

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

BOARD OF DIRECTORS MEETING

July 9, 2014

Members present: Steve Rogers, Pacific County (Chair)
Phil Johnson, Jefferson County
Jim Cooper, City of Olympia (Vice Chair) (via phone)
Karen Valenzuela, Thurston County
Mike Doherty, Clallam County
Dan Di Guilio, City of Port Angeles
Cynthia Pratt, City of Lacey
Wes Cormier, Grays Harbor County

Members absent: Tim Sheldon, Mason County

Ecology: Cullen Stephenson

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; Odelle Hadley, Senior Monitoring Technician; Mark Moore, Network Administrator; Dan Nelson, Public Information Officer; Lynn Harding, Administrative Services Manager; Jennifer DeMay, Engineer; Pinky Mingo, Air Quality Specialist; and Debbie Moody, Office Manager/Recorder

The meeting was called to order at 10:00 a.m.

Rogers explained Cooper is at the airport but wanted to participate in the Salary Survey discussion under item 7-*Unfinished Business*. Roger requested that *Unfinished Business* be addressed before any other business to allow Cooper to participate via phone. Doherty moved adoption of the amended Agenda. Pratt seconded the motion. Valenzuela stated the initial five items on the Agenda are quick and felt Rogers' intent was to reverse items 6 and 7. Rogers stated that is not his intent. The motion carried with a majority of the votes. (7-for; 1-opposed (Valenzuela).

UNFINISHED BUSINESS

Proposed FY15 Budget Salary Survey discussion

McNair explained we have provided a copy of the FY15 budget that was approved at the June meeting, as well as a proposed budget which includes the results of the salary survey. It was noted the changes to the budget include the increase to the AOP sources, salaries and benefits, as well as the use of our reserves. Staff's recommendation is to go forward with the amended budget, McNair stated.

Rogers noted his recollection was the Board authorized the salary survey and one member (Cooper) was actively involved with the process. Rogers felt it was important to pay attention to what they did and how they did it. It is a matter of trust and Rogers was confident staff did as we requested and did it well.

Pratt noted it had been discussed at a previous meeting as to whether or not to go outside of ORCAA to have the survey completed. It was the Board's decision, Pratt continued, to save money by having staff perform the survey. Pratt agreed staff did a good job and she was comfortable with the results.

Valenzuela requested clarity on the approved vs proposed budgets, in particular the AOP line item. Will we be raising the cost of the permit holders of AOPs to pay for the increase? McNair explained the AOP program is funded by charging the sources for the work we do. The increase to the program would be about \$24,000.00 and it will be spread over the 13 AOP sources. Valenzuela asked what other ways have staff proposed to pay for the increase. McNair noted, while we can't show it in this budget because we have yet to do it, we will be increasing New Source Review Fees. Currently we are only covering about 22% of our cost in that program so, whether we get the salary increase or not, we will be amending our fees for the program. Valenzuela restated the question noting she was interested in how it is paid for in the proposed budget. McNair stated it will come out of the fund balance. Valenzuela asked what the ending fund balance will be. Harding explained the Fund Balance Sheet. It was noted there was an error on the fund balance sheet and the ending fund balance should reflect an additional \$14,000.00.

Rogers asked when staff raised fees last. McNair stated it was done in 2007.

Johnson asked if staff knew how long we would be in a decline with our reserves. McNair stated it is hard to tell, however it appears the economy is improving and we believe the NSR fee increase will help. McNair also noted she is planning on talking to the Air Directors at the next meeting. Currently the formula for state money is based 80% on the census and currently we are getting less money than Spokane and their census is lower than ours. McNair stated our reserves are healthy and on par with other agencies our size.

Valenzuela noted she liked the proposal staff mentioned with regards to looking at fee increases due to the fact it has been several years since they were reviewed. Valenzuela did state she was reluctant to approve the proposed budget in the absence of that additional information. Valenzuela suggested the Board look more in depth at the salary survey and if it is determined we need to increase salaries, it should be done incrementally, and in concert with the fee increase.

McNair explained this salary increase is incremental and will occur over three years.

Doherty stated he is generally in support, however does share similar concerns as Valenzuela. We do have an excellent staff and we have been lucky to retain not only skilled people, but those that have been with the agency a long time and have a great institutional memory. Doherty stated he would support a fee increase if we do a comparable study. Doherty also noted he wants to ensure the per capita is not increased.

Cooper encouraged the Board to approve the amended budget. We do have a healthy reserve and staff went through a legitimate process working with the sister agencies. Cooper commended the staff for their fiscal prudence. Cooper stated he didn't feel it appropriate to make a motion via phone however noted he would encourage another member to make a motion to approve so we can move forward.

Johnson was comfortable with revenues increasing however is leery of decreasing fund balances and hopes it will stabilize in the near future. Johnson moved approval of the amended budget which includes the salary increases. Pratt seconded the motion. Rogers asked if there was anything further to discuss. Hearing none, Rogers called for the question. The motion carried with a majority of the Board (Johnson, Pratt, Cooper, Doherty and Rogers voted in favor; Cormier, Di Guilio and Valenzuela were opposed).

McNair thanked the Board on behalf of staff. Di Guilio stated he does believe staff deserves comparable salaries, however he is philosophically against salary surveys, which is why he opposed the motion. He noted his preferred way to deal with salaries is via performance evaluation and merit.

CHAIR REPORT

There was no chair report.

APPROVAL OF MINUTES

Rogers asked for approval of the Minutes. Doherty moved approval of the Minutes. Pratt seconded the motion and it carried unanimously.

APPROVAL OF EXPENDITURES AND DISBURSEMENTS

Rogers noted the Expenditures and Disbursements consisted of Warrants and wire transfers 63005690 through 63005718 in the amount of \$22,615.80; and Payroll 397622 through 397637 and 3057057 in the amount of \$113,092.48 for June 7, 2014 through June 30, 2014. Johnson moved approval of the Expenditures and Disbursements. Di Guilio seconded the motion and it carried unanimously.

PUBLIC COMMENT / PUBLIC HEARING / PRESENTATION

Presentation – Saturation Study

McNair explained Hadley will give a brief presentation on our Clallam County Saturation Study. She will be presenting a more in depth talk to the Port Angeles/Sequim community on Sunday at the Port Angeles Library.

Hadley noted she would start with the air quality summary prior to going over the Saturation Study. Air quality numbers are typical for summer months, unfortunately we have had some issues with the monitors this past month. We have moved the Saturation Study to Jefferson County. Hadley showed the current data for Jefferson County's study. As for the Ultra-Fine Particle Study, Hadley continued, we are hoping Nippon comes on line in September or October. We did meet with the UW to make a decision on the future of data collection. We will continue to operate the ultra-fine particle sensor through June.

Hadley went over the Clallam County Saturation Study, noting the study was to determine whether or not the current air quality monitor accurately represents the regional air quality and/or is there a better location for the monitor. We were also looking to find the dominant sources of PM2.5 in the area.

After review of the data, Hadley explained, it showed the better location for the permanent monitor is at the Port Angeles Fire Station. We are working with Ecology and EPA to officially move the site.

Valenzuela wanted to reinforce the point of the study. Valenzuela noted nowhere in the press release does it note this is pre-Nippon and will be done to establish a baseline of air quality. Hadley explained this is a different study; the study Valenzuela referred to is the Ultra-Fine Study. This study, Hadley continued, is to evaluate the long-term monitoring location. Valenzuela asked why we felt the need for this study. Hadley explained we only have one monitor in each of our counties and we want to make sure that each monitor is representing air quality for the people in each region.

Di Guilio asked how long the Ultra-Fine Study will be running. Hadley explained we continue to delay the study while we wait for Nippon to come on line. At this time, we do have the instruments until the end of June.

Bob Sextro, Sequim resident, wanted to acknowledge ORCAA for conducting the Saturation Study. He did note it was his understanding the Ultra-Fine study began in November 2013 with the idea we would get winter and summer data when Nippon was fully operational. This has yet to happen, Sextro stated. Several residents have spoken with the legislatures about getting additional funding to continue the study beyond June 2015 because we feel it is important to get a full data set. Sextro encouraged ORCAA to do the best they can to continue the study to collect additional data when Nippon is operational.

Doherty suggested staff put a letter together to consider some type of EPA funding. The emphasis on the new EPA rule for industrial air and the federal policy on renewables. It would appear to be of national

interest to track industrial air and in an area like our rural counties where we may have more renewables. From the days of open slash burning, the total net contribution in the air, is far reduced. Perhaps we can receive EPA money to extend the study.

DIRECTOR'S REPORT

Compliance Update

R.Moody thanked the Board for approving the amended budget, noting it allows us to retain and obtain quality employees. With that, R.Moody noted, compliance is fully staffed with our new employee, Pinky Mingo. Mingo will be stationed in Port Townsend and will be working closely with the northern counties.

R.Moody noted staff will be manning a booth at both the Grays Harbor County and Pacific County fairs in August. In the compliance reports we show we have been receiving odor and dust complaints, typical for this time of year. We have had several calls related to Ocean Protein, R.Moody continued, and we have been actively checking out the area. No violations have been written to date.

Johnson and Doherty both noted there have been odor concerns in their perspective areas related to marijuana. McNair stated staff is willing to come up and speak with the jurisdiction regarding our role in permitting.

Permit Actions

Goodin stated we recently approved ProGlass in Mason County. We did go through a public hearing for the permit and will be issuing the permit this week. Goodin noted Mason County had requested additional specificity on best management practices we would be looking for if we respond to marijuana odor complaints. Goodin stated he had sent an email to Jeffries, elaborating a bit more on what we look for. As a reminder, we are taking a hands off approach regarding permits, unless they have an engine or boiler that would otherwise trigger a permit. We will respond to odor complaints and we will look for some means that the business is controlling odors. It was requested the email be sent to each of the other Board members as well. Doherty also requested the best management practices be sent.

We do have a couple of permits for marijuana facilities, Goodin added. We are permitting them because they will have large diesel generators at their facilities.

Goodin stated he recently spoke to Nippon's representative and was told they still plan their restart in October. Once they restart, there is a shakedown period which entails cleaning out the entire system.

Education and Outreach

Nelson explained the woodstove change out program is wrapping up. There are a few dollars left to compete the pre-approved projects and possibly enough to fund a few others that are on a wait list.

We are currently in our outdoor fire safety burn ban season. DNR opted not to have a statewide burn ban this summer and left it up to each county to determine their status. Clallam and Jefferson have implemented the July 1 through September 30 ban. DNR issued an Eastern Washington fire safety ban.

Thurston County ban is in effect July 15 through October 15. We will be coordinating with Thurston County Fire with regards to implementing a permit fee. Currently residential permits in Thurston County are free. We do have them online and it has assisted us in having an idea as to how many burns are occurring. There are approximately 990 permits in Thurston County and we have been discussing charging anywhere from \$25 to \$50 per permit. This would be a substantial amount of revenue we can put into a program that is unfunded.

Nelson commended Lacey for banning fireworks in the city limits. He noted when he first began working at ORCAA the monitor in Lacey would spike during Independence Day. The monitor looked good again this year.

Finance/Administrative Update

Harding noted the finance committee usually meets in July to cover the year end, however we cancelled the meeting. Harding stated the next meeting is scheduled for October unless the committee would prefer meet earlier. The committee stated October is fine. Harding stated she has been assisting D.Moody and McNair on updating our Personnel and Procedures Manual and we'll need to form a personnel committee to review the manual.

Rogers asked for volunteers. Di Guilio, Rogers and Cormier volunteered. McNair stated a draft will be emailed to the committee and we can plan on meeting in September or October, following the Board meeting.

Harding stated we have received signage from AWC acknowledging we are a *Well City* which lets people know we support wellness.

Executive Director's Report

McNair reminded the Board that JLARC had been tasked with reviewing registration fees for gas stations around the region. During their review they questioned ozone issues and learned how critical gasoline vapors are in relation to the ozone problem. The draft report is due in October and we are going to meet with JLARC prior to release of the draft. The final is due out in December. (Valenzuela excused herself for another meeting 11:30am)

The air directors have been discussing next year's legislation and the state budget. The Governor has asked for 15% cuts in the general fund budget. Ecology doesn't believe the cuts will affect the local airs. McNair noted she also asked about diesel funding and the additional bunkering in the Straits. Currently Ecology receives \$4.5 million for diesel retrofits and are hoping to get \$5.5 million. Their focus is trucks and trains, however, McNair stated, we requested they also look at ships. Ecology is also hoping to receive \$4 million for woodstove change-outs.

McNair thanked the Board, again, for supporting the salary increase for staff.

EXECUTIVE SESSION

There were no items for Executive Session.

FOR THE GOOD OF THE ORDER

Doherty thanked staff for the monitoring of the Kinder-Morgan project. It appears the project is 4 to 6 times as many tankers and the majority may be bunkering in Port Angeles. Doherty requested staff stay on top of this issue. McNair stated there is a meeting scheduled and we have spoken with NWCAA. NWCAA is not getting involved because the project is currently in Canada. There was additional conversations but no further requests for staff.

Doherty explained Makah is submitting a grant for high speed broadband and asked if Cheeka Peak would benefit from fiber, if it would we may want to send a support letter. Doherty noted the contact would be Crystal Hottowe.

ADJOURNMENT

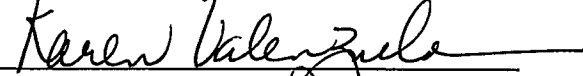
There was nothing further from the Board.

The meeting adjourned at 11:37 a.m.

PRESENTED BY:


Franca L. McNair, Executive Director

APPROVED BY:













APPROVED and SIGNED this 10 day of September 2014