

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

BOARD OF DIRECTORS MEETING

April 8, 2015

Members present: Steve Rogers, Pacific County (Chair)
Jim Cooper, City of Olympia (Vice Chair)
Sandra Romero, Thurston County
Mary Ellen Winborn, Clallam County (via phone)
Dan Di Giulio, City of Port Angeles
Terri Jeffreys for Tim Sheldon, Mason County
Cynthia Pratt, City of Lacey
Wes Cormier, Grays Harbor County

Members absent: Phil Johnson, Jefferson County

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

Staff Present: Fran McNair, Executive Director; Jennifer DeMay, Engineer; Robert Moody, Compliance Supervisor; Mark Goodin, Professional Engineer; Odelle Hadley, Senior Monitoring Technician; Mark Moore, Dan Nelson, Public Information Officer; Lynn Harding, Administrative Services Manager; and Debbie Moody, Office Manager/Recorder

The meeting was called to order at 10:01 a.m.

Rogers asked if there were any changes to the agenda. Hearing none, Rogers continued.

CHAIR REPORT

Rogers noted there will be an issue with the November Board meeting date. McNair explained the November meeting falls on a holiday and the office is closed. We will need to decide to either reschedule or cancel the meeting. The Board felt the decision could wait.

APPROVAL OF MINUTES

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

McNair stated we changed the signature section of the Minutes. The By-laws require only the signature of the Chair and Director on the Minutes.

APPROVAL OF EXPENDITURES AND DISBURSEMENTS

Rogers noted the Expenditures and Disbursements consisted of Warrants and wire transfers 63005998 through 63006049 in the amount of \$38,484.48; and Payroll 417248 through 417263 and 3057831 in the amount of \$127,589.18 for March 4, 2015 through April 3, 2015. Cooper moved approval of the Expenditures and Disbursements. Pratt seconded the motion and it carried unanimously.

PUBLIC COMMENT / PUBLIC HEARING / PRESENTATION

There were no public in attendance, no hearing or presentation scheduled.

NEW BUSINESS

New Source Review (NSR) Fees - Draft

McNair reminded the Board we have removed fees from our Regulation and left our fees intact, approved via resolution. It was determined our NSR fees do not cover the cost of the program and staff has NSR fees to propose to the Board. McNair stated we sent out notices to all of our regulated sources, the economic development boards, and chambers of commerce in our jurisdiction to get feedback on the proposed fee increase. A presentation was made to the Olympia Master Builders of Olympia. Staff held 3 open houses; Port Angeles, Hoquiam and Olympia.

DeMay explained the changes staff is recommending for the NSR fee schedule and who would be affected. The main reason for the proposed fee increase is the current fees do not cover the cost of the program. The current fees were established to cover the cost of technical staff; all other time spent in the program has been covered by general funds. A fee increase would likely limit additional billings; currently over 75% of our sources receive additional invoices until the project is complete. Staff believe the proposed base fees will cover the majority of permits, eliminating much of the additional billings. Staff also feel the permittee should cover the cost of the program rather than the public.

DeMay explained the process used to determine the proposed fees. McNair added our current hourly fee is \$80/hr and the proposed hourly is \$72 and is based on the average of staff time.

McNair noted, if the Board approves the concept of the fee changes, we will hold a public hearing in May.

Pratt moved approval of scheduling a public hearing for the May Board meeting. Romero seconded the motion. Cooper asked if that includes comment for 30 days or just at the meeting. McNair stated comments can be received any time in the 30 days. Rogers noted there was a motion and a second on the floor and called for the question. The motion carried unanimously.

Jeffreys stated the percentage increase is quite high and asked how that affects the overall budget. McNair stated we project that line item to increase from \$45,000 to \$102,000. McNair reiterated the program is currently being paid for by the public and should be paid for by the permittee.

Cormier asked if this issue would be voted on at the conclusion of the hearing. McNair stated that is correct. McNair also noted we are currently only covering about 22% of the cost of the program and we hope this will get us to 85% recovery. Di Guilio asked if there is a policy as to when we want to get to 100% recovery. We do not have a policy on that, McNair stated. There was discussion regarding if the Board was in agreement of 100% cost recovery. Rogers stated that should be a discussion for a future meeting. There was some additional discussion, however, no decision was made regarding cost recovery.

DIRECTOR'S REPORT

Compliance Program Update

R.Moody explained Department of Labor and Industries has done 2 assistance visits with our staff. We were tasked with updating our Safety Policy and field procedures, which we have completed.

R.Moody noted we are losing an inspector to the private sector and are currently advertising the

position. We hope to have the position (entry level inspector) filled before the end of the fiscal year.

Engineering Program Update

Goodin highlighted 3 cases: Northwest Cannabis Solutions, located in Thurston County, installed a large generator and their permit has been finalized; Imperium Renewables and Westway Terminals are both located at the Port of Grays Harbor and will be dealing in petroleum industry commodities. We have received new information on their proposals and are now working on completing their approvals.

Goodin stated we are still waiting on the results of the Nippon stack test and expect them April 20.

Air Quality Program Update

Hadley stated we have had mostly good air quality this past month. In early March we had a few moderate days in Lacey, Shelton and Port Angeles. The Port Angeles site has been moved to the Fire Station however we missed a few days due to lack of power. There was an unknown power issue in Raymond as well. Port Townsend's lost data was due to communication issues.

The Saturation Study in Jefferson County will continue through May. Hadley briefly went over the readings for the Saturation Study, noting Blue Heron appears to be the correct monitoring site. Hadley did state she will do a full analysis once the study is complete.

We are still hoping to get the additional \$100,000 to continue the Ultra-fine Study, in Clallam County, through June 2016.

Cooper asked what happens to the Saturation Study after May. Hadley explained we have the instruments refurbished and then we will be placing them in Thurston County. We hope to begin monitoring in Mid-July.

Education and Outreach

Nelson reminded the Board that after several meetings with the fire associations, chiefs and stations, we are now permitting the Thurston County Residential burns online and have processed approximately 2,700 to date. We have been collecting data and setting the stage for cost recovery and emission reductions. Nelson stated we surveyed our permit holders regarding a potential permit fee. The results show many permit holders are willing to pay a small fee and some would opt to use alternative disposal. Nelson noted the program is currently unfunded and we would like to propose a fee going into the next burn season. Nelson felt a fee of about \$25-\$30 was reasonable at this time, which would provide about \$50,000 in new revenue. To implement the fee in time for the next burn season, we would like a motion to move forward with the CR102 language change in our Regulations. Nelson stated this language would not set a fee, but only allow us to charge one in the future.

Romero asked if there would be a public hearing. Nelson stated there would be. McNair explained there would be a hearing to include language in our Regulations to allow for a fee and then a separate hearing to set a fee, if the Board wishes to do that. McNair stated Cooper, during the finance meeting, requested a full presentation be brought to the Board in May.

Cooper expressed his appreciation for the work staff is doing. Cooper noted a motion would get the process started so potentially we'd have fees in place for the next burn season. Cooper stated his concern is increase in illegal dumping in the county. Cooper stated he would like non-burners to be surveyed as well, to get a public opinion about burning in Thurston County. We need a real cost of hauling debris from the furthest place to a tipping point. The cost should include fees, mileage and carbon emissions. Cooper stated he did not feel the Board has established that any burning is reasonable. Cooper would like to hear directly from Thurston County their position on burning as well.

Romero moved to allow ORCAA staff to proceed with the filing of the CR102 Regulation changes, adopting a residential burn fee program for Thurston County. Di Giulio seconded the motion. Rogers asked for any comments.

Pratt had some concern that some people would burn without purchasing a permit. Cooper asked if we need additional enforcement staff. Rogers noted we need to discuss the motion. Rogers stated he was concerned this item was listed on the Agenda and the general public is unaware we are discussing this. Rogers did note he would like to continue moving forward, but additional discussions are warranted.

Di Giulio asked where the proposed fees fall in cost recovery. Nelson explained we would need approximately \$94,000 to cover Thurston County. To get to 85%, we would need approximately \$80,000. Di Giulio stated this is why we need to consider a policy to determine where we want to go with fees.

Rogers noted there was a motion and a second on the table and called for the question. The motion carried by a majority of the Board (8 to 1 (Cormier)). Romero stated she will talk to Thurston County Solid waste to give them a heads up to find out if they need additional transfer pickup locations. (Romero left at 11:15am)

Finance/Administrative Update

Harding briefly went over the 3rd quarter income statement, noting the budget is on target. Currently, Harding stated, we are expecting to spend \$117,000 of our reserves to balance the budget. We do expect that number to decrease through the end of the fiscal year.

Harding commended our Wellness Committee and its continued successes.

We have a new tenant, Harding stated. They will be renting the large space on the second floor. Harding noted there is still one unoccupied office space available.

The Fiscal Year 2016 draft budget was discussed at the Finance Committee meeting. We will bring the proposed budget to the full Board in May. The budget must be approved by our June meeting.

Executive Director's Report

McNair explained we have received a request, from NAACA, asking that we send a letter of support for additional federal funding for 103 and 105 funds. Staff has prepared a letter, asking congress to support the President's budget, for either the Chair's signature or the entire Board's signatures. After discussion, it was decided to prepare individual letters for the Chair's signature on behalf of the Board. Cooper requested the full Board be listed on the letter.

McNair noted we will stay in touch with Hargrove and Van De Wege regarding the \$100,000 for the Ultra-fine study.

McNair reminded the Board that in Fiscal Year 2016 we will be entering the second phase of the salary survey. The majority of staff will be done with the phases in 2016, with 3 or 4 staff still receiving an increase in a third phase in Fiscal Year 2017.

EXECUTIVE SESSION

There were no items for Executive Session.

FOR THE GOOD OF THE ORDER

Cooper wanted to make sure people were aware of the Safe Energy Leadership Alliance through Executive Constantine's office in Seattle. Making sure we have safety on our rails and ports based on the products coming out of the middle of our country into the West Coast. Cooper felt it was a very important matter.

ADJOURNMENT

The meeting adjourned at 11:42 a.m.

CERTIFICATION

I hereby certify this is a true and correct copy of the minutes of the meeting of the ORCAA Board of Directors held on April 8, 2015, in Olympia, Washington.

ATTEST:



Francea L. McNair, Executive Director
Olympic Region Clean Air Agency



Steve Rogers, Chair
ORCAA Board of Directors

DATED: