

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

BOARD OF DIRECTORS MEETING

May 11, 2016

Members present: Cynthia Pratt, City of Lacey (Vice Chair)
Keith Staley for Jim Cooper, City of Olympia
Mary Ellen Winborn, Clallam County
Phil Johnson, Jefferson County
Dan Di Giulio, City of Port Angeles
Cathy Wolfe, Thurston County
Frank Wolfe for Steve Rogers, Pacific County

Members absent: Tim Sheldon, Mason County
Wes Cormier, Grays Harbor County

Legal Counsel: Jeff Myers and Julie Carignan 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;
Nick Grant, Network Administrator/Monitoring Tech; Dan Nelson, Public
Information Officer; Lynn Harding, Administrative Services Manager; and Debbie
Moody, Office Manager/Recorder

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

Pratt asked for approval of the agenda. Johnson moved approval of the Agenda. Staley seconded the motion and it carried unanimously.

CHAIR REPORT

Pratt stated the Finance Committee met on May 4th to work on the Fiscal Year 2017 budget.

PUBLIC COMMENT

Pratt noted there was a member of the public wishing to speak.

John Cabina, 4221 Bainbridge Court NE in Lacey (Jubilee Community) stated his concern is he has no way of getting a burn permit for his barbecue grill (wood pellet fed). Cabina wants to keep peace between him and his neighbor and would like a permit to burn the wood pellets in his grill. He did add that he doesn't bbq during a burn ban and stated he would like the Board to approve a permit so he can use his grill.

McNair explained to Cabina that Lacey, Olympia and Tumwater had been in non-attainment, which is why there is absolutely no burning within these three cities. McNair noted only gas fired or charcoal bbqs are allowed in the city limits.

Pratt asked if there were any further comments. Cabina excused himself.

Wolfe asked if the Board has any authority to make exceptions to something of this nature. McNair stated the Board would have to do a regulation change as well as amend the State Implementation Plan.

CONSENT AGENDA

Pratt asked for approval of the Consent Agenda. F.Wolfe moved approval of the Consent Agenda. C.Wolfe seconded the motion and it carried unanimously.

PUBLIC HEARING / PRESENTATION

Fiscal year 2017 Budget

Pratt opened the public hearing at 10:09 am and it was noted the hearing will remain open until the June 8, 2016 meeting. Pratt noted there were no public requesting to comment.

McNair stated when we first started the budget process with the Finance Committee, it appeared we would be using \$185,000 of the reserves; we are now looking at expending about \$60,000.

McNair briefly went over the budget noting we are expecting a decrease in State and Federal funding. The Board approved the \$0.75 per capita (an increase of \$0.30), and a 1.4% COLA has been included in the budget. McNair reminded the Board that we are in our final year of the salary survey increases and after talking to staff, the five remaining members that were to get increases this year have all agreed to hold off until their anniversary date for that final increase, rather than get both in July. This will save us approximately \$10,000.

We will be registering approximately 170 marijuana growers/producers and we will be discussing permitting actions at a later date. We have been notified there are approximately 298 marijuana facilities in the queue as well.

McNair noted we will have a resolution to bring before the Board today that will change our operating reserve from 25% to 20% due to the fact we already have a Title V reserve as well as a reserve for our accruals (vacation/sick/comp). McNair went over the reserve funds, noting we are not adding any additional funds to them for the FY17 budget.

Staley, noted FY18 shows a projection of \$113,000 being taken from the reserves; is it ORCAA's practice to use the reserves to meet the budget? McNair stated we don't want to use all the reserves, but we are continuing to fine-tune our budget. Our staff continually search for additional sources and they are very careful with spending. We hope we don't have to use the \$113,000, but that is our best guess at this time. McNair did note we have been projecting much higher use of reserves in the past, and have not had to use it. Staley stated it appears fee increases won't make the use of reserves go away. McNair explained some of the program fees bring us close to cost recovery, but there are some costs we can't cover with fees.

Pratt noted two employees have a higher salary than the director and the Finance Committee recommended the budget include the director's salary at \$124,000.

Di Guilio stated he was concerned with depleting the reserves as well. He feels it is important for the Board and staff to develop the revenue sources in such a way to build on the reserves. Pratt agreed

and noted Cooper was the one to suggest we lower the operating reserve to 20% and also look at other sources to insure we can cover our expenses without dipping into the reserves on an annual basis.

Winborn stated she was surprised staff didn't ask for a larger increase in the per capita assessment and achieve a neutral budget.

Pratt stated the hearing will continue until the June meeting.

NEW BUSINESS

Marijuana Facility Registration

McNair reiterated we have 170 licensed growers and processors we will be registering and they will be paying \$243 per year for annual registration fees. We plan on inspecting them on a 3 year rotation. We have spent quite a bit of time on complaints for this industry to date. We have issued 1 violation for odors and they have appealed to the PCHB.

Resolution #269 – Operating Reserve

Pratt explained the Finance Committee felt 25% was a lot to maintain for a reserve. The Finance Committee would recommend it be changed to 20% due to the other reserves established. Pratt asked if there were any questions. Di Guilio stated he couldn't support 20%, he felt 25% was an adequate number for an operating reserve. McNair explained 25% is more than we need, due to the fact that we were double counting Title V, which has its own reserve. We were including Title V in the 25% as well. In reality, McNair explained, we will still be at about 25%, but the Title V is set aside in its own reserve. Di Guilio stated he understood what staff is doing, but still felt 25% is the right amount for the operating reserve.

Winborn stated she agreed with Di Guilio but felt 20% was a good contingency. Pratt asked if anyone would like to make a motion.

C.Wolfe moved approval of Resolution 269. Johnson seconded the motion. Pratt asked if there was any further discussion. Winborn asked if there was any assurances this won't change again in the future. Pratt stated we have held the 25% reserve for some time. Harding stated it was created in 1999.

Pratt called for the question and it carried with a majority vote. (6 agreed; 1 opposed (Di Guilio)).

Rule 6.2.4 Summer Burn Restrictions

McNair explained staff met with the Thurston County Outdoor Burn Committee and they have agreed to change the dates for their summer burn ban to be more similar to the other counties. We also discussed banning burning during December and January, however we have yet to come to a consensus on that issue.

At this time, we would like to change our Regulation to show the summer burn ban beginning July 15 and ending September 30. McNair stated we would like a motion today to move forward on this rule change. We will set up a public hearing for July, McNair stated.

F.Wolfe moved that staff proceed with the process to change Rule 6.2.4. Di Guilio seconded the motion. Pratt asked if there was any further discussion. Johnson asked why we set the burn ban, rather than have the county or DNR set it. McNair noted it is in other counties. R.Moody explained

ORCAA is involved by request of the Thurston County Fire Commissioners.

Pratt called for the question and the motion carried unanimously.

DIRECTOR'S REPORT

Compliance Program Update

R.Moody noted we have entered inspection season and we have also been dealing with a lot of burn complaints. We have several cases in the appeal process, 2 outdoor burning, 1 marijuana and 1 of our Title V sources, R.Moody stated. We were involved in a hearing case last month and we are currently awaiting the results. Carignan added the case had to do with asbestos and the penalty they appealed was for \$14,915, which is the highest amount ORCAA can issue.

Engineering Program Update

Goodin stated we have finalized 3 permits and they have been delivered to the sources. Goodin wanted to explain when we receive an application we try to coordinate with the city or county to make sure all the correct permits and SEPA have been taken care of. One of the issues we run into is we have to coordinate with whichever department is in charge of the uniform building and fire code. In many cases, this issue is what bottlenecks the entire permitting process for us.

Pratt asked how ORCAA deals with methane. Goodin stated we do regulate methane, primarily with the landfills. Are those facilities, that utilize the methane waste to energy, regulated as well, Pratt asked. Goodin stated we do.

F.Wolfe asked if ORCAA issues permits for slash burns. R.Moody stated we issue permits for landclearing burns. There are some Fire Districts throughout our jurisdiction that have requested authority to issue them in their areas (i.e. Ocean Park). R.Moody, if it is in timberland, DNR handles those burns.

Air Quality Program Update

Hadley stated we are in our good air quality days. We have been having great air quality at all of our sites. We did have an instrument failure at Lacey in April, Hadley noted. The ozone monitor has been installed at our Lacey site, Hadley continued, and it will run for the summer. Ecology also runs an ozone monitor in Yelm, which, Hadley noted is running a bit higher. Hadley explained the standard for ozone is 70ppb for an 8 hour average, noting Yelm is not that far from it at about 65ppb. Hadley did explain going over the standard once or twice a year isn't an issue, in fact, the rule is if you go over the standard 4 times in a year 3 years in a row you can be listed as non-attainment. Hadley explained her concern at this point is it is only April and typically ozone season doesn't start until May.

The Thurston County Saturation Study slide continues to show the monitors are tracking each other fairly well. We are seeing the Rochester monitor picking up higher peaks, in general, relative to our other monitors Hadley stated. Hadley did note the air quality is still good, but Rochester is definitely higher and we are guessing this has a lot to do with outdoor burning, which is banned in the city limits of Lacey. Hadley noted we may want to use this data and the data collected in Clallam County – another study that had monitors both inside and outside no burn areas – to see if we can find some statistics of the impact on air quality from open burning.

Hadley concluded by stating the first paper on the Clallam County Ultra Fine study has been accepted

for publication. If anyone is interested in a copy we can likely get a copy to share. We continue to work with the UW on a synthesis report to incorporate all the data. Di Guilio requested a copy of the paper, as did Johnson.

Winborn asked if someone could explain the difference between odors and air pollution. Hadley explained odors from marijuana, for instance, are from terpenes which are VOCs. It is similar to what you get from pine trees and cloves. There are many different terpenes, Hadley stated. Goodin added the terpenes Hadley mentioned are all listed in Washington's Air Toxics regulations which is used to evaluate new sources of air pollution. For example, Goodin continued, lumber mills emit terpenes so when we are reviewing a permit for a lumber dry kiln we make sure the emissions, at the fence line, are not above a certain concentration. With marijuana, Goodin explained, we don't know as much about it but we do know the pollutants are emitted and they are odorous.

Education and Outreach

Nelson stated staff attended the Olympia Home Show in Lacey and there was quite a good turn-out. We had a lot of visitors inquiring about asbestos and demolition permits, as well as our woodstove program. The graphic novel was a big hit with the kids and handed out a large amount of our inventory.

It is outdoor burning season, Nelson stated. We are seeing a lot of burning and we are currently at about 3,000 permits in Thurston County with approximately 80 invalid ones that were contacted and told they weren't allowed to burn. Nelson noted we have had good conversations with those folks whose permits we've had to revoke.

Nelson explained staff is sending out an educational mailing to the marijuana growers/producers to alert them to our registration process.

Finance/Administrative Update

Harding noted we are in the final 6 weeks of our 2016 budget and staff is wrapping up our grants for the year, closing the woodstove bounty grant with a carryover of about \$32,000 we will use in 2017. Our Wellness program continues to go strong and we did get word we will receive the 2% reduction for 2017 premiums. Harding stated, as for our building, we still have a couple of rental suites open for rent and we recently repaired our deck on the rear-stairwell.

Executive Director's Report

McNair stated we are working with Spokane Clean Air Agency with regards to registering marijuana facilities. The Liquor and Cannabis Control Board has come out with regulations for medical marijuana, but not recreational. The director at SCAA requested to discuss issues with them and was told if she wasn't a city or county they weren't interested in what she had to say. The reality, for us, is if the outdoor facility is anywhere near another business or residential area it is really hard to control the odor. McNair explained she, and the director of SCAA, would like to work with Tharinger and Van De Wege to change the state law to say marijuana grow/processing facilities must be indoors. It is more expensive for the facilities, however being able to control the odors would be much easier to do. Winborn didn't think it was unreasonable to request a business to build or buy a building, they could always sale it later. McNair reminded the Board it really is a land use and zoning issue, which is one of the reasons Mason County has chosen to require indoor operations only.

McNair asked the Board if they would consider cancelling the August Board meeting. She reminded them we typically skip a month in the summer and one in the winter as we have to meet 10 times each

year. The Board agreed to skip the August 10th meeting.

EXECUTIVE SESSION

There were no items for Executive Session.

FOR THE GOOD OF THE ORDER

ADJOURNMENT

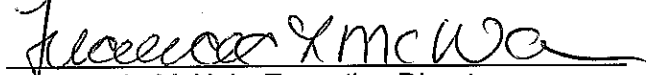
There was nothing further from the Board.

The meeting adjourned at 11:16 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 May 11, 2016, in Olympia, Washington.

ATTEST:



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



Jim Cooper, Chair
ORCAA Board of Directors

DATED: June 8, 2016