

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

**Finance Committee Meeting**

July 10, 2013

Members present: Cynthia Pratt, City of Lacey  
Karen Valenzuela, Thurston County

Members absent: Jim Cooper, City of Olympia

Staff Present: Fran McNair, Executive Director; Lynn Harding, Administrative Services  
Manager; and Debbie Moody, Administrative Assistant II/Recorder

The meeting came to order at 9:01 am.

Pratt moved approval of the Agenda. Valenzuela seconded the motion and it carried unanimously.

Pratt moved approval of the May 8, 2013 Minutes. Valenzuela seconded the motion and it carried unanimously.

**DIRECTORS REPORT**

Fiscal Year 2013 Year End Financial Reports

McNair noted we have the year-end report is in the packet; however one other thing we want to mention is we received our ultra-fine money. McNair stated we will receive \$516,000 for the project. We will prepare a resolution, to amend the budget, for the September Board meeting. We will receive \$308,000 this year and the balance of \$208,000 next year. The first year we'll need to purchase equipment.

McNair went over the year end reports. McNair noted we'll be adding about \$14,000 to our fund balance. We will begin our year with a higher beginning balance than we originally anticipated.

Pratt asked if we are allowed to carry over funds. McNair explained the only funds that we had to return were monies left unspent in the Woodstove Change-out grant. However, that program is continuing and we did get re-appropriated funds back. The rest of our funds can carry over year to year.

It was noted we had originally budgeted to use \$159,000 of our reserves to balance the budget, but at year end, the funds were not needed due to additional revenue and under-spending in several areas. Harding did note we brought in quite a bit more NSR permitting funds than we had anticipated. This means staff spent a larger amount of their time in this program as well and it resulted in a larger carry-over for our AOP program. Because our engineering staff received more permits, they were not able to work in the AOP program as much. McNair added we are down an engineer as well. There was some additional discussion regarding permitting, time accounting, billing, etc. This discussion assisted in better understanding of the day to day permitting process.

McNair stated we are looking forward to working on the ultra-fine project but it is important to

remember there are no standards for these pollutants. We will report the findings to EPA and they can add it to the data they have and perhaps, in time, they will come up with a standard and regulations for these ultra-fine particulates. We are confident in the University of Washington's abilities to do this study and to share it with other academics. Valenzuela noted the information should also be shared with the local health officers in our region. As a group, they can communicate to EPA, depending on the results, that there needs to be further action.

Pratt noted there may also be concern over pollution coming from China that likely affects us. McNair stated she had received an email asking about data from and funding for Cheeka Peak. There are two types of funding from EPA – 105 funding and 103 funding. Currently Cheeka Peak is funded through 103, which means there are no matches; it comes directly from EPA to us. 105 dollars come through Ecology; they take money off the top and we have a match. Washington is one of the only states whose money goes through Ecology. We recently learned 103 funding may go away. If we can keep Cheeka Peak as a research site, we can keep the 103 funding. Knowing this, we are working on getting Cheeka Peak established as a research site. Harding stated Ecology retains over 45% of 105 monies. Valenzuela agreed this was a large amount but stated we don't want to lose the state air program. Pratt felt Ecology should be able to charge an administrative charge, but can't imagine it is every 45%; EPA should fund them. McNair explained they are funded by EPA; 46% of the air quality money goes to Ecology and the local airs split the other 54%, then Ecology takes an additional 45% of each local airs portion.

Discussions on general air quality followed.

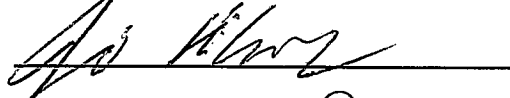
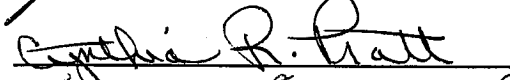

Pratt asked if there was anything else to be discussed with regards to the end of year report. Harding recapped the report stated we brought in \$74,000 in additional revenue; we under-spent by \$125,000 which is a result of staff (largest savings) and woodstove change out program. We also had savings in our leasehold improvements—we budgeted to do some improvements in our vacant suite, but didn't rent the space, therefore we didn't do any improvements. As of June 30, 2013 we had \$1,569,488 in the bank. Of that amount, Harding continued, we have set aside; 25% Board reserve (\$337,890), Title V carry-over (\$71,325), tenant security deposit (\$1,997); and the reserve funds for the building (\$20,000), monitoring (\$45,000), and the database (\$35,000).

The meeting adjourned at 9:52 am.

PRESENTED BY

  
Francea L. McNair, Executive Director

APPROVED BY:

APPROVED and SIGNED this 8 day of January 2014