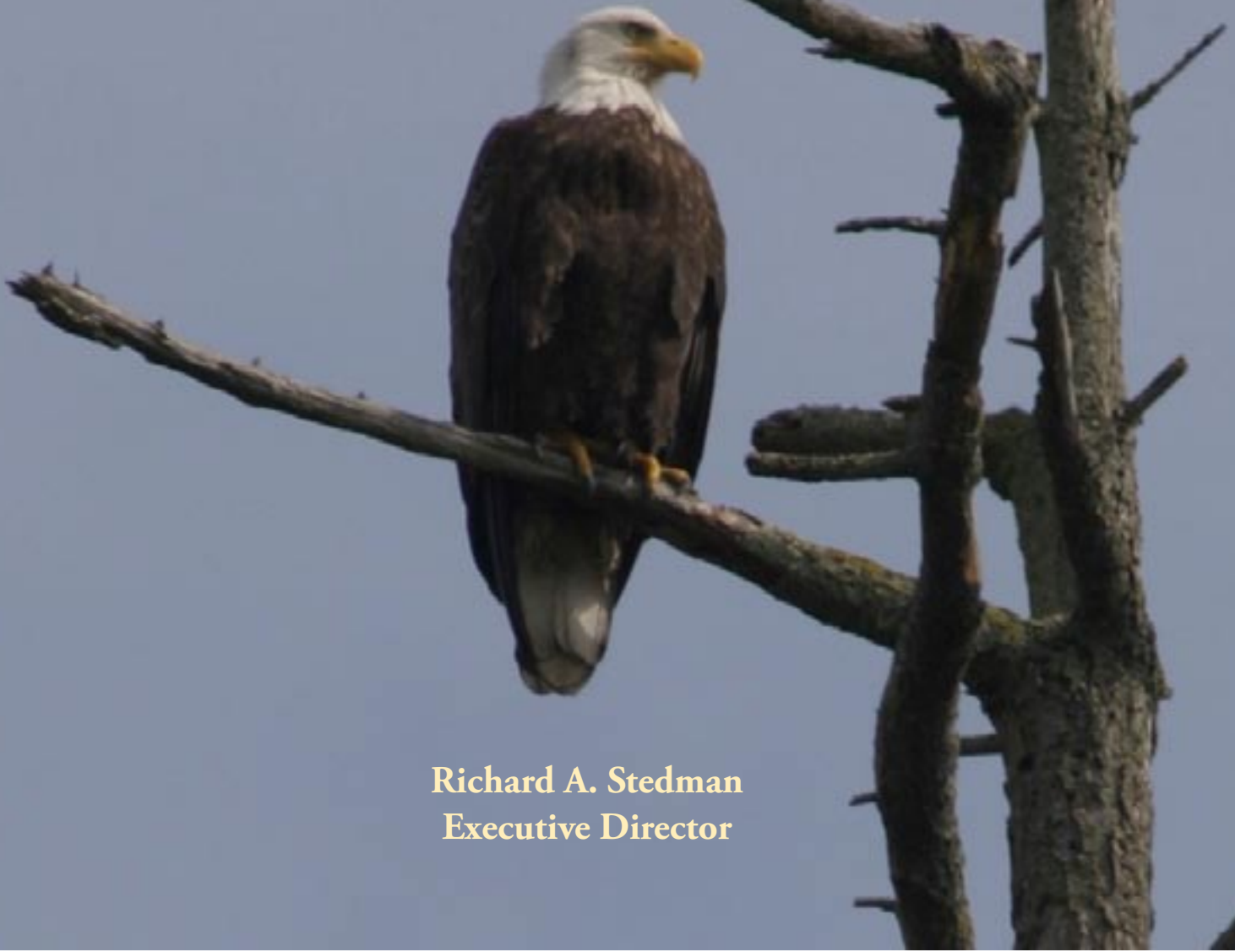


# Fiscal Year 2007 Budget



July 1, 2006 - June 30, 2007



**Richard A. Stedman**  
Executive Director

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At right: Clouds over Hood Canal.

On the Cover: Bald eagle roosting near Grays Harbor.

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# 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 was established in 1968 (then called the Olympic Air Pollution Control Authority) 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.

With over 8,000 square miles, ORCAA has the largest area of the 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 the state capital of Olympia. More than 460,000 people live in the jurisdiction served by ORCAA.

A nine-member Board of Directors establishes the policies and oversees the operations of the agency. The Board comprises one representative from each of the

six counties in ORCAA's jurisdiction, plus representatives of the three largest cities in the region--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.

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## ORCAA's Vision and Mission

The Washington Clean Air Act states that it is public policy to preserve, protect, and enhance the air quality for current and future generations. ORCAA's purpose is to carry 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

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**Vision:** *All individuals in ORCAA's jurisdiction-especially children and the elderly-can live, work, and play in a healthful and clean environment, free from the harmful and destructive effects of air pollution.*

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**Mission:** *We promote air quality and take actions that protect the health and welfare of people and the natural environment in ORCAA's jurisdiction (Clallam, Grays Harbor, Jefferson, Mason, Pacific, and Thurston Counties).*

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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 agency effort. 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 (EPA).

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## 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 respiratory and heart disease.

Generally, residents living and working in ORCAA’s area have benefited from clean air. In the past, Thurston County did not meet

national ambient air quality standards for particulate matter less than 10 microns in diameter (PM<sub>10</sub>). Due to increased air pollution controls, in 2000, EPA again designated Thurston County as being in attainment for the PM<sub>10</sub> 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 territory is expected to experience above average growth in coming years. That could equate to the potential for significant increases in air pollution. In addition, EPA is in the process of reviewing the air quality standard for particulate matter less than two and one-half microns in diameter (PM<sub>2.5</sub>). Particulate matter in this size range is easily inhaled deep into the lungs and can cause illness and even death. Based on preliminary data, it is possible that areas within ORCAA’s jurisdiction may not meet the currently proposed draft standard.

The public served by ORCAA has become increasingly conscious of air pollution issues. ORCAA has responded to the ever-growing and demanding air quality program needs with a professional staff committed to seeking solutions and achieving agency goals.



Photo: Washington State Department of Ecology

Washington State Capital Campus, Olympia.

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# Administration

The Administration Section is responsible for overseeing and managing day-to-day operations of the agency. The Administrative Section is staffed by a Secretary, Administrative Assistant II, Administrative Services Manager and the Executive Director. Areas of responsibility include human resources, employee payroll and benefits, accounting, policy development, planning, information technology and administrative support. Administrative staff work closely with all other sections to provide assistance and direction. *(See Organization Chart on next page.)*

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## FY2006 Accomplishments

Routine audits of ORCAA by the State Auditor's Office (SAO) and an independent contractor from the Department of Ecology were conducted this fiscal year. ORCAA met and/or greatly exceeded the audit requirements. No findings were received in either audit. The SAO performed an audit on accountability for public resources and financial statements for the period July 1, 2003 through June 30, 2005. As required by state law, ORCAA's Title V Air Operating Permit program was audited by an independent contractor.

ORCAA also produced its first comprehensive strategic plan for the agency. Covering the next five years, the strategic plan highlights the agency's priorities, goals and objectives. A copy of the plan is available on the agency's web site at [www.orcaa.org](http://www.orcaa.org).

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## Goals for FY2007

ORCAA continually strives to improve how the agency operates and functions. The agency seeks innovative solutions to meet our air quality challenges in a manner that is

financially sound and responsible to the public and businesses it serves.

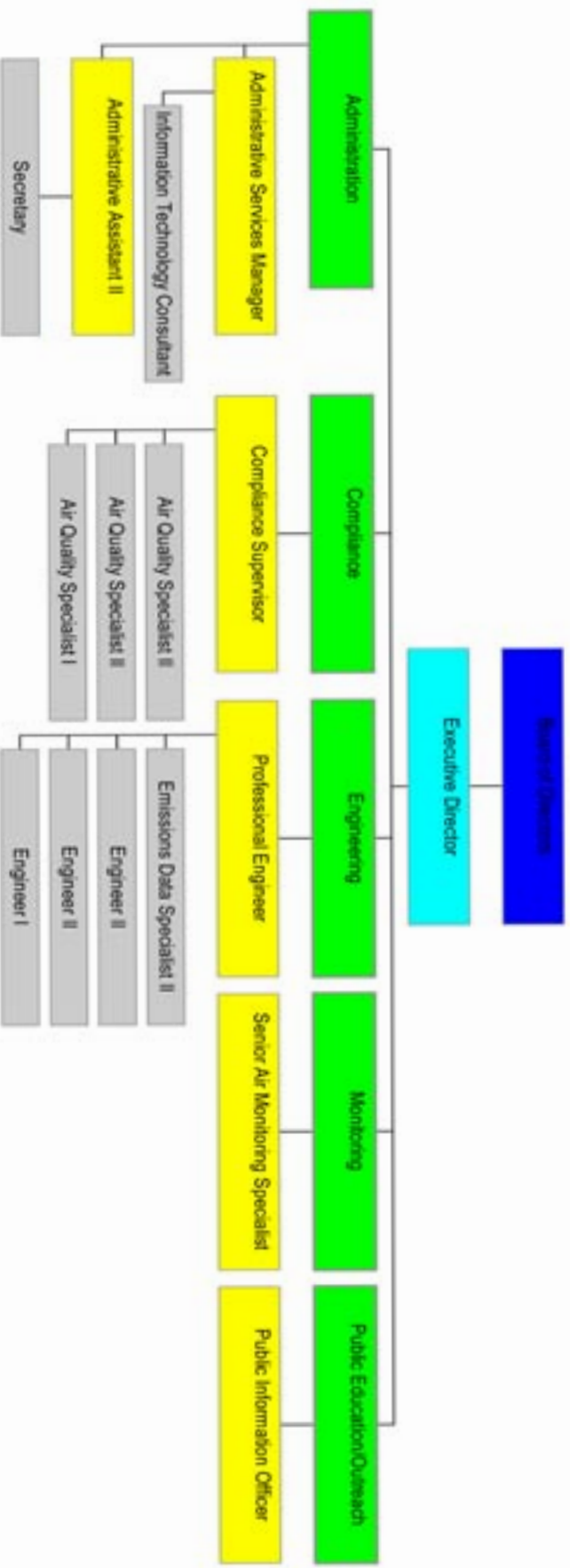
For FY2007, to save resources and improve efficiency, ORCAA's Administrative Section will continue to move forward on gaining independence from Thurston County Financial Services. Unfortunately, after receiving unanimous support from the State House of Representatives, a Bill sponsored by ORCAA that would have given local air agencies the flexibility to conduct their own financial services in-house failed to make it to the Senate for a vote. This is especially unfortunate since the Bill would have enacted a change in state law to provide financial savings through improved efficiencies for both local air agencies and counties. This Bill represented a win-win solution for all parties involved. ORCAA will be working with legislative representatives to get this bill passed during the upcoming 2007 legislative session.

ORCAA continues to make great strides with involving the public and communities affected by air quality matters. This next year ORCAA will be working diligently to educate the public on upcoming changes to the law so that we won't have to expend significant resources on enforcement.

During this next year, the agency will explore ways to increase revenue. Approaches include innovative fund raising efforts to an assessment of agency fees. Preliminary evidence indicates ORCAA fees are some of the lowest in the state when compared to other local air agencies. This is not surprising as ORCAA has not raised fees in most of its programs for the last several years.

ORCAA continues to move forward on improving the way it manages and handles data. For FY2007, ORCAA will be making the switch to a new web-based database. Data management should be faster and more

# ORCAA's Organization Chart





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efficient as a result. In addition, ORCAA is exploring ways to decrease reliance on software created by one of the premier software manufacturers. ORCAA has identified ways

to save costly licensing fees and software/hardware upgrades by using alternative software often available for free or at very low cost.

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## Compliance

The Compliance Section's responsibilities range from complaint response to permitting, to inspections of businesses that emit air pollution. In general, the Compliance Section spends a considerable amount of time in the field performing their duties. As such, the compliance staff is the "face of the agency" to many people. A Compliance Supervisor and three Air Quality Specialists (AQS) staff the Compliance Section.

ORCAA's Compliance Section responded to 1,478 complaints in 2005. That is more than double the number received in 2004. Complaints include concerns about woodstove emissions, outdoor burning, dust and odor. These complaints are labor-intensive as staff members are required to follow up on each complaint received. In the process of investigating these complaints we get the opportunity to talk with the parties involved. ORCAA's involvement is generally indicative that a conflict may exist. Though our goal is a solution to the conflict, a solution may please some and anger others. ORCAA uses a consistent approach in enforcing air quality laws and regulations. Typically, we use education to gain compliance. In some instances civil penalties are assessed to gain compliance and deter future violations.

In addition to the complaint responses, the section performed 553 business inspections during 2005. Business's within ORCAA's jurisdiction work hard to comply with environmental laws and it shows. Example of regulated businesses include auto body shops, boat manufacturers, crematories, gas stations,

lumber mills, rock crushers, and perhaps the less common aluminum beverage can manufacturer or the Styrofoam cup maker.

The Compliance Section also permits land clearing burning, agricultural burning, asbestos abatement, building demolitions, and fire training exercises. Permitting activity has remained stable this past year with 866 permits being issued. Land clearing permits are obtained by business and private land owners to burn the natural vegetation that has been cleared from their property. The permits require setbacks from structures and standing timber, as well as a constant fire watch throughout burning. Though by nature, a smoky activity, these permitted fires have resulted in few complaints.

Few agricultural burning permits are requested by commercial farming activities in ORCAA's jurisdiction. Most of the permits are issued for disposal of Christmas tree farm prunings.

Asbestos removal and demolition permits account for two thirds of the permits issued. Any project that requires the removal of asbestos will require a permit. Likewise, any demolition of a structure in ORCAA's jurisdiction also requires a permit.

Fire training permits are granted to fire protection agencies for live-fire training. The experience gained by fire fighters during live-fire training is critical to their success when facing fire threats to people and property.

The largest impact to staff this fiscal year will deal with outdoor burning. Outdoor burning has been banned for several years in Aberdeen,





Photo: Washington State Department of Ecology

Westport Marina, with Westport Shipyard in the distance

Lacey, Olympia, Port Angeles, Port Townsend, Shelton, and Tumwater. Effective at the end of this year, state law bans burning in 17 additional areas within ORCAA's jurisdiction. The affected towns include: Allyn, Belfair, Bucoda, Carlsborg, Clallam Bay/Seki, Forks, Grand Mound, Ilwaco, Joyce, Long Beach, Rainier, Raymond, Seaview, Sequim, South Bend, Tenino, and Yelm. These are smaller towns that have not had many, if any, burn bans in the past. The educational outreach to these communities has been initiated, but there remains a considerable amount left to do.

## **FY2006 Accomplishments**

As required by state and federal law, the practice of burning cedar woodwaste generated by shake and shingle manufacturers has ended. The cedar mill owners continue to search for a long-term disposal option

including the operation of a power cogeneration facility that will burn the woodwaste to make electricity and heat. Currently the cedar waste is shipped off site for use as fuel for industrial boilers.

The Compliance Section opened a satellite office in Port Angeles during FY2006. The benefits to the community and the agency have been great. The general public, business, and the fire protection agencies have appreciated ORCAA's presence. With the price of gasoline escalating daily, ORCAA has reduced gasoline usage. Prior to the Port Angeles office, staff would drive from Olympia to the Port Angeles area for inspections and then return to Olympia.

For the first time all of the Air Quality Specialists (AQS) carry federal asbestos certifications. This change better serves the contractors and public utilizing the program. Rather than one person, each AQS can answer

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questions or permit the requested activity.

In cooperation with other staff, the Compliance Section has submitted a major revision of ORCAA's regulations to the state Office of the Code Reviser. Formerly known as Regulation 1, the proposed changes have dramatically changed the appearance and organization of the agency's regulations. These changes will help the public and industry identify their regulatory responsibilities in complying with air quality laws and regulations. The changes must still be approved at a public hearing in July.

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## Goals for FY2007

Education and enforcement of the scheduled burn ban in the 17 towns will be a top priority

for this year. Though the ban takes effect on January 1, 2007, there will be considerable efforts made prior to that date working with the affected towns and county governments to create options and notify the public.

Further updates for ORCAA's Regulations are expected. The primary goal will be to update the outdoor burning and asbestos/demolition rules.

Many of the permit applications will be updated for clarity and ease of use. The public will see similarities between forms and instructions included on each application. Office staff will also benefit by the similar placement of critical elements on each form. We will also eliminate the need to hand stamp approvals on each form.



Photo: Steve Rybolt, ORCAA

ORCAA's Mike Shults and Rita Cirulis inspecting Ocean Protein.

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# Engineering

ORCAA's Engineering Section provides engineering expertise that benefits all programs at the agency, but primarily in the areas of compliance assessment and permitting. The section is responsible for implementing two essential air regulatory programs required by the Washington Clean Air Act: New Source Review (NSR) and Title V Air Operating Permits (Title V). The Engineering Section is also responsible for maintaining the agency's emissions inventory, implementation of certain delegated federal regulations, State Implementation Plan (SIP) related activities, and maintaining ORCAA's local regulations. ORCAA's Engineering Section comprises four engineers including one licensed Professional Engineer and an Emissions Data Specialist.

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## New Source Review

New stationary sources of air pollution within ORCAA's jurisdiction are subject to New Source Review (NSR) pursuant to RCW 70.94.152. New Source Review 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) or Notice of Intent to Operate (NOI) applications. Approval of an NOC application is required prior to construction or establishment of a new stationary source of air pollution like a steam boiler or new lumber mill while approval of an NOI application is required prior to establishing a portable or temporary stationary source of air pollution like a portable rock crusher or portable asphalt plant.

ORCAA engineers review NOC and NOI applications to verify compliance with applicable state, federal and ORCAA air regulations and standards. Approval is contingent on ORCAA finding that the proposed new stationary source of emissions employs Best Available Control Technology (BACT), will comply with applicable emissions performance standards, will not cause or contribute to violation of any ambient air quality standard, and will not cause detriment to the health, safety or welfare of the public. This review typically requires calculating emission rates, evaluating the adequacy and reliability of proposed air pollution controls, assessing the likelihood of compliance with applicable air regulations and standards, and assessing the impact of emissions on the ambient air quality.

All NOC applications require some form of public notice and an opportunity for a public hearing. When there is significant public interest in an application, ORCAA holds a public hearing to gather public testimony. Public hearings are typically 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. ORCAA engineers are responsible for assuring adequate public noticing as well as communicating ORCAA's findings and answering questions from the public





Photo: Washington State Department of Ecology

Port Townsend

at public hearings. Final approval of an NOC application takes 30 to 90 days after a complete application is received. Approval of an NOI application generally takes a matter of days.

Over the last twelve-month period ORCAA worked on 59 NOC applications and issued final approvals for 36 new or modified stationary sources. In the same time period five NOI applications have been submitted and approved. Most noteworthy of these have been the approval for modifications to air pollution controls at Ocean Protein in Hoquiam, approval of the Lakeside new asphalt plant in the Nisqually Valley and approval to Nippon Paper to combust urban wood waste in their existing hog fuel boiler.

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## Title V Air Operating Permit Program

Major sources of air pollution in the State of Washington are subject to the State's Air Operating Permit (AOP) program pursuant

to RCW 70.94.162. This section of the State's Clean Air Act requires existing major 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 are five-year permits allowing operation of a major source of air pollution. They incorporate and clarify all air requirements that apply to a major source and establish necessary monitoring, record keeping and reporting conditions. They are required to be renewed every five years, during which time they are subject to a public review and approval by EPA. There are 13 major sources in ORCAA's jurisdiction subject to the AOP program. Of these, AOPs have been issued to 10. Since April 1, 2005, ORCAA has renewed three AOPs and revised two. Over the next fiscal year, ORCAA will need to renew AOPs for five sources and issue initial AOPs to two new major sources.



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## 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 for businesses that do not have the in-house expertise or cannot hire an environmental consultant for completing an air permit application.

Regarding public outreach, every permit application processed by ORCAA 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 written reports that are publicly available, fact sheets posted on ORCAA's website, and through staff presentations during public hearings. All questions and comments received by ORCAA from the public in conjunction with a proposed air permit, both verbal and written, 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.

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## FY2007 Goals and Objectives

The primary goal of ORCAA's Engineering Section is to issue final AOPs and NOC approvals within the regulatory timeframes allowed. Meeting this goal will require a substantial increase in effort in ORCAA's Title V and NSR programs. AOPs for five sources will need to be renewed during FY2007. Initial AOPs will need to be issued to two new major sources: Sierra Pacific Cogen and Paneltech International. In addition to this, new construction permits (NOCs) are expected to continue at the same rate. In the AOP program alone, meeting this goal will require more than double the productivity ORCAA realized in the AOP program for FY2006. Nevertheless, ORCAA believes this goal can be met provided a full complement of staff in the Engineering Section.

Another goal of ORCAA's Engineering Section is to continue to improve permitting efficiency by establishing permitting "tools" such as standard templates, forms, exemptions and general permits. The purpose of such tools is to standardize and streamline the permitting process for certain common stationary source categories. Portable rock crushers, spray booths used at auto body repair shops and small gas fired boilers are all good candidates for employing streamlining permitting tools.

ORCAA believes its authority and primary charge under the state Clean Air Act to implement and enforce the State's air regulations and standards includes promoting low emission technologies and resources such as renewable energy resources. For this reason, ORCAA has investigated local application of promising renewable energy resources and technologies to identify projects where the agency could provide some assistance. The Engineering Section would like to continue these efforts and increase their involvement in such projects in FY2007.

# Monitoring

ORCAA operates an air quality-monitoring network within its six-county jurisdiction. Data collected at the various sites are provided to Ecology, EPA and the public. Ambient air quality data are essential for ORCAA and other agencies. The data are used to provide real-time decision making capabilities, such as the need for burn bans, track trends and to provide input for computer models used to predict concentrations of air pollutants.

The near real time air quality data available on the 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 so people are able to take precautionary measures to limit exposure. ORCAA's Senior Air Monitoring Specialist performs the necessary data collection, instrument quality control and maintenance functions, planning, equipment purchasing, forecasting and grant writing.

Data are collected for particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>), ozone (O<sub>3</sub>), carbon monoxide (CO), sulfur dioxide (SO<sub>2</sub>) 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 and planned ORCAA Monitoring Sites

- Clallam County- M903 heated nephelometer for continuous fine particulate and Air Quality Index, ozone and meteorological sensors; Makah - Cheeka Peak continental boundary monitoring station- M903 heated nephelometer for continuous fine particulate and light scatter, ozone, low level CO, low level SO<sub>2</sub>, low-level NO<sub>x</sub> and meteorological sensors including rainfall and radiometer
- Grays Harbor County- M903 heated nephelometer for continuous fine particulate and Air Quality Index
- Jefferson County- M903 heated nephelometer for continuous fine particulate and Air Quality Index
- Mason County- M903 heated nephelometer for continuous fine particulate and Air Quality Index
- Thurston County - PM<sub>10</sub> sampler, TEOM and M903 heated nephelometer for continuous fine particulate and Air Quality Index, ozone and meteorological sensors
- Pacific County - M903 heated nephelometer for continuous fine particulate and Air Quality Index



Photo: Washington State Department of Ecology

Aberdeen log yard.

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## Accomplishments for FY2006

- Using an EPA grant, ORCAA has provided real-time web-based access to air quality data for four air monitoring stations. All of the ORCAA monitoring stations have real-time data available with the exception of Raymond, which is planned for FY2007.
- ORCAA forecasts air quality, which is incorporated in the EPA AirNow website and utilized by Seattle area television media.
- A special purpose ozone monitoring station ran during the summer ozone season in the Sequim area in Clallam County.
- Quality Assurance assistance was provided to the Quinault Indian Nation for their PM<sub>10</sub> and M903 nephelometer for fine particulate sampling in Taholah.
- An EPA grant was awarded to ORCAA to keep the University of Washington Cheeka Peak continental boundary air monitoring station operational and to transition the



ORCAA air monitoring device at Blue Heron Middle School.

site from research to a state and local air monitoring station.

- Moved the Yelm ozone monitor to a location that is upwind of the highway.

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## Monitoring Goals for FY2007

- Continue to explore options for additional monitoring sites. Possible locations include fine particulate monitoring in Sequim and real time web data in Pacific County for PM<sub>2.5</sub>.
- Continue to use grant money to provide real-time web-based access to air quality data.
- Continue to research innovative technology to reduce costs while improving the availability of data.
- Continue to improve data acquisition techniques by working with Ecology and contractors using grant funds.
- Continue to seek technical and monetary support from Ecology and EPA for monitoring needs.
- Apply for an EPA Grant extension to transition the University of Washington Cheeka Peak continental boundary air monitoring station into an Ncore level II station.
- Work with Makah Nation to conserve reduced resources to operate and maintain the Cheeka Peak monitoring station and provide technical assistance to the Makah for their tribal monitoring program.
- Analyze the Yelm ozone data to determine if the monitor is sited appropriately.

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# ***Public Information & Outreach***

**T**he 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 all agency publications, including the tasks of writing and/or editing the content. Other tasks include desktop publishing design work for all brochures, newsletters, signs, banners and special publications. The PIO also serves as the agency's web master, maintaining the content and format of the ORCAA website and online presence. The PIO works closely with the Compliance Section to manage cooperative agreements with fire agencies dealing with outdoor burning programs. The PIO manages the agency's school bus retrofit 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.

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## **Media Relations**

One vital 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 story solicitations are also made. We also provide journalists with on-going assistance in background research and story development. Additionally, many journalists within the region have noted they

make frequent use of the weekly news and information updates posted to the ORCAA website to stay abreast of air quality issues, both locally and nationally.

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## **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 representatives of other governmental agencies to ensure air quality issues are properly addressed during those agencies' permitting processes.

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## **Public Education**

The means by which individuals and groups receive news and information continue to evolve. Newspapers, though still a vital communication tool, play ever-smaller roles in the day-to-day lives of Americans. Many people use the internet as a primary source of news. Friends, neighbors and coworkers also serve as information sources for most individuals. Others may get much of the local news from newsletters published by their homeowner associations, employers and/or social clubs. ORCAA's Public Education and Outreach Section taps into many of these communication tools to achieve its goals of informing the public about the importance of air quality issues. The Section also makes the



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most of modern technological advancements to open additional communication avenues. These include enhanced website developments, email-based news updates, multi-media presentations and participation in an assortment of community activities. 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.

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## Community Involvement

As a continuation of the public education programs, the PIO and/or Executive Director 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.

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## Budget Background & Overview

**T**his budget is for ORCAA's FY2007, which runs from July 1, 2006, through June 30, 2007. 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. A public hearing has been scheduled during ORCAA's Board of Directors meeting on June 14, 2006 to adopt the FY2007 budget.

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### Expenditures

Not surprisingly, the largest expenditure in ORCAA's budget is for salaries and employee benefits. Payroll expenditures will increase by approximately three percent over the previous fiscal year. This increase includes a 2.64 percent cost of living allowance. In addition, based on a salary study conducted by the Northwest Clean Air Agency, compensation for selected positions at ORCAA will be increased. These positions include the Compliance Supervisor, Public Education Officer, Senior Air Monitoring Specialist, Administrative Services Manager, Professional Engineer, Secretary and Executive Director. Even with these increases,

compensation to these positions will still be at or below the median salary determined by the salary study. Employee benefits will also increase by 11 percent over the previous year. This is due in part to escalating health insurance costs and increases in employee dependent care coverage.

Compared to the previous year, the non-payroll expenditures will increase by approximately eight percent. A significant part of that increase is associated with public education. ORCAA will be making a concerted effort to inform the public about an impending statewide burn ban for small cities that will be in effect on January 1, 2007.

ORCAA anticipates a significant decrease in non-administrative operating expenses for FY2007. This is mainly due to an inclusion of two years of diesel school bus retrofit dollars in the FY2006 budget. The FY2007 budget accounts for only one year of expenditures, a reduction in costs of \$350,000.

As compared to last fiscal year, this year's budget represents a 14 percent decrease in expenditures. While costs have increased slightly overall, the decrease in this year's

budget is attributable to a reduction in school bus retrofit expenditures. As required by the ORCAA Board of Directors, a reserve equaling one quarter's worth of operating expenses will be maintained in reserves.

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## Revenue

This year's budget relies on an increase in the per capita assessment ORCAA collects from cities and counties in its jurisdiction. The per capita fee will increase from 37.5 to 45 cents. This is a modest increase considering that this fee has remained unchanged since 2000.

For the federal Title V Air Operating permit program, fees will remain relatively consistent with the previous year although, since fees are based on total emissions, some facility fees will increase while others will decrease.

Consistent with direction from the Board of Directors, ORCAA will be using approximately \$220,000 from reserves to cover expenditures in FY2007. A reserve fund balance will be maintained equal to one quarter of operating expenses for the agency.

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## Where the Money Goes

Figure 1 shows the FY2007 budget by section. The sections include Administration, Compliance, Engineering, Monitoring and Public Education. The Compliance and Engineering Sections account for about 60 percent of the total budget (approximately 30 percent each). These sections have the greatest number of staff.

The Engineering Section revenue comes from the Air Operating Permit program fees, EPA grant funds and fees from major and minor New Source Review projects. The budget for the Compliance Section is made up of income from per capita assessments, Registration program fees, Department of Ecology grant

funds, Asbestos permit program fees and Land Clearing Burning fees.

At 6 percent, the Administrative section budget is made up of revenue from investment interest and rental income on our building. Since the agency owns its own building, ORCAA receives income from a tenant occupying part of the building. This income more than pays for the cost of ownership and is an excellent investment for the agency.

Approximately 20 percent of the agency's budget funds our Public Education Section. Revenue from enforcement penalties and the Diesel School Bus Retrofit program are included in this section.

The Monitoring Section receives grant funds from EPA and the Washington State Department of Ecology. A significant portion of the 7 percent in funding comes from a grant from EPA for our Cheeka Peak Observatory monitoring site.

The following pages provide a detailed accounting of ORCAA's revenues and expenditures for FY2007. In addition, employee salaries by position are shown.

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### FY2007 Highlights

- Total Expenditures = \$ 2 million
- Increase in per capita assessment from 37.5 to 45 cents
- More than \$300,000 pass through for diesel school bus retrofits
- 2.64 percent cost of living allowance for employees
- Salary increase for some positions based on salary survey results

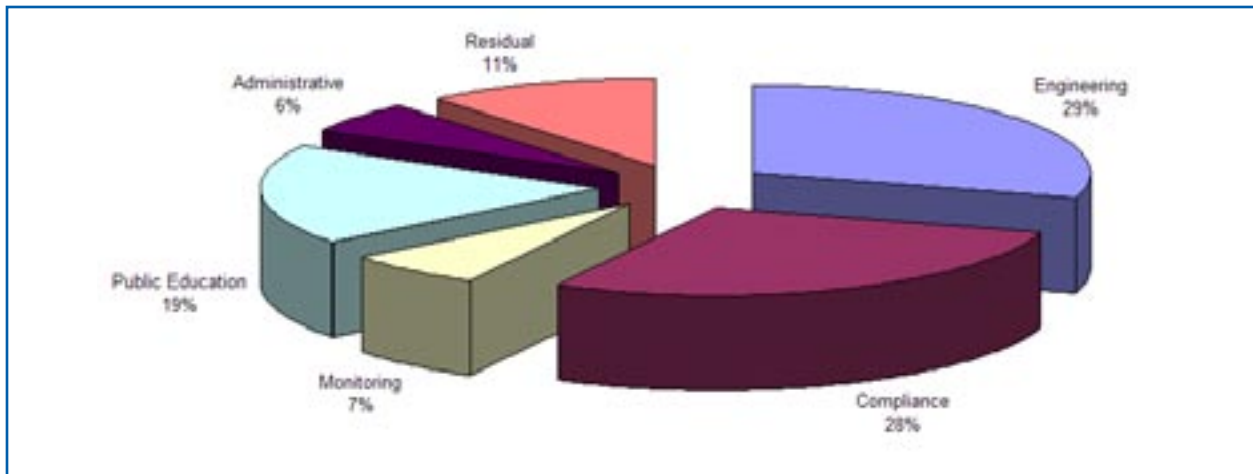


Figure 1: Break down of agency budget by department.

## OLYMPIC REGION CLEAN AIR AGENCY

### REVENUE

For The Fiscal Year Ending June 30, 2007

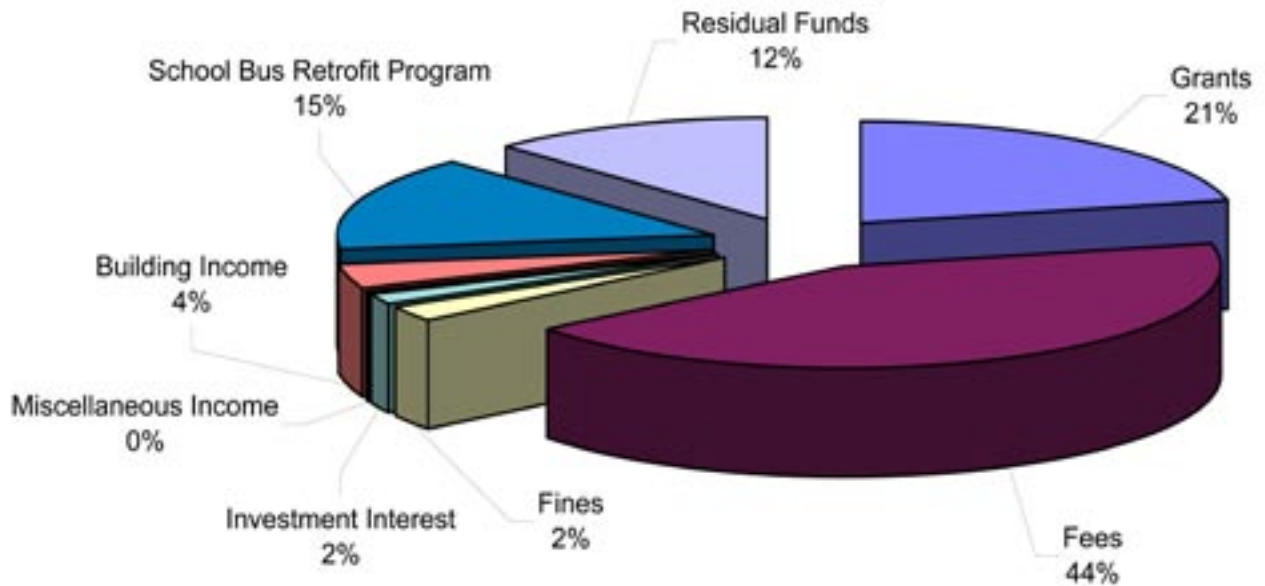
|  | Current<br>2006       | Proposed<br>2007      | Projected<br>2008     |
|--|-----------------------|-----------------------|-----------------------|
| <b><u>GRANTS</u></b>                                     |                       |                       |                       |
| Core-Federal   | \$173,786.00          | \$165,393.00          | \$163,466.00          |
| Core-State   | \$130,990.00          | \$124,954.00          | \$124,953.00          |
| <b><u>PM Agreements:</u></b>                             |                       |                       |                       |
| Ecology Monitoring                                       | \$12,285.00           | \$10,563.00           | \$10,563.00           |
| EPA Tracking   | \$21,507.00           | \$30,000.00           | \$0.00                |
| CPO Project w/EPA  | \$101,147.00          | \$90,000.00           | \$42,000.00           |
| Woodstove Grant  | \$8,509.00            | \$8,639.00            | \$8,639.00            |
| <b><u>FEES</u></b>                                       |                       |                       |                       |
| Assessments  | \$167,600.00          | \$203,580.00          | \$203,600.00          |
| AOP (Title V)  | \$346,357.00          | \$387,683.00          | \$410,000.00          |
| DOE Oversight  | \$19,600.00           | \$20,000.00           | \$20,000.00           |
| Annual Registration                                      | \$133,000.00          | \$136,000.00          | \$136,000.00          |
| NOC - Major  | \$0.00                | \$5,500.00            | \$5,500.00            |
| NOC - Minor  | \$20,500.00           | \$17,500.00           | \$17,500.00           |
| Asbestos   | \$60,000.00           | \$60,000.00           | \$60,000.00           |
| Outdoor Burning-Land Clearing                            | \$37,000.00           | \$30,000.00           | \$30,000.00           |
| <b><u>OTHER</u></b>                                      |                       |                       |                       |
| Fines  | \$22,500.00           | \$50,000.00           | \$50,000.00           |
| Investment Interest                                      | \$20,000.00           | \$35,000.00           | \$35,000.00           |
| Miscellaneous Income                                     | \$100.00              | \$4,000.00            | \$4,000.00            |
| Building Income  | \$76,158.00           | \$81,324.00           | \$81,324.00           |
| School Bus Retrofit Program                              | \$348,000.00          | \$300,000.00          | \$300,000.00          |
| <b><u>RESIDUAL FUNDS</u></b>                             |                       |                       |                       |
| Residual Reserve Funds - Administrative                  | \$279,558.65          | \$220,647.00          | \$199,816.00          |
| Residual Reserve Funds - School Bus Retrofit Holdings    | \$326,224.66          | \$0.00                | \$0.00                |
| Residual Reserve Funds - School Bus Admin/Other Holdings | \$36,930.00           | \$22,000.00           | \$22,000.00           |
| <b>TOTAL REVENUE &amp; RESERVE</b>                       | <b>\$2,341,752.31</b> | <b>\$2,002,783.00</b> | <b>\$1,924,361.00</b> |
| <b>PROJECTED EXPENDITURES</b>                            | <b>\$2,341,752.31</b> | <b>\$2,002,783.00</b> | <b>\$1,924,361.00</b> |

**OLYMPIC REGION CLEAN AIR AGENCY**  
**EXPENDITURES**  
For The Fiscal Year Ending June 30, 2007

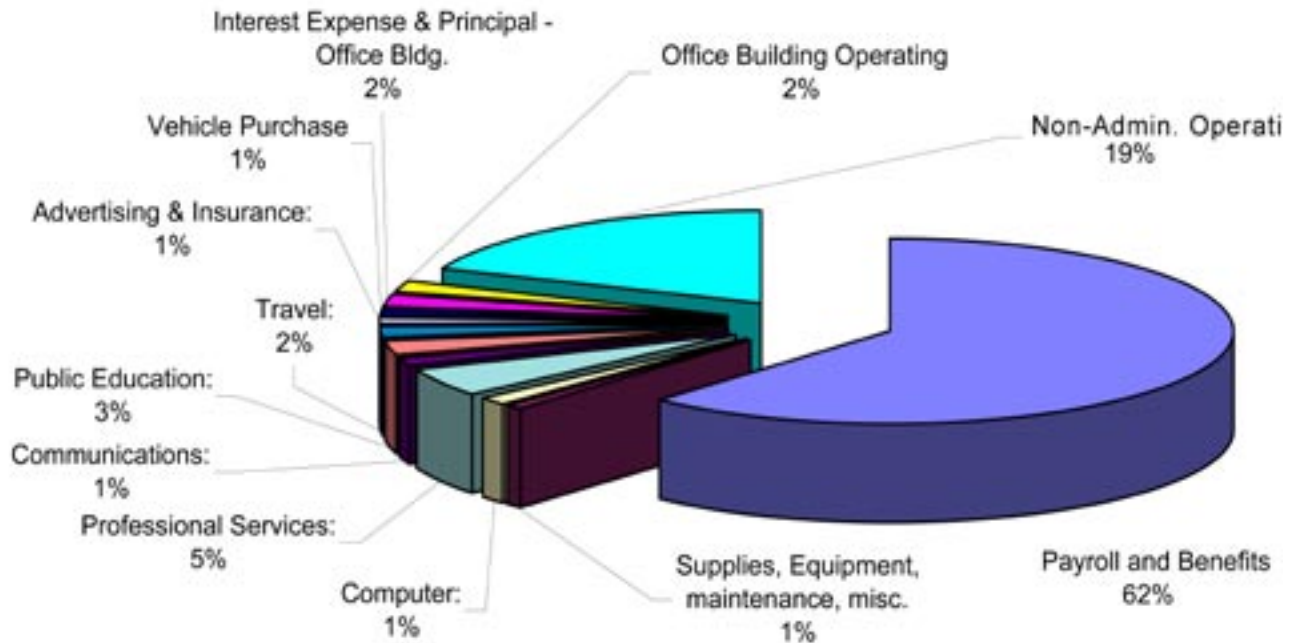
|  | Current<br>2006       | Proposed<br>2007      | Projected<br>2008     |
|--|-----------------------|-----------------------|-----------------------|
| <b><u>PAYROLL EXPENDITURES</u></b>                     |                       |                       |                       |
| Salaries   | \$920,973.00          | \$930,198.00          | \$959,960.00          |
| Employee Benefits                                      | \$275,658.31          | \$307,379.00          | \$310,000.00          |
| <b>TOTAL P/R EXPENSES</b>                              | <b>\$1,196,631.31</b> | <b>\$1,237,577.00</b> | <b>\$1,269,960.00</b> |
| <b><u>NON-PAYROLL EXPENDITURES</u></b>                 |                       |                       |                       |
| Office Supplies  | \$6,400.00            | \$7,000.00            | \$7,000.00            |
| Gasoline   | \$4,500.00            | \$4,600.00            | \$4,600.00            |
| <b>Computer:</b>                                       |                       |                       |                       |
| Computer Supplies                                      | \$2,000.00            | \$1,700.00            | \$1,700.00            |
| Computer/Software - Capital Expenses                   | \$13,535.00           | \$16,000.00           | \$14,000.00           |
| Equipment  | \$5,000.00            | \$5,423.00            | \$5,000.00            |
| <b>Professional Services:</b>                          |                       |                       |                       |
| Legal/Prof Svs.  | \$24,000.00           | \$30,000.00           | \$30,000.00           |
| Audits/Accounting                                      | \$12,500.00           | \$6,800.00            | \$13,000.00           |
| DOE Oversight  | \$19,600.00           | \$20,000.00           | \$20,000.00           |
| IT - Consultant, SQL Contractor                        | \$47,000.00           | \$48,000.00           | \$45,000.00           |
| <b>Communications:</b>                                 |                       |                       |                       |
| Phone  | \$15,500.00           | \$17,500.00           | \$17,000.00           |
| Postage  | \$7,200.00            | \$7,800.00            | \$7,500.00            |
| <b>Public Education:</b>                               |                       |                       |                       |
| Printing   | \$3,600.00            | \$3,600.00            | \$3,600.00            |
| Promotional  | \$20,000.00           | \$41,500.00           | \$25,000.00           |
| Dues/Subscriptions/Bank Fees                           | \$3,000.00            | \$2,500.00            | \$2,500.00            |
| Rental Space - Satellite Office                        | \$2,565.00            | \$3,420.00            | \$3,420.00            |
| <b>Travel:</b>   |                       |                       |                       |
| Staff Travel   | \$5,000.00            | \$4,800.00            | \$5,000.00            |
| Board  | \$4,800.00            | \$4,000.00            | \$4,000.00            |
| Training   | \$24,000.00           | \$27,200.00           | \$25,000.00           |
| <b>Advertising &amp; Insurance:</b>                    |                       |                       |                       |
| Advertisement/NOV Serving's                            | \$8,000.00            | \$7,000.00            | \$7,000.00            |
| Insurance (Bldg., Vehicles, Staff Bonding)             | \$15,500.00           | \$17,000.00           | \$17,000.00           |
| <b>Maintenance:</b>                                    |                       |                       |                       |
| Maintenance & Repair Computer                          | \$0.00                | \$0.00                | \$0.00                |
| Maintenance & Repair Copier                            | \$2,000.00            | \$2,000.00            | \$2,000.00            |
| Maintenance & Repair - Vehicles                        | \$2,000.00            | \$2,000.00            | \$2,000.00            |
| Miscellaneous  | \$750.00              | \$500.00              | \$500.00              |
| Vehicle Purchase                                       | \$30,000.00           | \$23,000.00           | \$0.00                |
| Interest Expense & Principal - Office Bldg.            | \$46,900.00           | \$46,900.00           | \$47,003.00           |
| <b>Sub-Total Administrative Expenses</b>               | <b>\$325,350.00</b>   | <b>\$350,243.00</b>   | <b>\$308,823.00</b>   |
| <b><u>OFFICE BLDG. OPERATING EXPENDITURES</u></b>      |                       |                       |                       |
| Alarm Monitoring                                       | \$2,200.00            | \$2,200.00            | \$2,200.00            |
| Utilities  | \$9,200.00            | \$9,200.00            | \$9,100.00            |
| Maintenance Office Bldg.                               | \$3,000.00            | \$9,563.00            | \$7,278.00            |
| Janitorial & Supplies                                  | \$5,000.00            | \$5,000.00            | \$5,000.00            |
| Leasehold Improvements                                 | \$15,000.00           | \$12,000.00           | \$12,000.00           |
| <b>Sub-Total Office Building Operating</b>             | <b>\$34,400.00</b>    | <b>\$37,963.00</b>    | <b>\$35,578.00</b>    |
| <b><u>NON-ADMINISTRATIVE-OPERATING</u></b>             |                       |                       |                       |
| Professional Services - CPO Project                    | \$101,147.00          | \$17,000.00           | \$0.00                |
| School Bus Retrofit - Purchase of DOC's/Other          | \$324,224.00          | \$300,000.00          | \$300,000.00          |
| School Bus Retrofit - New Contract (Budget Amendment)  | \$350,000.00          | \$0.00                | \$0.00                |
| Monitoring Program - Equipment, Maint., Replace., etc. | \$10,000.00           | \$60,000.00           | \$10,000.00           |
| <b>Sub-Total Non-Administrative - Operating</b>        | <b>\$785,371.00</b>   | <b>\$377,000.00</b>   | <b>\$310,000.00</b>   |
| <b>GRAND TOTAL EXPENDITURES</b>                        | <b>\$2,341,752.31</b> | <b>\$2,002,783.00</b> | <b>\$1,924,361.00</b> |



# Revenue



# Expenditures



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## Agency Salary by Position

| <b>Position</b>                     | <b>FY 2007 Salary</b> |
|-------------------------------------|-----------------------|
| Executive Director                  | \$88,008              |
| Administrative Services Manager     | 66,690                |
| Administrative Assistant II         | 46,596                |
| Air Quality Specialist I            | 46,452                |
| Air Quality Specialist II           | 57,330                |
| Air Quality Specialist II           | 58,968                |
| Emissions Data Specialist II        | 58,968                |
| Engineer I                          | 62,016                |
| Engineer II                         | 64,419                |
| Engineer II                         | 69,586                |
| Senior Air Monitoring Technician II | 68,882                |
| Professional Engineer               | 79,944                |
| Public Information Officer          | 60,294                |
| Secretary                           | 30,096                |
| Compliance Supervisor               | 72,456                |
| <br>                                |                       |
| <b>Total Payroll</b>                | <b>\$930,198</b>      |
| FICA-MC                             | 71,160                |
| Medical, etc                        | 186,320               |
| Retirement                          | 42,557                |
| L&I                                 | 5,540                 |
| Other                               | 1,802                 |
| <br>                                |                       |
| <b>Total Salaries and Benefits</b>  | <b>\$1,237,577</b>    |