

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

BOARD OF DIRECTORS MEETING

January 9, 2013

Members present: Phil Johnson, Jefferson County (Chair)
Jim Cooper, City of Olympia
Cynthia Pratt, City of Lacey
Tim Sheldon, Mason County
Karen Valenzuela, Thurston County (Vice Chair)
Mike Doherty, Clallam County
Dan Di Guilio, City of Port Angeles
Steve Rogers, Pacific County

Members absent: Wes Cormier, Grays Harbor County

Ecology:

Legal Counsel: Jeff Myers of Law, Lyman, Daniel, Kamerrer and Bogdanovich

Staff Present: Fran McNair, Executive Director; Robert Moody, Compliance Supervisor; Mark Goodin, Professional Engineer; Mark Moore, Network Administrator/Monitoring Technician; Dan Nelson, Public Information Officer; Lynn Harding, Administrative Services Manager; and Debbie Moody, Administrative Assistant/Recorder

The meeting was called to order at 10:02 a.m.

Johnson noted we need nominations for a new Vice Chair. Pratt nominated Valenzuela. Johnson asked if there were any other nominations. Di Guilio motioned to close the nominations, Cooper seconded the motion and it carried unanimously. Cooper moved election of Valenzuela to Vice Chair by acclamation.

Johnson asked if there were any additions or omissions to the Agenda. Cooper moved approval of the Agenda. Di Guilio seconded the motion and it carried unanimously.

CHAIR REPORT

Johnson asked for volunteers to serve on the Finance Committee. Cooper, Valenzuela and Pratt volunteered. Johnson noted there is a public hearing scheduled for Monday, January 14, regarding Nippon's cooling tower. McNair stated it begins at 5:00 p.m. and will be held at the County Courthouse. McNair noted there is a document in the Boards' packets; we are considering it a public comment for the hearing. Rogers asked who would be conducting the hearing. McNair noted she was the hearings officer. Valenzuela asked staff their expectation, of the Board, with regards to the hearing. McNair stated the Board may attend, but they do not have to. Staff will give a report at the following Board meeting.

APPROVAL OF MINUTES

Johnson asked for approval of the Minutes. Pratt moved approval of the Minutes. Valenzuela seconded the motion and it carried unanimously.

APPROVAL OF EXPENDITURES AND DISBURSEMENTS

Johnson noted the Expenditures and Disbursements consisted of Warrants and wire transfers 63004903 through 63004943 in the amount of \$17,429.94; and Payroll 357807 through 357816 in the amount of \$111,575.13 for December 7, 2012 through January 4, 2013. Cooper moved approval of the Expenditures and Disbursements as stated on the Agenda. Pratt seconded the motion and it carried unanimously.

PUBLIC COMMENT / PUBLIC HEARING / PRESENTATION

There were no public in attendance. There were no formal presentations.

DIRECTOR'S REPORT

Compliance Update

R.Moody noted, with regards to asbestos and demolition budget, we had anticipated bringing in around \$6,000.00 at this point of the year; currently, we are over \$9,000.00. We have seen an increase in woodstove complaints, which is typical for this time of year. We did call a burn ban and that tends to increase complaints as well. Sheldon asked what counties were affected by the ban. R.Moody noted the ban was called in Thurston County; we had been contemplating extending it to Mason County however we did not. McNair added we actually had concerns in Clallam County as well.

Permit Actions

Goodin explained the permit report shows the currently active projects. We do have a hearing for Nippon's cooling tower and it is schedule for January 14th. Staff will be recommending approval of the application. The emissions meet all requirements of the state of Washington, including the Washington Air Toxics regulation. The addition of the particulate matter from the cooling tower is miniscule, compared to the co-generation plant, Goodin explained. Valenzuela asked where the new Fred Meyer gasoline dispensing facility will be located. Staff noted it will be located on Trosper Road in Tumwater.

Education and Outreach

Nelson stated, as R.Moody noted, we did call a stage I burn ban on New Year's Eve day. We received a lot of page hits on our web page and an increase in our email subscription. Nelson shared an email dialogue between a constituent and himself. The person's question had to do with how we decide to call a burn ban and why is it county-wide. Nelson noted we did answer her and she was very appreciative of the information. We did have good coverage on KING5, Nelson stated. We did send out email alerts prior to the burn ban, reminding folks to burn clean, dry wood in their woodstoves and to wait until their yard waste is dry before lighting it. We will continue to send these reminders out during the burning season. Valenzuela stated one of the first complaints elected officials receive is from people who feel staff has ignored them, blown them off or treated them badly. Valenzuela complimented staff on their communication with the constituent. Nelson thanked Valenzuela, noting it was a team effort. Cooper stated this was the first public health announcement that he has noticed, since The Olympian changed their reading structure. They no longer allow people to read articles for free, Cooper stated, and wondered if we noticed any issues. Nelson explained the newspaper readership have declined so much in the past few years so we rely more on the social media, online and direct communication. Myers asked if ORCAA has a Twitter or Facebook account. Nelson stated we have both Facebook and Twitter. The social media is linked to our blog, so when it is updated it automatically posts to Twitter and Facebook.

Air Quality Summary

Moore noted he would be discussing the air quality summary for the past month, collaboration with PSCAA for testing our particle counters and a brief update for the saturation studies. Moore showed slides of the air

quality, noting Port Angeles and Lacey did show higher levels. Port Angeles actually had 9 days of moderate level pollution, compared to 4 days in Lacey. We do believe it is due to more woodstove use and outdoor burning in the area, Moore stated. Moore noted having taken several trips up in that area while searching for sites for our study, it is quite apparent there is a lot of indoor and outdoor burning occurring.

Moore explained he and Hadley had taken one of the particle counters (monitors) up to Kent and placed it at one of PSCAA's monitoring sites. The goal, Moore noted, was to compare our optical particle counters to their Federal Reference Method monitor, to see what kind of correlation we were getting with those instruments. Moore went over the findings. In brief, 92% of the data falls within or matches the TEOM data, whereas with the Nephelometer 97% of the data matches. What that means there is about a 5% difference with those comparisons; which is why we don't feel they should be used for long term measuring. Nephelometers are more accurate. Hadley also compared the counts of particulates to the actual volume. 94% of the data, from a volumetric perspective, was matching with the TEOM and 96% with the Nephelometer. The relevance of this is that with volumetric calculations, we have to assume the particle density and the density she used was 0.3 and 0.4 which relates to the particle density for soot or wood smoke. That is very telling, Moore noted, when trying to determine what types of particulates we are dealing with. This shows us that our optical particle counter will be providing us with data that is fairly relevant; we are quite confident these instruments will be good for the saturation studies.

Moving on to the brief update of the saturation study, Moore noted we have three confirmed locations; Steven's Middle School, North Olympic Library system, and the Port Angeles Fire station. These three sites will not be charging us to place the monitors. The only issue we ran into was at the fire station. We were unable to obtain wired internet usage so we will be purchasing and paying for a cellular USB modem for that site. The last site, Moore stated, is the Sequim Middle School. We are currently waiting on paperwork for this site. Moore showed a map with the site locations noted. Moore stated we are currently under budget by approximately \$11,000. We will be using some of those funds for travel and communications. We are hoping to install at least 2 of our stations in mid-January. McNair stated we will continue to update the Board on the study as it goes along.

Johnson asked if staff knew when the monitors would be located in Jefferson County. Moore noted, due to Port Townsend Paper's timeline, we are still assessing the next location. Depending on what happens at the paper mill, we may locate in Thurston County first. Doherty noted if you were to place the wind directional aerial photo over the map, wouldn't it show the emissions from Nippon going with the prevailing winds out over the water and East? Moore stated Hadley would have that data. Doherty stated staff is likely to get feedback from folks stating the monitoring sites are still a little south from where the prevailing winds will take the potential pollution. Moore stated we have discussed monitoring criteria in the past, and we have to consider where the majority of the population is located. For example, we wouldn't want to put a monitor in the middle of the forest, even if the prevailing winds push everything in that direction as there is no population exposure. We want to make sure we get the best use of our dollars by putting them where the public will be located. Doherty stated he understood but felt staff would still hear from the public, especially those in Gale's Addition. Moore noted other than the fire station, which would not allow us to place a monitor there; there is nowhere else to put one.

Doherty stated he hoped the interns know of the NOAA employee up in that area. Moore stated Hadley has made many contacts up there and is well aware of the many opportunities. Di Guilio stated the Port Angeles district has a school they recently shut down that is more in line, maybe, with where the particulates go. Moore stated we have been told by the school district they are not interested in entertaining any further monitoring. Valenzuela recalled discussing population earlier, but was curious about prevailing winds. Valenzuela noted her concern is we get to the end of this process and have the citizens claim the study was no good because of prevailing winds; did we talk about this during the criteria discussion. Staff stated we did. Doherty stated no matter what we do, there will be a small portion of the folks in Port Angeles will complain. The more out of the path of the prevailing winds, Doherty stated, the more legitimate their complaints are.

Pratt asked if it is totally out of the question to place our monitors on private property; a garage, a barn or other outbuilding. Moore stated we have had a monitor on private land, but it is a rare situation. We use public facilities because we have control over the instruments, as well as better access to communications.

Johnson stated there is a group in Port Townsend that is interested in working with school that would like to put monitors up, for school use. If they were to move forward, would it be better to get the Nephelometer or the Optical Particle counter. Moore stated it depends on the goal and what the school age is that will be involved. Johnson asked if Hadley would be able to come up and assist them if they get the grant. McNair stated they could and they would likely be helpful in determining the best instrument.

Finance/Administration Update

Harding noted the Finance Committee met prior to the Board meeting. The committee reviewed our 6 month financial position, noting we are at 53% of our expected revenues and 50% in our expected expenditures. Harding stated activity is up in our Major and Minor source permitting and she feels this is a good indicator the economy is picking up. Harding briefly went over a few line items in revenues. We do have some good news with regards to our building rental income. We have 5 of our spaces now rented. Suite A is still unoccupied (had been Catholic Community Services) however we continue to market the space. We have told our tenants if they help us find a tenant for Suite A we will give them their 12th month free. Harding asked if there were any questions on the revenue. Sheldon asked what type of interest ORCCA receives on investment income. Harding explained it fluctuates each month and the auditor's office invests our average daily balance in a variety of legal investments. Our fund balance is a little of one million dollars and is liquid to us. We are averaging just under 1.5%, which doesn't sound very good, but we are earning money.

Johnson wanted to remind the Board we are currently running two businesses; our day to day operations of ORCAA and we have the investment building. We have requested a more thorough report with regards to the rental business side of our operation. Harding noted the detailed report will be shared with the finance committee at each meeting and once a year with the full Board.

Harding moved on to expenditures noting we are at 50% half way through the year. There was an overlap in our salaries; we hired Hadley prior to Werner retiring so he could train her. Under non-payroll expenditures (office supplies, gas, professional services, etc), we were slightly over (52%). We will be renegotiating our attorneys' contract. Harding stated it would be good to negotiate the contract in such a way it is consistent with our fiscal year. Under building expenses, Harding continued, we have expended \$23,000 of a \$53,000 budget and the biggest expense was the change out of a portion of our HVAC system. We will be looking at changing at least one out per year, as suggested by our maintenance contractor.

Harding explained she created line items for the Woodstove Change-out program, Cheeka Peak, the Saturation Study and other monitoring expenses. We broke these out because we felt it was important for the Board to see the detailed expenses for each of these programs. We are looking at establishing a vehicle reserve account, which the finance committee will be looking at and bringing back to the Board at a later date.

Cooper, noting he had attended a portion of the committee meeting, asked if the Board could receive a second page showing the cash balance with the reserve funds. Harding stated we will be including this information. Di Guilio asked what we are charging, per square foot, for our rental spaces. Harding stated we are advertising at \$15 per square foot, loaded; meaning it includes the common space as well. If you break it down to the square foot of the individual offices it averages between \$28 and \$31 per square foot (for the upstairs suites). We are asking \$15 per square foot for Suite A as well. Harding noted we are paying the majority of the utilities for the first year. McNair added our tenants pay for their phone and internet, as well as keeping their own offices clean. Our janitor cleans the common areas.

Executive Director's Report

McNair explained we do have 2 new Board members, Steve Rogers of Pacific County who was also in attendance last month, and Wes Cormier of Grays Harbor County.

McNair noted there are 2 draft letters, one for EPA and one for ECY, in the Board packets. The comments received at the last meeting have been incorporated into these drafts, McNair explained. We incorporated Cheeka Peak, our Saturation Study and the ultra-fine study. There is a budget for the ultra-fine study that is yet to be finalized; we hope to have it done in the next couple of days. What we would like to do with the EPA letter, McNair continued, is to say 'great job' on the 2.5 but don't forget scientifically it still needs to be dealt with. We want them to continue looking at the 24 hour and the annual standards for PM2.5 because we are trying to protect public health.

McNair noted she will be happy to incorporate any other comments and bring a final version back to the Board in February. Rogers and Doherty noted the letters should be cc'd to Hatfield, Beck and Sheldon. Cooper felt it should go to our jurisdictional representatives. Cooper asked if the Board members should take this back to their individual jurisdiction to have a similar request, or, is it covered because it is coming from our regional organization. Valenzuela noted the letter doesn't state who the ORCAA members are. It was noted ORCAA letterhead does have the counties listed on it. McNair stated we can add language to identify all of our counties.

In the ECY letter, Doherty noted, we should include National along with International because we essentially asking for National, EPA, money, so we should be a little more direct. There is a reference, Doherty continued, to the range of \$250,000 for 2 years and the EPA says \$210,000 and the actual proposed budget we discussed we stated we could get by on considerably less. Is there a way to make them consistent Doherty questioned? With regards to the request of a contribution on the ECY letter, Doherty stated, you should be more direct getting right to the point stating their financial contribution should be "x". McNair explained she is sure ECY will kill this if it appears we are asking them for money. Doherty stated we should then get DNR, Energy, and other people who are looking at biomass as alternate energy solutions to help with funding. McNair noted ECY is willing to support us, but they do not want to give us any money.

Valenzuela stated she was fine with the wording, noting it gets to what we want. Doherty stated he is just one member but he would be more direct and if the reserve is large, another \$100,000 shouldn't harm the account. McNair stated we want to keep it separate from ECY so our request doesn't complicate their situation and in doing so, we get their support. Doherty stated he is angling for two reasons; one, if there is national interest in alternate energy agencies should participate and help justify it; secondly, if there is national state interest we shouldn't be asked to raise our assessment back on our taxpayers at home when the study benefits the state and federal. McNair noted her goal is to keep our reserves intact and we are not planning on asking our local jurisdictions to put in any monies. We are looking at using local air toxics dollars for a two-year study only. Doherty noted when we begin to move the monitors into our other counties, that budget remains on our books and could have a slight increase and the assessment at the state and local level won't meet inflation. McNair explained there are two different studies; the saturation study which is funded and we are using our existing staff and a couple of interns. The expensive study is the ultra-fine study which we are not going to duplicate in the other counties. We are only doing this because of the biomass plants in Clallam and Jefferson Counties. Doherty stated he understood but suspects when other mills get on board and decide to get co-generators as well, citizens will step up and request this as well so we should anticipate the expense. McNair noted the intent is to get good data and we will be able to use the data and apply it to different areas without having to do further studies.

Valenzuela noted she would prefer the language stay as is and she wouldn't necessarily be comfortable pushing it further. Pratt agreed with Valenzuela. McNair asked if the Board if they wanted signatures from all members or just the Chair. Johnson was in favor of having the entire Board sign both letters.

McNair noted, in the next 18 months to 2 years, we will be doing some rule making. EPA has made some changes to the New Source Review (under WAC 400). We will be revising our rules and bringing them back to the Board for approval. McNair stated she has been working with staff with regards to our regulations. It is important that our rules reflect the direction we are going in, McNair continued, so as we modify our rules we'll be looking to be sure they carry out the functions and duties of our organization. Our rules are all founded in state and federal law; however ours can be more stringent. McNair did note it is a public process and any changes we propose will be subject to a public hearing.

EXECUTIVE SESSION

There were no items for Executive Session.

FOR THE GOOD OF THE ORDER

Doherty asked who would be the hearings officer for the Nippon hearing. McNair stated she was. Doherty stated he thought there had been plenty of notice. McNair noted we posted the public notice for more than the 30 days. Doherty asked for assurance that the parties of interest have been notified. He added several people had contacted him stating they are expecting a reply when they enter their comments; will that come later in writing? McNair explained we will take the testimony and reply to all questions and comments in writing. Everyone who signs up to receive a copy of the comments and answers will be notified. Valenzuela asked how long the public have known staff's recommendation is for approval. Goodin stated longer than 30 days, we posted it in November.

ADJOURNMENT

There was nothing further from the Board.

The meeting adjourned at 11:23 a.m.

PRESENTED BY:




Francea L. McNair, Executive Director

APPROVED BY:

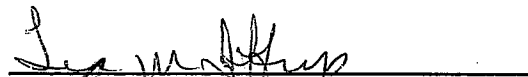


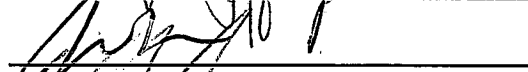


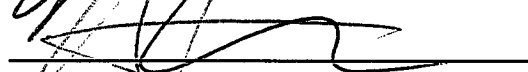














APPROVED and SIGNED this 13 day of February 2013