiscal Year 2026** **July 1, 2025- June 30, 2026**	**$ 525**
Board Approved	**6/12/2024**	**3.50%**	**Fiscal Year 2025** **July 1, 2024- June 30, 2025**	**$ 525**
Board Approved	**6/14/2023** **Implemented Salary Survey**	**4.00%**	**Fiscal Year 2024** **July 1, 2023- June 30, 2024**	**$ 525**
Board Approved	**6/8/2022**	**4.0% Sal Adj**	**Fiscal Year 2023** **July 1, 2022- June 30, 2023**	**$ 525**
Board Approved	**6/9/2021**	**1.4% Sal Adj**	**Fiscal Year 2022** **July 1, 2021- June 30, 2022**	**$ 525**
Board Approved	**5/13/2020**	**1.5% Sal Adj**	**Fiscal Year 2021** **July 1, 2020- June 30, 2021**	**$ 525**
Board Approved	**6/12/2019**	**2.9% Sal Adj**	**Fiscal Year 2020** **July 1, 2019- June 30, 2020**	**$ 525**
Board Approved	**6/13/2018**	**3.0% Sal Adj**	**Fiscal Year 2019** **July 1, 2018- June 30, 2019**	**$ 525**
Board Approved	**5/10/2017**	**1.7% Sal Adj**	**Fiscal Year 2018** **July 1, 2017 - June 30, 2018**	**$ 525**
Board Approved Plus	**6/8/2016** **3rd PhaseSalary Survey**	**1.4% COLA**	**Fiscal Year 2017** **July 1, 2016 - June 30, 2017**	**$ 525**
Board Approved Plus	**6/10/2015** **2nd PhaseSalary Survey**	**1.8% COLA**	**Fiscal Year 2016** **July 1, 2015 - June 30, 2016**	**$ 525**
Board Approved Plus	**6/11/2014** **1st Phase Salary Survey**	**2% COLA**	**Fiscal Year 2015** **July 1, 2014 - June 30, 2015**	**$ 525**

SALARY CHART

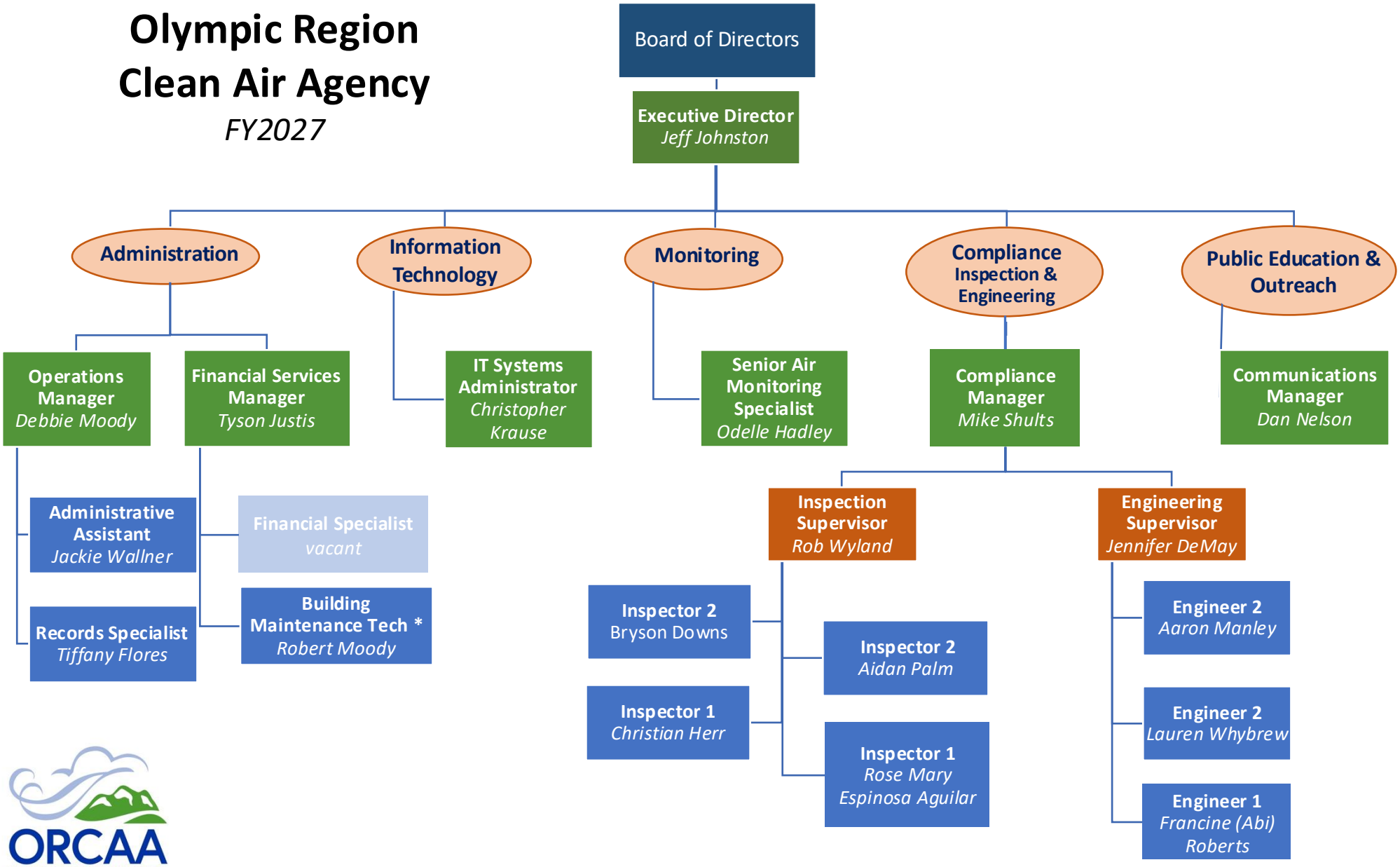
FY2027 with a 2.8% Salary Adjustments (COLA)

Range		Steps A	B	C	D	E	F	G	H	I	J	K	Job Titles
22	Monthly	4,951	5,100	5,253	5,410	5,573	5,740	5,912	6,090	6,272	6,460	6,654	Administrative Assistant
	Annual	59,410	61,199	63,037	64,924	66,873	68,884	70,944	73,078	75,262	77,519	79,851	
23	Monthly	5,297	5,456	5,621	5,790	5,962	6,142	6,325	6,516	6,712	6,912	7,120	------
	Annual	63,567	65,467	67,453	69,476	71,549	73,708	75,903	78,198	80,542	82,947	85,439	
24	Monthly	5,722	5,892	6,070	6,252	6,439	6,633	6,832	7,037	7,248	7,465	7,689	Inspector 1
	Annual	68,662	70,710	72,844	75,028	77,273	79,592	81,985	84,440	86,981	89,584	92,273	
25	Monthly	6,179	6,365	6,556	6,753	6,955	7,163	7,378	7,599	7,828	8,062	8,305	Financial Specialist, Records Specialist
	Annual	74,152	76,385	78,667	81,035	83,465	85,957	88,535	91,188	93,939	96,739	99,663	
26	Monthly	6,735	6,938	7,146	7,360	7,582	7,809	8,043	8,284	8,532	8,788	9,052	Inspector 2
	Annual	80,825	83,256	85,748	88,326	90,978	93,704	96,517	99,403	102,389	105,460	108,618	
27	Monthly	7,342	7,561	7,788	8,023	8,264	8,511	8,767	9,029	9,300	9,580	9,867	Communications Manager
	Annual	88,104	90,731	93,458	96,270	99,169	102,130	105,201	108,347	111,604	114,959	118,401	
28	Monthly	8,002	8,243	8,490	8,744	9,007	9,277	9,555	9,841	10,138	10,441	10,755	Operations Manager, IT Systems
	Annual	96,023	98,910	101,883	104,930	108,088	111,320	114,663	118,093	121,658	125,297	129,059	Administrator, Inspector 3, Engineer 1
29	Monthly	8,803	9,067	9,338	9,618	9,909	10,204	10,511	10,826	11,152	11,485	11,830	Sr. Air Monitoring Specialist, Engineer 2
	Annual	105,633	108,804	112,060	115,416	118,907	122,447	126,136	129,910	133,821	137,818	141,963	
30	Monthly	9,683	9,974	10,273	10,580	10,898	11,226	11,562	11,908	12,265	12,633	13,013	Financial Services Manager, Inspection
	Annual	116,193	119,684	123,274	126,962	130,774	134,709	138,743	142,900	147,181	151,597	156,161	Supervisor
31	Monthly	10,652	10,971	11,300	11,639	11,988	12,347	12,718	13,099	13,493	13,898	14,314	Engineering Supervisor
	Annual	127,826	131,650	135,597	139,668	143,850	148,168	152,621	157,185	161,910	166,770	171,766	
32	Monthly	11,716	12,068	12,431	12,803	13,186	13,583	13,990	14,409	14,842	15,287	15,745	Compliance Manager
	Annual	140,593	144,812	149,167	153,633	158,234	162,996	167,881	172,914	178,107	183,449	188,938	

3.0% Increase between steps

Olympic Region Clean Air Agency

FY2027



ORCAA
OLYMPIC REGION CLEAN AIR AGENCY

* *part-time*

Updated: March 30, 2026

Agricultural Burning Fee Schedule

Effective July 1, ~~2025~~2026

Agricultural Burn Permit Fee – ORCAA Rule 3.4(a)*

Fee	Minimum Fee	Variable Fee
Field Burning	$37.50 for the first 10 acres	$3.75 for each additional acre
Spot Burning	$37.50 for 10 acres or less	None
Pile Burning	$80 for the first 80 tons	$1.00 for each additional ton

***These fees are exempt from Resolution 268.**

Asbestos and Demolition Fee Schedule

Effective July 1, ~~2025~~2026

Asbestos and Demolition Fees – ORCAA Rule 3.5

ASBESTOS PROJECT – Per Structure	**Notification Fee**
Single Family Residential	$ ~~47~~100
10 - 259 linear feet or 48 - 159 square feet	$ ~~201~~250
260 - 999 linear feet or 160 - 4,999 square feet	$ ~~435~~500
1,000 - 9,999 linear feet or 5,000 - 49,999 square feet	$ ~~871~~1000
10,000+ linear feet or 50,000+ square feet	$ ~~1742~~2000
Annual Notification (limited to 260 linear feet or 160 square feet maximum)	$ ~~670~~750
Emergency	$ ~~67~~ Double the project fee, ~~plus notification fee~~
All fees are non-refundable	

DEMOLITION PROJECT – Per Structure	**Notification Fee**
Single Family Residents (AHERA Survey Required)	$ ~~47~~100
Commercial Structure (AHERA Survey Required)	$ ~~80~~200
Emergency Project	$ ~~67 plus notification fee~~Double the project fee
All fees are non-refundable	

Land Clearing Burning Fee Schedule

Effective July 1, ~~2025~~2026

Land Clearing Burning Permit Fee – ORCAA Rule 3.4(b)

The Land Clearing Burn Permit fee shall be $~~275~~ 283 for one acre or less. For greater than one acre, the fee will be $~~275~~ 283 per acre cleared, rounded to the nearest full acre. All fees are non-refundable.

Notice of Construction (NOC) Fee Schedule

Effective July 1, ~~2025~~2026

NOC Fees - ORCAA Rule 3.3(a)

Filing Fee
\+ Additional NOC Processing Fees
\+ Other Costs
NOC Fee

Filing Fee - ORCAA Rule 3.3(b)

Complexity Fee
\+ Equipment or Process Fee(s) (for each piece of equipment or process, unless they are identical per 3.3(b)(2)
Filing Fee

To determine the complexity fee for your application, first identify all the equipment~~/activities~~ or processes you plan to add or modify. Then, add the base-fee hours for each item to determine the total base-fee hours for your application. Use that total to identify the appropriate Complexity Fee. If you are installing multiple pieces of equipment or processes of the same type, include the base fee-hours for each unit (unless they are identical per ORCAA Rule 3.3(b)(2)). For example, installing a 25 lb/batch coffee roaster and a 75 lb/batch coffee roaster results in 14 total base-fee hours, which places the project in Complexity Level 2.

Level 1 – ≤9 total base-fee hours **Level 2 – 10-18 total base-fee hours**
Level 3 – 19-33 total base-fee hours **Level 4 – ≥34 total base-fee hours**

Complexity Fee~~1~~

Complexity Level	Fee
Complexity Level 1	$ ~~1354~~1392
Complexity Level 2~~1~~	$ ~~2710~~2786
Complexity Level 3~~1~~	$ ~~4532~~4659
Complexity Level 4~~1~~	$ ~~10967~~11275

Equipment or Process Fee

Equipment/~~Activity~~Process	**Fee**	**Base-Fee Hours**
Abrasive Blasting	$ ~~520~~535	5
Asphalt Plant	$ ~~3853~~3961	37
Combustion Equipment not otherwise listed (Million Btu/hr heat input at design capacity)		
Less than 10	$ ~~1249~~1284	12
10 or more but less than 30	$ ~~1355~~1392	13
30 or more but less than 100	$ ~~2707~~2783	26

100 or more	$ ~~729~~17495	70
Temporary Combustion Equipment (Onsite < 1 year)	One half the filing fee	One half of the base-fee hours
Coffee Roaster	$ ~~729~~749	7
Composting Operation (Average material throughput – tons per day)		
Less than 50	$ ~~135~~41392	13
50 or more but less than 200	$ ~~2395~~2462	23
More than 200	$ ~~3541~~3640	34
Concrete Batch Plant	$ ~~2083~~2141	20
Crematory	$ – ~~1146~~1178	11
Dry Cleaner (per machine)	$ ~~729~~749	7
Dry Kilns	$ ~~135~~41392	13
Emergency Engine – cumulative horsepower < 2000 bhp	$ ~~937~~963	9
Emergency Engine -cumulative horsepower ≥ 2000 bhp	$ ~~1874~~1927	18
Non-Emergency Engine (per engine)	$ ~~135~~41392	13
Gasoline Dispensing Station	$ ~~729~~749	7
Log yard	$ ~~729~~749	7
Printing	$ ~~729~~749	7
Process Equipment ≤20,000 cubic feet per minute at design capacity	$ – ~~1042~~1071	10
Rock Crushing Plant – includes General Order	$ ~~520~~535	5
Soil Remediation	$ ~~135~~41392	13
Spray Painting – Autobody (per operation/booth)	$ ~~833~~856	8
Surface Coating – Aviation, Wood, Truck Bed Lining, Boat, Other (per operation/booth)	$ ~~1459~~1500	14
Storage Tanks ≤10,000-gallon total capacity (other than at retail gasoline dispensing stations)	$ ~~937~~963	9
Wastewater Treatment Plant	$ ~~2187~~2248	21
Welding	$ – ~~1042~~1071	10
Other Equipment or processes not listed above - ~~Small[2]~~Small[1]	$ ~~520~~535	5
Other Equipment or processes not listed above - ~~Medium[2]~~Medium[1]	$ ~~1458~~1499	14
Other Equipment or processes not listed above - ~~Large[2]~~Large[1]	$ ~~3541~~3640	34
In-Kind Replacements –Replacement of equipment with a unit of same or smaller size and combusting the same or cleaner fuel (if applicable). This fee reduction does not apply to asphalt plants, combustion equipment >30 MMBtu/hr, or other replacements at the discretion of the Executive Director.	One half the applicable filing fee	One half the associated base-fee hours

Control Device Replacement/Change in Conditions (No Complexity Fee)

Equipment/Activity	Fee	Base-Fee Hours
Control Device Replacement per ORCAA Rule 6.1.10 NOC	$ ~~833~~856	8
Change in Conditions per ORCAA Rule 6.1.~~11[3]~~-11[2] NOC	$ ~~729~~749	7

Additional NOC Processing Fees - ORCAA Rule 3.3(c)

Additional NOC Processing fees, including work that exceeds the base-fee hours, will be billed at the following hourly rate as specified in ORCAA Rule 3.3(d).

Hourly Rate	$ ~~104.14~~107.06

Other Costs - ORCAA Rule 3.3(d)

Publishing and consulting costs incurred will be billed to the applicant as specified in ORCAA Rule 3.3(d).

Variance per ORCAA Rule 2.3, Compliance Schedule per ORCAA Rule 2.6(f), or Restricting the Potential to Emit per ORCAA Rule 5.3 (SMO)

Fees	Fee	Base-Fee Hours
Filing Fee	$ ~~1458~~1499	14
Add'l processing costs above allowed hours – per hour	$ ~~104.14~~107.06	
Actual legal notice fees	Actual cost	
Actual ORCAA legal fees	Actual cost	

~~[1]**Complexity Fee – Level 1, Level 2, Level 3 and Level 4**~~

~~The following includes equipment that would be considered in each permit complexity class if installed by themselves. If the application includes more than one piece of equipment/process or if your equipment/process is not listed, please contact ORCAA Engineering Department for a complexity determination for your project.~~

~~To determine the complexity fee for your application, first identify all the equipment/activities you plan to add or modify. Then, add the base-fee hours for each item to determine the total base-fee hours for your application. Use that total to identify the appropriate Complexity Fee. If you are installing multiple pieces of equipment of the same type, include the base-fee hours for each unit (unless they are identical per ORCAA Rule 3.3(b)(2)). For example, installing a 25-lb/batch coffee roaster and a 75-lb/batch coffee roaster results in 14 total base-fee hours, which places the project in Complexity Level 2.~~

~~**Level 1**~~
~~Abrasive Blasting~~
~~Coffee Roaster~~
~~Dry Cleaner~~
~~Emergency Engine ≤2000bhp~~
~~Gasoline Dispensing Facilities~~
~~Rock Crushing Plant~~
~~Spray Painting – Autobody~~
~~Storage Tanks <10,000-gallon capacity - excluding gasoline dispensing facilities~~

~~**Level 2**~~
~~Combustion Equipment <30 MMBtu/hr~~
~~Compost <50 ton/day~~
~~Cremator~~
~~Emergency Engine ≥2000bhp~~
~~Non-Emergency Engine~~
~~Process Equipment~~
~~Soil Remediation~~
~~Surface Coating (excluding autobody)~~
~~Welding~~

~~**Level 3**~~
~~Combustion Equipment 30-100 MMBtu/hr~~
~~Compost 50-200 tons/day~~

~~**Level 4**~~
~~Asphalt Plant~~
~~Combustion Equipment >100 MMBtu/hr~~

~~[2]Equipment~~ [1]Equipment or process fees, for other equipment or processes not classified above, are~~is~~ determined based on the size and the type of the unit or process. Please contact ORCAA's Engineering Department for assistance.

~~[3]Changes~~ [2]Changes in Conditions that will result in an emissions increase ~~are reviewed as a~~ meet the definition of a "modification" and cannot be processed as a Change in Condition per ORCAA Rule 6.1.11.

Notice of Intent (NOI) Fee Schedule

Effective July 1, ~~2025~~2026

NOI Fees - ORCAA Rule 3.6

Category	Fee
Asphalt Plant	$ ~~4121~~4236
Boiler	$ ~~1205~~1239
Concrete Batch Plants	$ ~~789~~811
Nonroad Engines	$ ~~1101~~1132
Rock Crushers	$ ~~1413~~1453
Other Equipment Not Classified Above	$ ~~1126~~1158

NOI Fees - ORCAA Rule 3.6 – Exemption under ORCAA Rule 6.4(a)(2)

Stationary source qualifying for exemption from New Source Review under ORCAA Rule 6.1(b)	$ ~~624~~642
Additional processing costs exceeding 6 hours for sources submitting an NOI for exemption under ORCAA Rule 6.1(b) who request assistance with documenting the stationary source's potential to emit	$ ~~104.14~~107.06/hr

NOI Fees - ORCAA Rule 3.6 – Exemption under ORCAA Rule 6.4(a)(3)

Gasoline Dispensing Facilities qualifying for exemption from New Source Review under ORCAA Rule 6.1(b)	$ ~~312~~321

Olympic Region Clean Air Agency Fee Schedules
Effective July 1, ~~2025~~2026

Registration Fee Schedule

Registration Fee - ORCAA Rule 3.1 (b)

Registration Class (RC)	Registration Class Fee Amount	Emission Fee
RC1	$ ~~2177~~2286	$ ~~67~~ 70 per ton
RC2	$ ~~1943~~2040	$ ~~67~~ 70 per ton
RC3	$ ~~1742~~1830	$ ~~67~~ 70 per ton
RC4	$ ~~804~~845	N/A
RC5	$ ~~322~~338	N/A
Gasoline Dispensing Facility Review Fee (RC5 only)	110	N/A

Re-inspection fee ORCAA Rule 3.1(i)

Re-inspection fee	$~~134~~ 141 per inspection

Briefing Memo

Asbestos and Demolition Fees

Wednesday January 14, 2025

To: ORCAA Board of Directors

From: Mike Shults (Compliance Manager), Rob Wyland (Inspection Supervisor) & Jeff Johnston (Executive Director)

Re: Request to increase asbestos and demolition notification fees bringing the program closer to full cost recovery.

Executive Summary

ORCAA processed more than 300 Asbestos and 300 Demolition notifications in FY2025. After analyzing the program budget, we found the current asbestos and demolition fees fail to cover the cost of the program. With this proposal, staff seeks approval to move ahead with a new fee structure starting in the Fiscal Year 2027 (FY2027) budget. This would include a rule change allowing us to require notifications for each structure, rather than each property. The proposed fee change would be in alignment with the fees of the other local air agencies.

Requested Committee Action

Approve the proposed asbestos and demolition fee increase to be included in the draft FY2027 budget to be considered by the Board this spring.

Budget Impact

Increasing the fees, as detailed below, is projected to increase program revenue from a 3-year average of $158,643 to $200,450 (26%) assuming the same quantity and types of notifications. This is still short of our FY2025 expenses of $225,370, but, when combined with program efficiencies will get ORCAA close to full cost recovery (see explanation below for more details).

Background

Asbestos is a hazardous additive in many building materials. Despite common misconceptions, asbestos remains in use in products used in this country, and it is commonly found in many structures. Asbestos is an airborne pollutant that poses a serious risk to human health and can be released during demolition and renovation projects. Exposure to asbestos can cause long-term damage to the respiratory and cardiovascular systems.

ORCAA Regulations require asbestos and demolition notifications throughout ORCAA's jurisdiction. Federal NESHAP (National Emission Standards for Hazardous Air Pollutants) rules also require notifications for specific commercial projects involving renovation and demolition. ORCAA Rule 6.3 specifies the circumstances when notifications are necessary for demolition and renovation activities.

In accordance with Board Resolution 268, ORCAA has increased asbestos and demolition notification fees annually according to the designated Consumer Price Index (CPI) for more than 10 years. During

that time, the costs for processing, inspecting, and handling complaints have risen faster than our notification fees. ORCAA is exploring efficiencies in the asbestos and demolition programs, while considering fee increases to recover full costs.

ORCAA Regulation 3 specifies that *"The Fee Schedules will be reviewed periodically to determine if the fee revenue collected is sufficient to recover program costs."* The workload analysis for the asbestos/demolition program includes looking at payroll direct, payroll indirect (i.e., employee benefits), and nonpayroll (i.e., office supplies, gasoline, etc.) costs of the program.

ORCAA issues more than 300, each, of asbestos and demolition notifications per fiscal year, with current fees ranging from $47 for residential asbestos work to $1,742 for commercial asbestos removal. The most common asbestos fee is $435 for a commercial project. Demolition fees are a flat $47 for single-family residences and $80 for commercial projects.

Analyzing data over the past 3 years shows the agency operated with an average deficit of approximately $60,000 per fiscal year in this program. To cover program costs, staff recommends the fee increases in the table below which should result in recovering approximately 90% of the program costs. The other 10% of costs should be recovered through operational efficiencies.

On average ORCAA inspectors do a more extensive review of commercial notifications and inspections of these sites as they have a potential for public exposure. For commercial renovations or demolitions, the proposed cost is relatively low compared to other project costs. The asbestos size categories will remain the same. The smallest category fee will increase by 24%, all other fees will increase by 15%. We propose the emergency fee be double the project fee because they take a timelier review and according to other local air agencies it eliminates the frivolous "emergency" claims. This emergency fee has become the standard for most other Washington Local Clean Air Agencies.

Recommended Asbestos and Demolition Fee Increases

Asbestos Fees		
Fee Category	**Current Amount**	**Proposed Amount**
Single Family Residence – by Owner	$47	$100
10-259 linear ft or 48-159 sq. ft.	$201	$250
260-999 linear ft. or 160-4,999 sq. ft.	$435	$500
1,000-9,999 linear ft. or 5,000-49,999 sq. ft.	$871	$1,000
Great than 9,999 linear ft. or 50,000 sq. ft	$1,742	$2,000
Annual (limited to 260 linear ft. or 160 sq. ft.	$650	$750
Emergency	$65	Double Project Amount
Demolition Fees		
Single Family Residence – by Owner	$47	$100

Commercial and Other	$80	$200
Emergency	$65	Double Project Amount

Efficiencies recently implemented include “how to fill out a notification” video, batching inspections and complaints with other program inspections, further training and development of staff, and improvements with the new database. These improvements are just the start of our search for efficiencies. Staff will continue to think about ways to keep costs down and operate as efficiently as possible.

The requested increase in the asbestos and demolition notification fees is part of ORCAA’s effort to cover the cost of operating our fee programs. Staff are also looking closely at other fee programs (Registration and New Source Review) and will make recommendations to the Board about adjusting those fees in the coming months.

Briefing Memo

Registration Fees

February 11, 2026

To: ORCAA Board of Directors

From: Mike Shults (Compliance Manager), Jeff Johnston (Executive Director)

Re: Request to increase registration fees to cover the direct costs of the program

Executive Summary

ORCAA has more than 600 registered sources. After analyzing the program budget, we found the current registration fees fail to cover the direct costs of the program. With this proposal, staff seeks approval to implement a 5 percent fee increase and an additional fee for some gasoline dispensing facilities (GDF) for the fiscal year 2027 (FY2027) budget. These fees will allow the direct costs of the Registration program to be covered. RCW 70A.15.2200 and ORCAA Rule 3.1 allow ORCAA to set fees to cover only the direct costs of administering the registration program. The direct portion of registration expenditures is about $459,000 while the indirect (non-fee eligible) costs are less and are not billable through registration fees. The indirect costs (i.e., management time, IT support, ambient monitoring) must be covered by other revenue sources such as assessments and core grant funds.

Requested Committee Action

Staff seeks approval of the proposed registration fee increase of five percent (5 percent), to be included in the draft FY2027 budget, for consideration by the Board. This increase includes a 2.8 percent increase based on the Consumer Price Index (CPI), as specified in Board Resolution 274 and an additional 2.2 percent increase. This 5 percent increase includes the registration base fee and the pollutant fee that is charged to sources in classes RC1-RC3. We also propose the creation of a GDF review fee to cover the costs of inspecting these facilities. See table below.

Budget Impact

Increasing the fees, as detailed below, is projected to increase program revenue from a 2-year average of $455,000 to $477,000, assuming the same number and types of registered sources. This will allow us to collect enough fees to cover the direct costs of the program. It is important to realize that this is the direct costs only. Our indirect costs are evaluated separately, and we will continue to look for ways to reduce costs.

Background

Registration fees help ORCAA maintain the region's air quality at a level that meets federal and state standards, and pay for the following activities: inspections, public education, complaint response, emission inventory, enforcement, interagency assistance, and industry assistance. This is ORCAA's largest program as it impacts the largest number of sources. Only the very small (or otherwise exempt) and the very large sources of air emissions are not included in this program. Large sources are regulated under ORCAA's Air Operating Permit (AOP) program.

ORCAA Regulation 3 specifies that *"The Fee Schedules will be reviewed periodically to determine if the fee revenue collected is sufficient to recover program costs."* The workload analysis for the registration program includes looking at payroll direct costs, payroll indirect costs (i.e., employee benefits), and nonpayroll (i.e., office supplies, gasoline, etc.) costs of the program.

The workload analysis shows the cost of administering the registration program continues to rise faster than the annual fee increases based on CPI (i.e., Resolution 274). Additionally, over the past few years, new federal rules have increased the workload on many source categories.

To make up for these factors, staff propose a 5 percent fee increase for each RC category, as shown in the table below.

Additionally, our workload analysis shows that, particularly in the case of GDFs, our current fee structure does not cover the agency's costs. Most GDFs are in the RC 5 category ("small" sources), yet these GDFs require more staff time than other sources in this category. The larger GDFs are in class RC 4 and pay a higher fee already so they will not be assessed the extra GDF fee. New rules took effect in 2019, requiring GDFs to conduct annual testing to ensure their delivery systems are vapor-tight, and these reports must be reviewed by ORCAA inspectors. Additionally, there is a high turnover of ownership in the smaller gas stations, which requires additional business assistance and education.

The new fee included in the table below pays for the additional time required to properly inspect GDFs. The proposed fee of $110 per year was calculated based on an average of 1-hour per station. The fees are calculated per ORCAA Rule 3.1 Annual Registration Fees (see attached rule).

Recommended Registration Source Fee Increases

Registered Class (RC)			
Fee Category	**# of sources**	**Current Amount**	**Proposed Amount**
RC 1	9	$2,177	$2,286
RC 2	28	$1,943	$2,040
RC 3	30	$1,742	$1,829
RC 4	71	$804	$844
RC 5	519	$322	$338
Gas Dispensing Facility Review Fee	251	N/A	**$110 (new fee)**
Fee for pollutant (RC 1- RC 3 only)			
RC 1	9	$67	$70
RC 2	28	$67	$70
RC 3	30	$67	$70

We will continue to look for program efficiencies to help reduce staff time needed to implement the registration program. For example, we believe the new database will allow for some efficiencies in inspection, education, and review time when it is fully operational.

The requested increase in the registration fees is part of ORCAA's effort to cover the cost of operating our fee programs. Staff are also looking closely at ways to reduce the indirect costs and other program costs that cannot be charged for under the fees.

Rule 3.1 Annual Registration Fees

(a) The Agency will charge Initial and Annual registration fees pursuant to RCW 70A.15.2200. Annual registration fees will be assessed per the annual fee schedules set forth in Rule 3.1(b) below. Initial registration fees will be assessed upon initial registration of a source and will equal the annual registration fee based on projected emissions and prorated for the remaining months in the fiscal year. Initial and Annual registration fees provide revenue to fund the Agency's ongoing Registration Program.

(b) All sources requiring registration will be assessed an annual registration fee; the fees required by this rule will be based on process rates, equipment specifications, and emissions data from the previous calendar year on file with the Agency, if this information is not on file with the Agency, the Agency may base the annual fee on the enforceable emissions limitations for the source and maximum capacities and production rates. In assessing annual registration fees, the Agency will consider updates and revisions to any source's file received prior to July 1 of the current year. The fees will be assessed per items (1) and (2) of this rule. Sources assessed annual operating permit fees under Rule 3.2 will not be assessed annual fees under this rule.

(1) An Emissions Fee as specified in the Registration Fee Schedule per ton of each air contaminant listed in Table 3.1 that is emitted by the source. The emissions fee will be based on actual emissions from the source, for the last calendar year when available, or as specified in the file or permit. Only non-VOC TAPs will be subject to the emission fee; and

(2) A Registration Classification Fee as specified in the Registration Fee Schedule.

(c) The Agency sends annual registration invoices out on or after August 1 of each year to cover the cost of administering the program for the current fiscal year commencing July 1 and ending June 30. The agency assesses annual registration fees based on the most recent information on file with the Agency including any updates to the source's file received prior to July 1 of that year.

(d) Upon assessment by the Agency, annual registration fees are due and payable and will be deemed delinquent if not fully paid on or before the due date on the invoice. However, sources classified as RC1, RC2, or RC3 have the option to pay their annual fee in quarterly installments. RC1, RC2, and RC3 sources choosing to pay quarterly installments may indicate so on the first invoice received and remit payment of the first installment to the Agency along with the duplicate copy of the invoice. Quarterly installments are equal to 25% of the total annual registration fee and are due on or before the due date on the invoice.

(e) Any source which fails to pay, in full, their annual registration fee or annual registration installment by the due date, as stated on the invoice, may be assessed a late penalty in the amount of 25% of their annual registration fee. This late penalty is in addition to the annual registration fee.

(f) Annual registration fees may be appealed per the procedure specified in Rule 1.8.

(g) Failure to pay annual registration fees is a violation of these Regulations and will result in the issuance of a Notice of Violation and prescribed penalties.

(h) On a periodic basis, the Agency conducts a workload analysis to determine the adequacy of annual registration fees in funding the Agency's Registration Program. The workload analysis is based on the Agency's historical record of time and resource expenditures associated with the registration program. The workload analysis will be presented to the Board periodically. Any proposed revisions to the annual registration fee schedule must be presented to the Board for adoption after public noticing pursuant to these Regulations public noticing requirements and opportunity for a public hearing.

(i) All registered sources needing to be re-inspected, due to verified conditions or actions caused by the source, will be charged an additional amount as specified in the Registration Fee Schedule.

(j) The Agency's Registration fees must cover the direct and indirect cost of the Registration program as specified in RCW 70A.15.2200.

(k) The applicable fees are established in the current fee schedule adopted by Resolution of the Board of Directors of ORCAA.

Table 3.1: Pollutants Considered For Fees

Total Suspended Particulates (TSP)
Carbon Monoxide (CO)
Sulfur Oxides (SOx)
Nitrogen Oxides (NOx)
Volatile Organic Compounds (VOC)
Toxic Air Pollutants (TAP)

[Adopted 08/17/06; Amended 05/17/07; 05/13/12; 04/26/15; 02/26/22]

Briefing Memo

Proposal to update ORCAA's regulations in the State Implementation Plan (SIP)

Summary of Issue

ORCAA's mission is to promote air quality and take actions that protect the health and welfare of people and the natural environment in the agency's six-county jurisdiction (Clallam, Grays Harbor, Jefferson, Mason, Pacific, and Thurston Counties). Goal 1 of ORCAA's 2018 Strategic Plan is to "Maintain Compliance with the National Ambient Air Quality Standards (NAAQS)".

The State Implementation Plan (SIP) documents, to the EPA (and others), that ORCAA has programs in place to maintain the NAAQS. ORCAA must periodically update our regulations in the SIP for approval by EPA. The regulations currently in the SIP are out-of-date which means that ORCAA must enforce both the outdated regulations in the SIP as well as the current regulations, which creates inefficiencies and confusion.

As detailed below, staff believe that due to a confluence of events, now is the time to update the SIP with ORCAA's current regulations.

Background

The Washington State Implementation Plan (SIP) is a collection of specific strategies, regulations, and measures Ecology and local clean air agencies use to implement, maintain, and enforce the NAAQS in Washington State. As local clean air agencies revise their regulations, they submit information to Ecology so the updated regulations can be incorporated into the SIP. Ecology then submits the SIP plan to EPA for approval. The SIP is enforced by Ecology and the local clean air agencies but, as the SIP is federally approved, it is also enforceable by EPA. Members of the public can also file citizen suits under the Federal Clean Air Act for violations of the SIP.

The SIP hasn't been updated to incorporate registration and source related changes in ORCAA regulations since about 1993. ORCAA's outdoor burning and woodstove regulations were last updated in the SIP in 2010. This has put the SIP out of date with respect to ORCAA's regulations, particularly with respect to our new source review and registration programs. This means that currently, ORCAA must enforce both the state regulations that are in the SIP as well as its own, more current regulations. Updating the SIP will reduce confusion and save time for both ORCAA staff and our regulated sources.

ORCAA has already made several revisions to our regulations in preparation to incorporate them into the SIP. Additionally, in 2025 EPA Air Quality Planner Jeff Hunt reviewed ORCAA's regulations and identified additional issues that need to be addressed before they can be approved into the SIP. ORCAA would like to take advantage of Mr. Hunt's work before it is outdated and use it to submit our regulations to Ecology for inclusion in the SIP. The other Washington local air agencies have already worked with Mr. Hunt to complete this process.

In addition to having Mr. Hunt's recent work, Robert Moody, ORCAA's previous Compliance Manager has expressed an interest in helping ORCAA complete this SIP update on a project basis. Mr. Moody is intimately familiar with ORCAA's regulations and the SIP due to over 30

years of air quality experience at ORCAA. Mr. Moody's familiarity with this work means that it will be more efficient for him to do the work than to assign it to current staff. Current staff have a backlog of permits to write and inspections to make. They have little time to work on the update. SIP update work would pull staff off core work and put us behind on the work we do for our region's businesses.

Proposal Summary and Cost

$20,000 ($15,000 in FY 2027 and $5,000 in FY 2028)

Mr. Moody has agreed to do the following for ORCAA if we move forward with this proposal. The proposal includes making changes to ORCAA Regulations, preparing them for inclusion in the SIP. The Washington Administrative Codes (WAC) that have been adopted into the SIP will be compared to ORCAA rules. Where the intent is the same, ORCAA rule language will be adapted to the WAC language, in place of the ORCAA rule. This will make the EPA approval of many of the ORCAA rules more efficient since the EPA has already approved the WAC language. There will be collaboration with the EPA during this process to ensure the final product will be acceptable to EPA. As we change the rules to match the WAC, we will also supplement the rule notes with a reference that indicates if the rule is part of the SIP and, if so, include the WAC reference number. Future updates will benefit by identifying where the language originated and if the SIP needs to be revised. This will help staff and the public understand which rules come from the WAC and which rules originate from ORCAA.

Mr. Moody will meet with staff, ORCAA Board, EPA and Ecology, when necessary. He will also be available for any required public hearings.

Conclusion

Ultimately, the SIP exists to ensure that air quality meets the ambient air quality standards. By updating the SIP, ORCAA will be meeting its legal obligation and will have a practical management tool that keeps ORCAA's air quality program on track, focused, and aligned with state and federal standards, minimizing confusion for staff, the regulated community, and the public.

OLYMPIC REGION CLEAN AIR AGENCY

RESOLUTION NO: 2018-274

Western Consumer Price Index Adjustment for ORCAA's Fee Schedules
And
Workload Analysis Process

WHEREAS, the Olympic Region Clean Air Agency (ORCAA) Board of Directors previously approved Resolution #268 authorizing ORCAA to adjust fee schedules using the Consumer Price Index (CPI) for the Seattle, Tacoma, Bremerton Washington area, and

WHEREAS, the fee schedules include the following programs: registration, asbestos and demolition notifications, open burning permits, notice of construction, notice of intent, and variances, and

WHEREAS, ORCAA conducts periodic workload analysis on programs to determine sufficient coverage of program costs, and

WHEREAS, the workload analysis may determine that CPI is insufficient to fully recover workload costs, and

WHEREAS, in January 2018, the Bureau of Labor Statistics (BLS) redefined CPI indices affecting Washington local government entities that use the CPI, and

WHEREAS, the BLS created the Western Consumer Price Index that includes the West region and Pacific division, and that the Pacific division includes Washington, and

WHEREAS, the Board of Directors have chosen to follow the Western Consumer Price Index which is closest in proximity to ORCAA's region, and

WHEREAS, the Board of Directors will annually adjust the fee schedules using the Western Consumer Price Index (CPI-U) for the prior calendar year, unless, after conducting periodic workload analysis of the programs the Western Consumer Price Index does not sufficiently cover program costs, and ORCAA shall publish a notice of the adjusted fee schedules as part of the annual budget to allow for public comment.

NOW, THEREFORE, BE IT RESOLVED,

1. The fees set forth in the ORCAA fee schedules are revised as set forth in Attachment 1.
2. The fees set forth in Attachment 1 shall be adjusted annually to reflect the rate of inflation as determined by the prior year's Western Consumer Price Index (CPI-U) as published in the Bureau of Labor Statistics.
3. Annual fee adjustments shall not exceed 3 percent of the previous year's fee.
4. ORCAA shall adopt the adjusted fee schedules as part of the annual budget process.
5. If periodic workload analyses are conducted and fees are higher than the allowed

rate of inflation in the Western Consumer Price Index (CPI-U), the Board may adopt, under separate resolution, the new fee schedules that resulted from the workload analysis.

6. Unless otherwise ordered by the Board, the fee schedules adjusted for inflation as determined by the prior year's Western Consumer Price Index (CPI-U) as published in the Bureau of Labor Statistics shall become effective on July 1st.

Presented by:

Francea L. McNair
Executive Director

ORCAA Board of Directors:

Approved and signed on
this 13 day of June, 2018

6-7-18 lmh

OLYMPIC REGION CLEAN AIR AGENCY

RESOLUTION NO: **2018-275**

Western Consumer Price Index Adjustment for Per Capita Supplemental Income Assessment

WHEREAS, the Olympic Region Clean Air Agency (ORCAA) Board of Directors previously approved Resolution #267 authorizing ORCAA to adjust Per Capita Assessments using the Consumer Price Index (CPI) for the Seattle, Tacoma, Bremerton Washington area, and

WHEREAS, in January 2018, the Bureau of Labor Statistics (BLS) redefined CPI indices affecting Washington local government entities that use the CPI, and

WHEREAS, the BLS created the Western Consumer Price Index that includes the West region and Pacific division, and that the Pacific division includes Washington, and

WHEREAS, the Board of Directors have chosen to follow the Western Consumer Price Index which is closest in proximity to ORCAA's region, and

WHEREAS, the Board of Directors will annually adjust the per capita assessment using the Western Consumer Price Index (CPI-U) for the prior calendar year.

NOW, THEREFORE, BE IT RESOLVED,

The Board of Directors hereby amends Resolution #267 to annually adjust the rate for per capita assessment as part of the annual budget adoption by using the annual rate of inflation as determined by the prior year's Western Consumer Price Index (CPI-U) as published in the Bureau of Labor Statistics.

Presented by:

Francea L. McNair
Executive Director

ORCAA Board of Directors:

Approved and signed on
this 13 day of June, 2018.

6-7-18 lmh