

Fiscal Year 2005 Budget

July 1, 2004 - June 30, 2005

Richard A. Stedman
Executive Director



Olympic Region Clean Air Agency Board of Directors

Pat Hamilton, Chair
Pacific County Commissioner

Wesley Johnson, Vice Chair
Mason County Commissioner

Glen Huntingford, Secretary
Jefferson County Commissioner

Bob Beerbower, Commissioner
Grays Harbor County

Ann Burgman, Council Member
City of Lacey

Mike Doherty, Commissioner
Clallam County

Mark Foutch, Mayor
City of Olympia

Bob Macleod, Commissioner
Thurston County

Grant Munro, Council Member
City of Port Angeles



Table of Contents

Introduction	1	Monitoring.....	10
The Mission	1	Public Education/Outreach.....	11
The Challenge	2	The Budget	
The Agency		Background and Overview.....	14
Organizational Chart	3	Revenue.....	15
Organization	3	Expenditures.....	16
Administration.....	4	Revenue and Expenditure Charts.....	17
Compliance.....	4	Agency Salary by Position.....	18
Engineering	6		

Introduction

The Olympic Region Clean Air Agency (ORCAA) is a local government agency having regulatory and enforcement authority in and for Clallam, Grays Harbor, Jefferson, Mason, Pacific, and Thurston counties of Washington state. ORCAA, formerly known as the Olympic Air Pollution Control Authority, was established in 1968 after passage of the Clean Air Washington Act (RCW 70.94). The agency is responsible for enforcing federal, state and local air pollution standards and regulating air pollutant emissions from new and existing sources.

ORCAA is one of seven regional air pollution control agencies in Washington state. Its jurisdiction is as diverse as the people the agency serves, from the coastal counties and the land on the southern stretches of the Strait of Juan de Fuca to the western edges of Puget Sound and the more populated areas around Olympia, the state capital. Approximately 450,000 people live in the 8,072 square miles served by ORCAA.

A nine-member Board of Directors establishes the policies and oversees the operations of the agency. The Board is composed of a representative from each of the six counties in ORCAA's jurisdiction, plus representatives of the three largest cities in the territory—Lacey, Olympia and Port Angeles.

The Board is responsible for selecting an Executive Director, who serves as the administrative manager of the agency's professional staff. The Executive Director also enforces the orders, ordinances, resolutions and regulations of the agency.

The Mission

The Washington Clean Air Act establishes as public policy the need to preserve, protect, and enhance the air quality for current and future generations. ORCAA carries out these public policies as specified by the state legislature. ORCAA regulates more than 700 air pollution sources, ranging from large industrial complexes to such businesses as manufacturing facilities, hospitals, dry cleaners, gasoline stations, and auto body shops. The agency also administers laws and regulations regarding such programs as solid fuel burning devices (wood stoves and fireplaces), asbestos abatement, and outdoor burning.

ORCAA's primary goal, through sound management and public education, is to provide citizens in its jurisdiction with clean air. Air is an essential natural resource that must be protected from harmful levels of pollution. Monitoring and improving air quality is an on-going goal of the agency. The agency also strives to be consistent with the social, economic and industrial well-being of the jurisdiction it serves. Our motto, "Clean Air is Everyone's Business," best describes the agency's mission.

The agency also cooperates on many policies and programs with such state agencies as the Department of Ecology, Department of Natural Resources and Department of Health as well as with the U. S. Environmental Protection Agency.

The Challenge

The Washington State Department of Ecology ranks air pollution as one of the top environmental threats facing residents and businesses in the state, including ORCAA's jurisdiction. Most susceptible to direct health risks are young people, the elderly, pregnant women, and those with pre-existing lung ailments and heart disease.

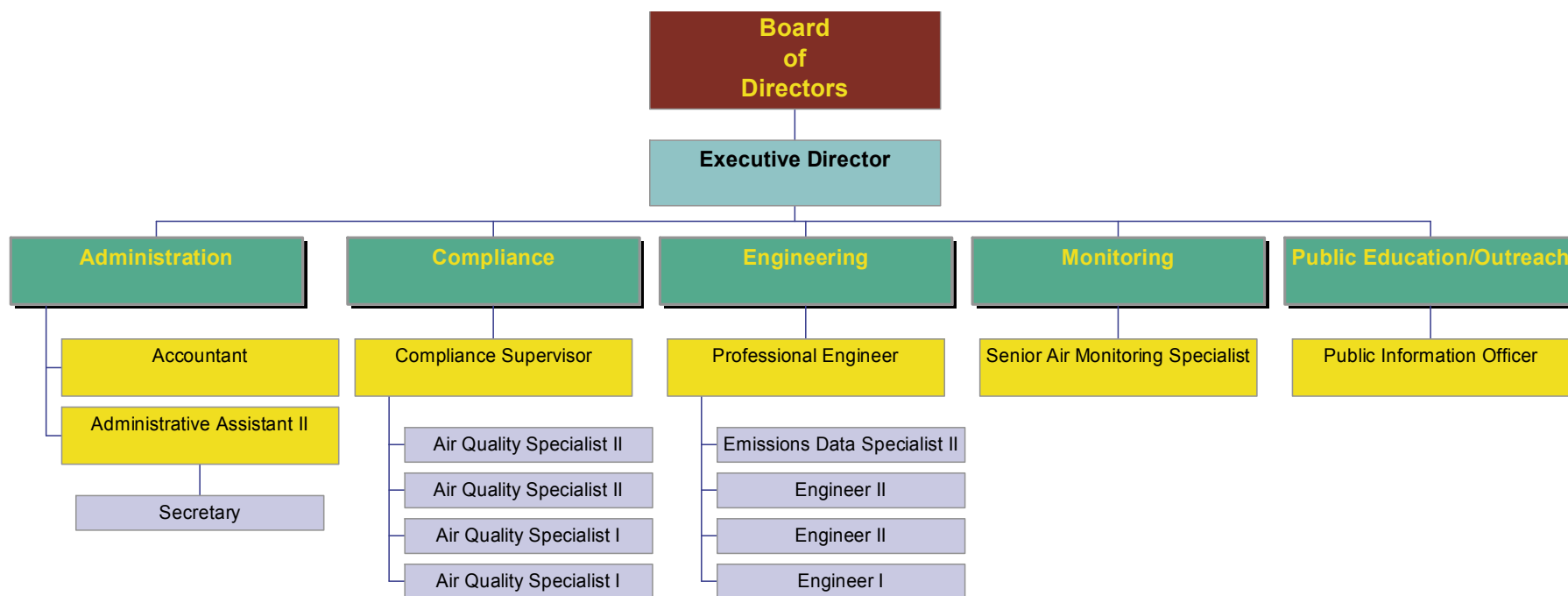
Generally, residents living and working in ORCAA's area have benefited from clean air. Four years ago, EPA designated Thurston County as being in attainment for the 10-micron particulate matter (PM₁₀) national ambient air quality standard. But healthy air quality could change in the years ahead, to the detriment of present and future generations. Forecasters predict that much of the agency's jurisdiction is expected to experience above average growth in coming years. That could equate to the potential for significant increases in air pollution.

An efficient and highly effective public agency, ORCAA strives to protect public health and the environment in its six-county jurisdiction.



This photograph illustrates one of ORCAA's challenges. This unpermitted burn pile is primarily composed of prohibited materials such as treated wood, trash, and plastics.

ORCAA's Organization Chart



Organization

ORCAA is governed by a nine-member board of directors. The Executive Director oversees the routine operation of the agency. The agency is staffed by 16 full-time employees and divided into five sections. These are the Administration, Compliance, Engineering, Monitoring and Public Education sections.

ORCAA's John Kelly, Air Quality Specialist II, inspects the grain loading facilities at the Port of Grays Harbor to ensure dust is properly contained during operation.



Administration

The Administration section is responsible for the day-to-day operation of the agency, including fiscal management and secretarial support services. The section is staffed by an accountant, administrative assistant, and a secretary.

With the creation and hiring of the accountant position during FY2004, ORCAA is now capable of processing its own payroll and expenditures. State law requires ORCAA to use one of the counties in its jurisdiction as its treasurer. ORCAA uses Thurston County, which charges approximately \$7,000 per year to provide these services. Often, due to the amount of paperwork and processing delays, vendors are not paid on time and ORCAA incurs late fees. Through FY2005, ORCAA hopes to process its own payroll and disbursements while retaining Thurston County as treasurer. An example of good governance, ORCAA believes that operating in a more cost effective and efficient manner is in the best interests of the agency and the clients it serves.

In FY2004, ORCAA was audited by the Washington State Auditor's Office (SAO) and an independent contractor for the Washington State Department of Ecology (DOE).

The SAO performed an audit on financial statements and accountability for the period July 1, 2001 through June 30, 2003. ORCAA was found to be in compliance with financial statements and accountability requirements; no findings were reported.

As required by state law, an independent contractor, hired by the DOE, audited ORCAA's Title V Air Operating Permit program. ORCAA was found to be in compliance with Title V federal and state laws and regulations.

During FY2005, ORCAA will be completing its strategic plan for the next five to 10 years. The general public, regulated community and interest groups will all be asked to participate in the process. Please check ORCAA's Web site in the near future for more information on the strategic planning activities.

Compliance

The compliance section is responsible for inspections of registered sources and Air Operating Permit (AOP) sources, responding to complaints, asbestos permitting and inspection, land clearing burning permitting and inspection, agricultural burning permitting and inspection, complaint response, and source test observation. In addition, this section provides assistance to businesses that request help in complying with air quality laws and regulations. Though a portion of the job involves the enforcement of federal, state, and local air quality regulations, an on-going priority of the section is to provide assistance and direction to avoid formal enforcement proceedings.

FY2004 Accomplishments

The number of registered companies continues to rise steadily. In 2003, the agency performed 417 source inspections. These include minor source inspections (299), regulatory surveys (70), compliance evaluations at AOP sources (29), source test observations (11), source-operated in-stack monitoring equipment audits (4), and notice of construction (NOC) inspections (4). Inspections are the backbone of the agency's enforcement program. In addition to on-site inspections, Air Quality Specialists review approximately 160 reports submitted each year by

regulated businesses (sources). All available information is used to determine the compliance status of each source.

Regulatory surveys are quick, off-site inspections. They serve as indicators of a facility's level of compliance with air regulations. The Air Quality Specialist may be looking for visible emissions from stacks, identifying new equipment, or sniffing the air during these visits. They are frequently related to citizen complaints about certain facilities.

AOP compliance evaluations often take several days to complete. These include detailed reviews of ORCAA records, source records, and a site inspection. ORCAA uses an Air Quality Specialist and an engineer for each of these inspections. Though labor intensive, this team approach maximizes inspection efficiency. EPA periodically evaluates the inspection team's actions and results.

Citizen complaints are up dramatically again this year. The number increased from 618 in 2002 to 1025 in 2003. More than 200 of those complaints were received after hours. Most of the complaints are from residents concerned with smoke and odor from a neighbor's outdoor burning. ORCAA has implemented a complaint response protocol that calls for education first. Using an educational approach, ORCAA is able to respond to complaints quicker and reduce the number of repeat complaints.



Burn barrels are a significant source of air pollution. Though illegal in Washington, they are widely used.

Applications for asbestos removal and demolitions increased slightly this past year from 330 notifications to 390. ORCAA works with local governments to coordinate the identification and permitting of asbestos removal and demolitions. The workload is expected to remain relatively stable over the next few years.

In the past year, ORCAA issued 338 land clearing burning permits, a 37 percent increase over the previous year. This number will continue to rise as land is developed for residential and business use.

The land clearing burning permit program has been successful on two fronts: The permit is easy to obtain and use, and; the number of complaints resulting from permitted land clearing fires has been minimal. When burning is done properly it is possible to burn the debris with minimal impact to neighboring residents.

The agricultural burn permit program approved last year has been implemented. Mason County's Fire Marshal and Pacific County Fire District 1 have been approved to implement the agricultural burning program in their respective jurisdictions on behalf of ORCAA.

ORCAA's database continues to provide useful and timely information to all staff. With 160 or more reports being submitted to ORCAA each year, the database tracks identifies the report type and due date for each source. The key function for the enforcement staff is the "Reports Due" and "Review Reports" in the database. These are used monthly by inspectors and engineers to make sure that reports submitted to ORCAA by the regulated facilities are received and reviewed in a timely manner.

Always searching for innovative means of fulfilling our mission, ORCAA added a online complaint form to our Web site. This is yet another way for our constituents to contact ORCAA regarding complaint situations.

Engineering

The compliance section staff has participated in several presentations to city, county, and state offices. Topics covered at these meetings range from asbestos permitting to outdoor burning regulations.

FY2005 Goals

The Compliance section will add an Air Quality Specialist II position in FY2005. The new position is needed to offset the dramatic increase in workload over the past three years. Two new AOP sources, a dramatic increase in complaints, and greater demand in several existing programs (such as land clearing burning) has reduced ORCAA's ability to look beyond the regulations and spend more time in business assistance and education.

The common practice of burning cedar shake/shingle wood waste is a significant source of particulate matter and state law will effectively shut down the "wigwam" and silo burners along Washington's coast in 2005. ORCAA is investigating better uses of the material. Bringing together suppliers, mill operators, community leaders and others, ORCAA will convene meetings of all stakeholders to explore options for the woody debris.

The existing penalty matrices (Board approved in 1998) are in need of updating. EPA has indicated in their compliance review of ORCAA and other local agencies that the penalty amounts are not large enough to act as a deterrent for the AOP sources and synthetic minor sources.

Regulation 1 section 9.01-Outdoor Burning will be revised in FY2005. This revision will simplify the regulation and bring it into agreement with the Washington Administrative Code. The whole section was last updated in 1993.

ORCAA's Engineering section serves all agency programs by providing engineering expertise in determining air pollutant emissions, applicability of air regulations, air quality impacts and compliance. The section's primary responsibility includes implementing two essential air regulatory programs required by the Washington Clean Air Act: New Source Review and Title V Air Operating Permits (AOP). The section is also responsible for the agency's air toxics program. Staff includes a Professional Engineer, three Engineers and an Emissions Data Specialist II.

New Source Review

New stationary sources of air pollution within ORCAA's jurisdiction are subject to New Source Review pursuant to RCW 70.94.152. The term "New Source Review" (NSR) refers to the regulatory process designed to facilitate review and evaluation of compliance with air requirements prior to construction, installation, modification or establishment of any new air pollution source. The goal of NSR is to ensure new sources are established in compliance with applicable air regulations and standards, including the ambient air quality standards. Gas stations, dry cleaners, spray coating operations, manufacturing processes using resin, lumber mills, boilers, rock crushers, and hot mix asphalt plants are examples of the many types of air pollution sources subject to NSR.

ORCAA's Engineering section implements the NSR program through review and approval of Notice of Construction (NOC) applications. ORCAA Engineers review NOC applications to verify compliance with applicable state, federal and ORCAA air regulations and standards. This review typically requires

evaluating the adequacy and reliability of proposed air pollution controls, the likelihood of compliance with applicable air regulations, and the impact of emissions on the ambient air. ORCAA Engineers compile a written Final Determination report that documents the review, findings and conclusions. All NOC applications require some form of public notice and an opportunity for a public hearing, which is also facilitated by ORCAA Engineers. When public interest warrants public hearing the hearings are scheduled after normal working hours at a public building as close as possible to the proposed project site. This ensures as much public participation as possible. Final approval of a NOC application generally takes 30 to 90 days .

Since June 1, 2003, ORCAA has begun processing more than 70 NOC applications and has issued final approvals for 47 new or modified sources. Modification of boiler #8 at Nippon Paper in Port Angeles, Westport Shipyard's new yacht manufacturing facility in Port Angeles, and North Mason Fiber's new composting facility near Belfair are three of the facilities that received ORCAA's approval during this time. Several examples of facilities previously approved through ORCAA's NSR program that started operation during this time include: the Sierra Pacific Industries cogeneration plant in Grays Harbor County, the Port of Grays Harbor grain terminal at the Port of Grays Harbor, and the R.J. Scuffy Asphalt plant in Mason County.



ORCAA regulates multiple facilities at the Port of Grays Harbor

Title V Air Operating Permit Program

Major sources of air pollution in the state of Washington are subject to the state's AOP program pursuant to RCW 70.94.162. This section requires existing major stationary sources to operate in compliance with an approved AOP. 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 any hazardous air pollutant (HAP), or greater than 25 tons per year of any combination of HAPs.

AOPs permits contain and clarify all air requirements that apply to a major source. AOPs must be renewed every five years, are subject to a public review and require approval by EPA. ORCAA's Engineering section reviews AOP applications, composes draft AOPs, and processes them through final completion. Since the program became effective in 1995, ORCAA has issued 14 final AOPs and more than 20 AOP revisions. ORCAA is processing AOP renewals for eight of these major sources.

The Engineering section also manages ORCAA's compliance/enforcement efforts with respect to major sources. Work in this area includes developing standard procedures for evaluating compliance, such as inspection checklists, standard reporting forms, and standard compliance assurance procedures. ORCAA Engineers also assist in educating environmental personnel at major sources regarding requirements of the program.

Education and Outreach

ORCAA Engineers provide education and outreach regarding air permits, air quality impacts of new sources of air pollution, and the air quality impacts of existing major sources of air pollution. ORCAA regularly responds to inquiries from companies regarding air permitting and compliance requirements by assisting businesses in:

- Calculating actual emission rates;
- Determining applicability of air regulations and standards;
- Running ambient air dispersion models to estimate ambient air impacts from a source;
- Evaluating adequacy of air pollution controls in a particular application; and,
- Completing air permit application forms

Such services are offered to businesses that do not have the in-house expertise or are unable to hire an environmental consultant for assistance in completing an air permit application.

Every permit application processed by ORCAA now receives some form of public noticing and an opportunity for a public comment period. ORCAA Engineers communicate the air quality impacts of a proposed new source through publicly available written reports, fact sheets posted on ORCAA's Web site, and through staff presentations during public hearings. All questions and comments received by ORCAA from the public, both verbal and written, in conjunction with a proposed air permit receive a written response. ORCAA Engineers also make sure, during public hearings and in written responses, to inform interested persons of their right to appeal the final decisions on an air permit.

Air Toxics Program

The Engineering section also focuses its attention on risks posed by emissions of toxic air pollutants (TAPs) to the communities within the agency's six-county region. In December, 2003, ORCAA completed a detailed air toxics emissions inventory report. The report is posted on ORCAA's Web site along with an interactive map that allows users to point and click to get information on a county's TAP emissions along with TAP emission inventories of individual industrial sources. The data collected and summarized within the completed air toxics inventory project, along with available temporal and spatial information, will allow ORCAA's Engineering section to perform a local-based hazard assessment and exposure modeling study. This modeling study will allow ORCAA to identify "hot spots" of high toxic pollutant concentrations and to identify pollutants of concern within ORCAA's jurisdiction.

FY2004 Accomplishments

Besides issuing permits, ORCAA's Engineering section made significant progress towards achieving all goals and objectives set for FY2004 for improving permitting programs:

- ORCAA's standard AOP format was updated and improved by clarifying the language in certain conditions, adding conditions to address new federal requirements, and revising certain compliance assurance requirements so that they are more practical to implement. Also, templates were created from the new standard format that will improve the consistency between AOPs and improve efficiency of the AOP issuance process.
- ORCAA experienced a quantum leap in refined air dispersion modeling expertise by hiring a new Engineer II with refined air dispersion modeling experience into the Engineering section. In addition, all ORCAA Engineers participated in 3-day training

course on refined dispersion modeling techniques, which was hosted at ORCAA.

- ORCAA Engineers significantly improved, streamlined and standardized the format of NOC Final Determinations. Word processing templates incorporating the streamlined format were created, which will improve NOC processing efficiency.
- ORCAA's Engineering section completed (and worked through final rule adoption) fairly extensive revisions to Articles 3, 5, 6, and 7 of ORCAA's Regulation 1. These revisions were worked through final rule adoption. The revisions clarify requirements for permitting and registration by eliminating conflicts with the Washington Clean Air Act (Chapter 70.94 RCW) and federal requirements for state and local air regulatory programs. The revisions reduce the number of overlapping applicable state and federal regulations by establishing ORCAA's Regulation 1 as the body of rules implementing state and federal requirements for new source review and registration. The revisions also enhance public noticing and outreach requirements for NOC applications.
- ORCAA Engineers developed procedures and infrastructure for administering new public noticing requirements pursuant to ORCAA's Regulation 1 revisions including developing new public noticing features on ORCAA's Web site and incorporating changes to ORCAA's data base to keep track of the status of public comments received on a particular NOC application.

FY2005 Goals

ORCAA's Engineering section has identified goals and objectives in the following six major areas for the FY2005.

Proposed Goals & Projects for FY2005:

- Improve New Source Review (NSR) and NSR enforcement;
- Increase efficiency of AOP issuance;
- Improve major source inspection techniques;
- Further develop ORCAA's Air Toxics Program;
- Improve and better make use of ORCAA's emissions inventory, including greenhouse gases;
- Enhance education and outreach through improvements to ORCAA's information technology systems.



The Engineering section provides technical assistance and regulatory oversight of major sources in ORCAA's jurisdiction.

Monitoring

ORCAA operates a monitoring network within its six-county jurisdiction. Data collected at the various sites are provided to Ecology, EPA and the general public. Ambient air quality data are essential for several tasks of ORCAA and other agencies. The data are used to provide real-time decision making capabilities, such as the need for burn bans and support for computer models used to predict concentrations of air pollutants. The near real-time air quality data available on Internet is used to educate the public about local air quality conditions, potential health effects, as well as detailed air quality forecasts.

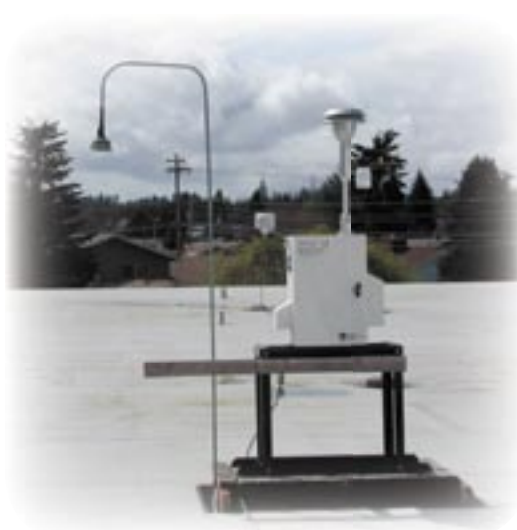
The American Lung Association uses the data for its *Breathe Easy Network*, which provides advance warning when air quality deteriorates in communities to allow people could take precautionary measures to limit exposure. ORCAA's Senior Air Monitoring Specialist performs the necessary data collection, instrument quality control and maintenance functions.

Data are collected for particulate matter (PM₁₀ and PM_{2.5}), ozone (O₃),

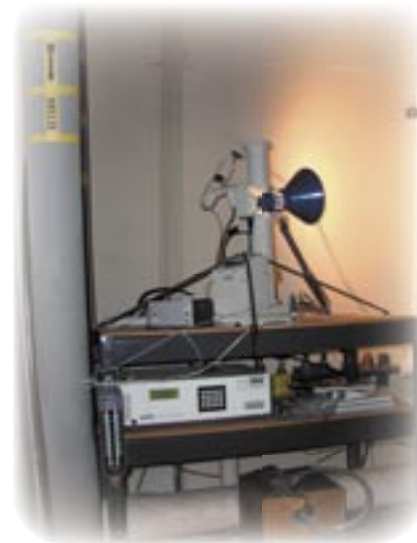
and meteorological parameters. Ozone is measured using an EPA equivalent method Dasibi analyzer. The particulate matter is measured using EPA federal reference method (FRM) samplers, tapered element oscillating microbalance (TEOM), and M903 nephelometers. The meteorological parameters include wind speed, wind direction, temperature, and relative humidity.

Current ORCAA Monitoring Sites

- Clallam County–M903 nephelometer for fine particulate and meteorological sensors
- Grays Harbor County–M903 nephelometer for fine particulate
- Jefferson County–M903 nephelometer for fine particulate
- Mason County–M903 nephelometer for fine particulate, ozone
- Thurston County–PM₁₀ sampler, PM_{2.5} sampler, M903 nephelometer for fine particulate, TEOM, ozone



One of ORCAA's air monitoring stations, mounted on the roof of a public school.



A look at the computer equipment powering the monitoring devices.

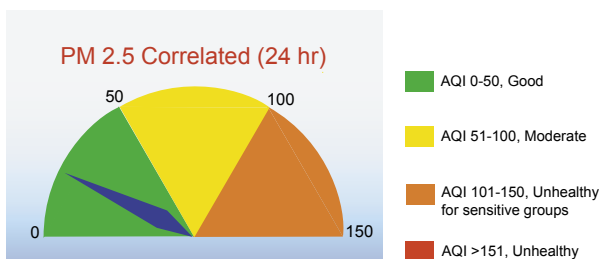
FY2004 Accomplishments

- Grant money has provided real-time Web-based access to air quality data for four air monitoring stations in four counties. All ORCAA monitoring stations have real time data available.
- ORCAA forecasts air quality which is incorporated in the EPA AirNow Web site and utilized by Seattle television media.

- A special purpose ozone monitoring station ran during the summer ozone season in north Mason County.
- FRM PM_{2.5} sampling was completed in February 2004 with excellent data capture.
- Assistance was provided to the Quinault Indian Nation to establish a M903 nephelometer for fine particulate sampling in Taholah.

FY2005 Goals

- Continue to explore options for additional monitoring sites. Possible locations include fine particulate monitoring in Pacific County and ozone sampling in Clallam and Jefferson Counties.
- Explore using grant funds to establish Web cameras for use in public education for air quality.
- Continue to use grant money to provide real-time Web-based access to air quality data.
- Complete the third year of sampling at the north Mason County special purpose ozone monitoring station.
- Continue to research cutting edge technology to reduce costs while improving the availability of data.
- Continue to improve data acquisition techniques by working with Ecology and a contractor using grant funds.
- Continue to seek technical and monetary support from Ecology and EPA.



ORCAA Air Quality Data available online at www.ORCAA.org

Public Education/Outreach

The Public Education and Outreach section, staffed by the Public Information Officer (PIO), coordinates essential communications between the agency and the public. The primary areas of emphasis include media relations, interagency coordination, public education and community involvement. The PIO coordinates the agency's outdoor burning programs, helping other agency divisions to address the problems associated with outdoor burning activities. The PIO also manages the agency's small business assistance program and provides information resources for residents interested in air issues not directly regulated by the agency, such as indoor air quality and agricultural odor control.

Media Relations

Perhaps the most important means of communicating with the public within the ORCAA jurisdiction is through the mainstream media. Agency programs, activities and issues of concern are communicated to the media through a variety of means in order to ensure media interest. Press releases are the core tool used to communicate with the media, but direct one-on-one presentations and solicitations are also made. We also provide journalists with on-going assistance in background research and story development.

Interagency Coordination

The Public Education and Outreach section maintains direct communication with the array of governmental bodies with whom ORCAA works. Because there are a great deal of agencies involved in air quality issues, from city planning departments

to federal regulatory agencies, clear communications channels must be maintained to prevent confusion or delays in assistance. For instance, the PIO facilitates meetings between ORCAA's professional staff and the staffs of other governmental agencies to ensure air quality issues are properly addressed during those agencies' permitting processes.

Public Education

Communication through mainstream media channels provides the fastest way to reach a large portion of the public. But mass communication isn't as effective as direct communication to smaller groups. Therefore, the ORCAA Public Education and Outreach section utilizes a variety of communication methods to achieve its goals of informing the public about the importance of air quality issues. Through the public education program, the PIO organizes a variety of presentations and outreach activities. These include air quality lessons within schools and educational facilities in our region. We also provide informational materials for the general public as well as for the businesses we work with. These cover a variety of topics, from outdoor burning to asbestos removal.



The decades-old practicing of burning wood waste from lumber operations continues in parts of ORCAA's jurisdiction, though changes in state laws will require the practice to cease in 2005.

Community Involvement

As a continuation of the public education programs, the PIO represents ORCAA at public events whenever possible. These could be large, planned festivals such as county fairs, community celebrations, or simple meetings of local civic groups. ORCAA's goal is to be as available as possible in areas convenient to the public.

FY2004 Accomplishments

A successful campaign of improving public education continued throughout 2004. ORCAA participated in several events, including the Lacy Electric Car Races/Alternative Fuel Fair and the *Under the Big Top* Earth Day celebration in Olympia, to keep the agency highly visible to the public. We maintained strong relationships with regional media to ensure on-going press coverage of issues of importance to ORCAA and we launched a series of guest editorials in newspapers through our six-county region to boast awareness of air quality concerns.

This section also experienced a staff transition, with Craig

Weckesser stepping down from the PIO position to assume responsibilities for the implementation of the School Bus Retrofit Program. Dan Nelson joined the agency in mid-February as the new PIO.

Other notable achievements include:

- *School Art Contest.* ORCAA organized and hosted a school children's art contest in school districts throughout ORCAA's region. Kids were encouraged to create art posters centered on clean air themes, for entry into the contest. The grand prize winner received a new bicycle. Several schools participated, with entries from kids aged 5-12.
- *Interagency Relations.* The Public Information Officer represented ORCAA in a number of programs and committees comprising local, state, regional and national air quality agencies. This interagency cooperation allows ORCAA to remain fully informed of the ongoing work of other agencies so we may use the experiences and skills of those other professionals without duplicating the work. Likewise, we share our experiences and expertise to assist our colleagues in their work.
- *Diesel School Bus Retrofit Program.* Legislation



Many of the area's old, heavily-polluting diesel school buses got cleaned up in 2004, and more will be fixed in 2005, thanks to the School Bus Retrofit Program.

aimed at reducing diesel exhaust exposure among school children was passed. Through a minimal fee on vehicle title transfers, local air agencies and the state Department of Ecology are able to fund the retrofitting of diesel school buses with air pollution control devices (diesel oxidation catalysts, for example) that reduce diesel exhaust pollution.

Many older school buses emit extremely toxic diesel exhaust. Since children are growing and not fully developed, they are especially susceptible to the effects of diesel exhaust. Diesel exhaust is made up of ultra fine particulate matter (soot) and numerous toxic compounds, including benzene, butadiene and polycyclic aromatic hydrocarbons. Potential health effects from exposure to diesel exhaust range from respiratory irritation to cancer.

ORCAA's PIO has worked with several school districts this past year to retrofit approximately 100 school buses with another 100 or so to have diesel oxidative catalysts installed during the upcoming summer break.

- *Outdoor Burning Education.* We continued the process of educating the residents of the Olympic Region about air quality problems associated with outdoor burning. We developed educational material for specific target groups as well as for the general public. Some of the specific audiences identified include construction and contractor associations and homeowner associations.

FY2005 Goals

In 2005, the Public Education and Outreach section plans several changes that will streamline some of its processes while improving the effectiveness of its programs. The greatest change will actually begin toward the end of the 2004 fiscal year and carry forward into 2005. This will be a technology upgrade that

will allow us to improve virtually all areas of communication and education. New computer hardware and software will allow us to bring all publication design work in-house, significantly reducing our print-production costs. We will also be able to substantially improve our educational outreach by offering professionally-produced multi-media presentations to schools, civics clubs, other agencies, and any other interested groups.

Specific goals for FY2005 include:

- *Production and distribution of ORCAA Wall Calendars.* We plan to produce one general purpose wall calendar to distribute as a promotional/educational tool. We also hope to produce calendars that could double as record keeping tools for specific business groups we work with-the first group we will address on trial basis are operators of dry cleaning machines.
- *Increase ORCAA exposure in regional media.* We will reach out to media outlets with a number of new initiatives. More frequent press releases and advisory notices will be sent, including releases that target specific media outlets with specific messages.
- *Improved Public Outreach.* In order to make ORCAA more visible and approachable, we will seek out opportunities to attend appropriate public gatherings whenever possible.
- *Diesel School Bus Retrofit Program.* ORCAA will be continuing this highly successful program by working with school districts to reduce emissions from diesel powered school buses. Besides using diesel oxidation catalysts, ORCAA will be working with the state, school districts, local air agencies and diesel engine manufacturers to identify additional control devices that can be used to reduce diesel pollution from school buses. ORCAA anticipates at least 100 additional school buses will be retrofitted during FY2005.

Budget Background & Overview

This budget is for ORCAA's fiscal year 2005, which runs from July 1, 2004 through June 30, 2005. As specified in the Washington Clean Air Act (RCW 70.94.092), by the fourth Monday in June each year, ORCAA must adopt a budget for the following year.

FY2005 Highlights

- Total Expenditures = \$1.76 million
- No increases in Registration and local assessment fees
- Reduced operational costs (new building purchase and income from sublet)
- \$298,000 pass through for diesel school bus retrofits
- Additional support from federal and state grants
 - o \$60,000 grant from EPA for ORCAA risk assessment project
 - o Increased state and federal core grant amounts
 - o \$60,000 grant for air quality monitoring and information project

The following pages provide a detailed accounting of ORCAA's revenues and expenditures for FY2005. In addition, employee salaries by position are shown.

REVENUE
For The Fiscal Year Ending June 30,
2005

Budgeted 2004	Proposed 2005	Projected 2006
------------------	------------------	-------------------

GRANTS

Core-Federal	\$150,000.00	\$163,466.00	\$163,466.00
Core-State	\$121,122.00	\$124,954.00	\$124,954.00
On-Call 24/7 (Complaint Response)	\$12,000.00	\$0.00	\$0.00
PM2.5 Agreements:			
Ecology Monitoring Agreement	\$26,910.00	\$10,239.00	\$10,239.00
EPA Monitoring Agreement	\$37,500.00	\$37,500.00	\$25,000.00
Air Toxic Risk Assessment Grant	\$0.00	\$80,000.00	\$0.00
Air Toxics Inventory Grant	\$0.00	\$25,000.00	\$0.00
Woodstove Grant	\$8,718.00	\$8,690.00	\$8,690.00

FEES

Assessments	\$165,301.00	\$167,500.00	\$170,000.00
AOP (Title V)	\$329,873.00	\$341,982.00	\$341,489.00
DOE Oversight	\$27,000.00	\$27,000.00	\$27,000.00
Annual Registration	\$120,000.00	\$130,000.00	\$130,000.00
NOC - Major	\$9,000.00	\$9,000.00	\$9,000.00
NOC - Minor	\$20,500.00	\$20,500.00	\$20,500.00
NOI - Temps/Ports	\$2,000.00	\$500.00	\$500.00
Asbestos	\$43,000.00	\$50,000.00	\$50,000.00
Outdoor Burning-Land Clearing	\$18,000.00	\$27,000.00	\$27,000.00

OTHER

Fines	\$10,000.00	\$20,000.00	\$20,000.00
Investment Interest	\$22,500.00	\$22,000.00	\$22,000.00
Miscellaneous Income	\$50.00	\$1,000.00	\$1,000.00
Building Income	\$76,158.00	\$76,158.00	\$76,158.00
School Bus Retrofit Program	\$437,750.00	\$0.00	\$437,750.00

RESIDUAL FUNDS

Residual Reserve Funds - Administrative	\$58,235.00	\$74,042.71	\$124,250.44
Residual Reserve Funds - School Bus Retrofit Holdings	\$0.00	\$297,658.00	\$0.00
Residual Reserve Funds - School Bus Admin/Other Holdings	\$0.00	\$43,452.00	\$0.00

TOTAL REVENUE & RESERVE	\$1,695,617.00	\$1,757,641.71	\$1,788,996.44
PROJECTED EXPENDITURES	\$1,735,567.00	\$1,757,641.71	\$1,788,997.16

Beginning Fund Balance	NO School Bus Funds	<u>Proposed</u> \$741,788.00	<u>Projected</u> \$624,293.00
Revenues		\$1,342,489.00	\$1,293,927.00
Expenditures		\$1,459,984.00	\$1,416,408.00
Ending Fund Balance		\$624,293.00	\$501,812.00

FY2005 Budget-Revenue

EXPENDITURES
For The Fiscal Year Ending June 30, 2005

Budgeted 2004	Proposed 2005	Projected 2006
------------------	------------------	-------------------

PAYROLL EXPENDITURES

Salaries	\$835,704.00	\$894,122.71	\$912,005.16
Employee Benefits	\$206,308.00	\$227,511.00	\$229,142.00
TOTAL P/R EXPENSES	\$1,042,012.00	\$1,121,633.71	\$1,141,147.16

NON-PAYROLL EXPENDITURES

Office Supplies	\$9,000.00	\$6,000.00	\$6,000.00
Gasoline	\$5,100.00	\$4,200.00	\$4,300.00
Computer Supplies	\$1,500.00	\$1,500.00	\$1,500.00
Computer/Software - Capital Expenses	\$7,000.00	\$4,000.00	\$5,000.00
Equipment	\$5,000.00	\$5,000.00	\$5,000.00
Professional Services:			
Legal	\$14,000.00	\$24,000.00	\$20,000.00
Audits/Accounting	\$8,400.00	\$7,000.00	\$14,000.00
DOE Oversight	\$27,000.00	\$27,000.00	\$27,000.00
Communications:			
Phone	\$15,000.00	\$15,500.00	\$15,500.00
Postage	\$4,200.00	\$4,500.00	\$4,500.00
Public Education:			
Printing	\$1,000.00	\$1,000.00	\$1,000.00
Promotional	\$9,000.00	\$17,500.00	\$17,500.00
Dues/Subscriptions	\$1,000.00	\$3,000.00	\$3,000.00
Travel:			
Staff Travel	\$5,612.00	\$4,000.00	\$5,000.00
Board	\$4,000.00	\$5,300.00	\$5,300.00
Training	\$13,750.00	\$24,500.00	\$17,000.00
Advertisement/NOV Serving's	\$2,700.00	\$4,200.00	\$4,000.00
Insurance (Bldg., Vehicles, Staff Bonding)	\$13,000.00	\$14,250.00	\$14,250.00
Maintenance:			
Maintenance & Repair Computer	\$2,500.00	\$2,500.00	\$2,500.00
Maintenance & Repair Copier	\$2,100.00	\$1,800.00	\$1,800.00
Maintenance & Repair - Vehicles	\$3,000.00	\$3,000.00	\$3,000.00
Miscellaneous	\$2,000.00	\$1,000.00	\$1,000.00
Interest & Principal - Office Bldg.	\$45,793.00	\$46,900.00	\$46,900.00
Sub-Total Administrative Expenses	\$201,655.00	\$227,650.00	\$225,050.00

OFFICE BLDG. OPERATING EXPENDITURES

Alarm Monitoring	\$1,200.00	\$1,500.00	\$1,500.00
Utilities	\$8,000.00	\$7,200.00	\$7,200.00
Maintenance Office Bldg.	\$2,000.00	\$2,500.00	\$2,500.00
Janitorial & Supplies	\$3,000.00	\$4,500.00	\$4,500.00
Leasehold Improvements	\$39,950.00	\$20,000.00	\$15,000.00
Sub-Total Office Building Operating	\$54,150.00	\$35,700.00	\$30,700.00

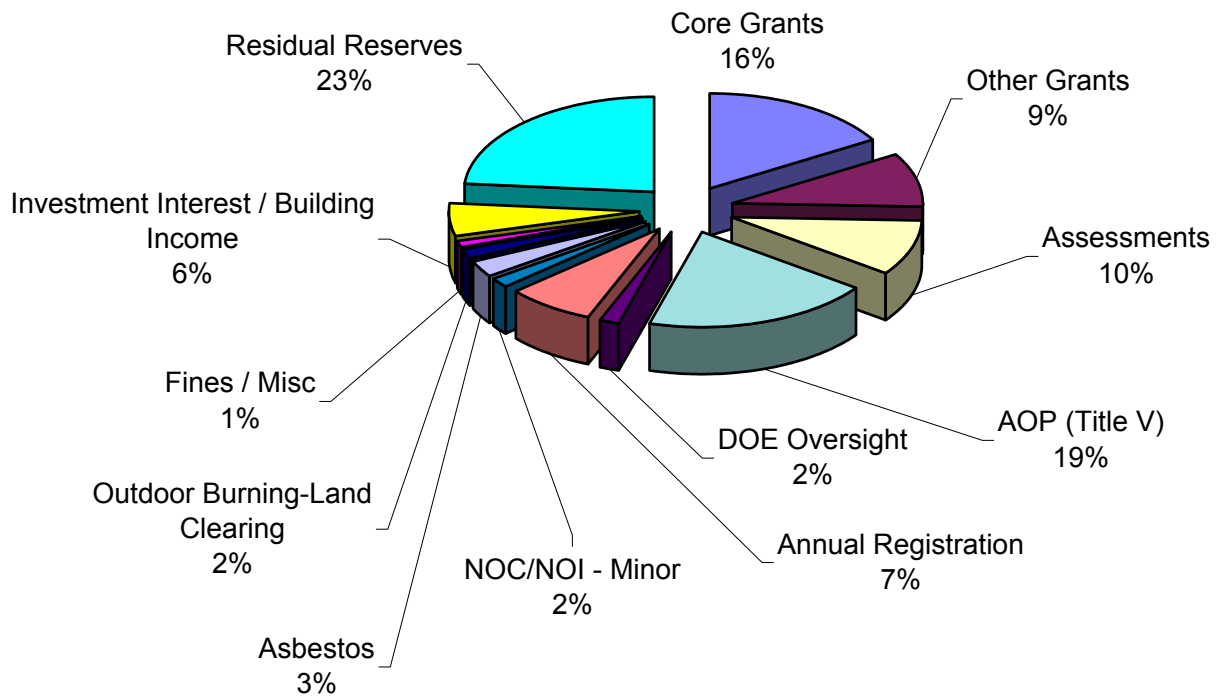
NON-ADMINISTRATIVE-OPERATING

Professional Services - Risk Assessment	\$0.00	\$60,000.00	\$0.00
School Bus Retrofit - Purchase of DOC's/Other	\$437,750.00	\$297,658.00	\$372,100.00
Monitoring Program - Eqpmt, Maint., etc.	\$0.00	\$15,000.00	\$20,000.00
Sub-Total Non-Administrative - Operating	\$437,750.00	\$372,658.00	\$392,100.00

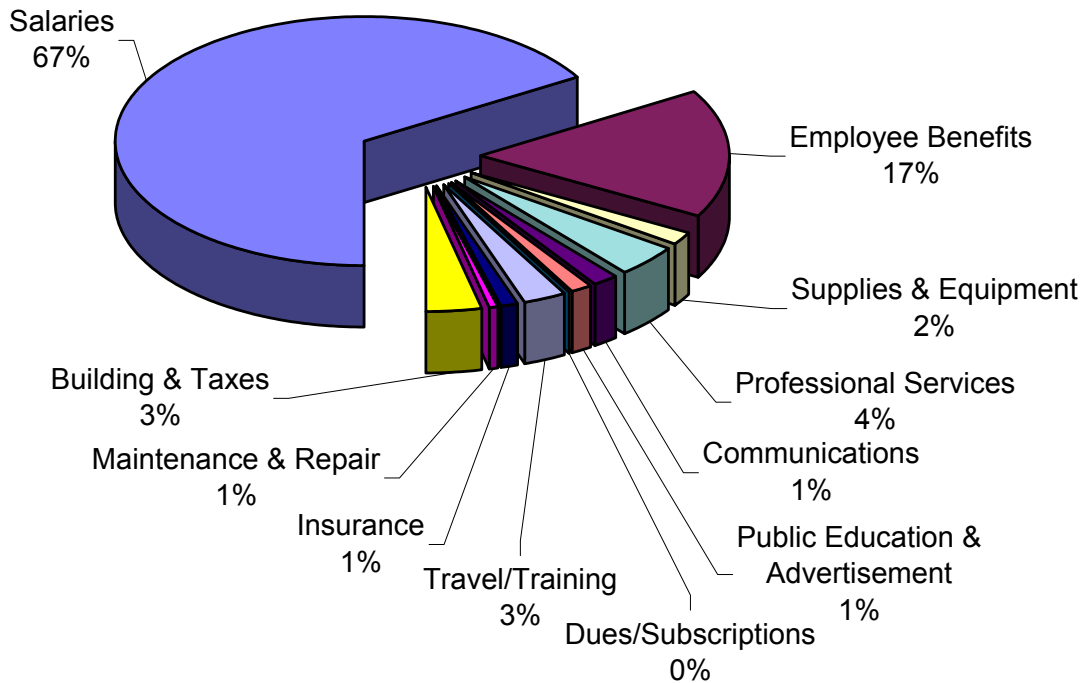
GRAND TOTAL EXPENDITURES	\$1,735,567.00	\$1,757,641.71	\$1,788,997.16
---------------------------------	-----------------------	-----------------------	-----------------------

FY2005 Budget-Expenditures

FY2005 Revenue



FY2005 Expenditures



Agency Salary by Position

Position	FY2005 Salary
Executive Director	\$81,996
Accountant	56,280
Administrative Assistant II	44,460
Air Quality Specialist I	48,030
Air Quality Specialist I	45,986
Air Quality Specialist II(new)	49,284
Air Quality Specialist II	56,280
Emissions Data Specialist II	56,280
Engineer I	56,812
Engineer II	61,788
Engineer II	65,928
Senior Air Monitoring Specialist	59,172
Professional Engineer	72,660
Public Information Officer	47,812
Secretary	25,426
Senior Air Quality Specialist	65,928
Total Payroll	\$894,122.00
FICA-MC	68,400
Medical, etc	140,160
Retirement	13,412
L&I	5,540
Total Salaries and Benefits	\$1,121,634.00



View of Hurricane Ridge and the Port Angeles area
from gravel strand of Dungeness Spit.