

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

**BOARD OF DIRECTORS MEETING**

June 11, 2014

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

Members absent:

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; Jennifer DeMay, Engineer; Dan Nelson, Public Information Officer; Lynn Harding, Administrative Services Manager; and Debbie Moody, Office Manager/Recorder

The meeting was called to order at 10:04 a.m.

Rogers entertained a motion to approve the Agenda. Cooper moved approval of the Agenda. Di Guilio seconded the motion and it carried unanimously.

**CHAIR REPORT**

Rogers noted the Finance Committee met prior to this meeting and the outcome will be discussed on the Agenda.

**APPROVAL OF MINUTES**

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

**APPROVAL OF EXPENDITURES AND DISBURSEMENTS**

Rogers noted the Expenditures and Disbursements consisted of Warrants and wire transfers 63005645 through 63005689 in the amount of \$55,917.83; and Payroll 395398 through 395413 and 3056990 in the amount of \$112,917.48 for May 10, 2014 through June 6, 2014. Cooper moved approval of the Expenditures and Disbursements. Di Guilio seconded the motion and it carried unanimously.

**PUBLIC COMMENT / PUBLIC HEARING / PRESENTATION**

Fiscal Year 2015 Budget - continued

At 10:06 a.m. Rogers asked if there was anyone wishing to comment or ask questions regarding the

budget. There were none. Rogers closed the hearing and asked for staff presentation. Jennifer DeMay, Engineer noted staff had completed the salary review as requested by the Board. DeMay explained the survey process. It was noted the survey information was gained from Southwest Clean Air Agency, Spokane Clean Air Agency, Northwest Clean Air Agency, as well as Ecology.

DeMay noted percentage difference for many of the positions was due to the fact the last salary survey was done for the 2003 budget and staff was denied COLAs in many years. DeMay noted staff's recommendation to implement the changes would be to increase salaries over a three year period.

Valenzuela noted she would report on what the Finance Committee discussed. Valenzuela noted there are two budgets for consideration; one includes the 2% COLA as discussed at last month's meeting and the other includes the salary survey. The Finance Committee reviewed the detail of the salary survey and they did not come to an agreement on implementation of the survey results. Because we need to take action on passing a budget, we recommend approval of the 2% COLA budget today. We can then consider the salary survey information and revisit this topic at our July meeting.

Roger stated if the Board was in favor, he would move forward with the salary survey budget. Di Guilio asked how the comparables were determined. McNair stated staff and Cooper chose the agencies that were similar size in staff, similar budgets and similar costs of living. We also chose Ecology because they are located locally. Di Guilio asked if benefits had been compared. McNair stated we did not; however most agencies pay for their employees' benefits.

Cooper noted he had been charged to work with staff and wanted to commend them for an amazing job. They spent well over 100 hours doing the comparison and did a thorough job. Cooper stated we didn't take a vote during our finance meeting, but we did have a general recommendation that we were ok with the 2% budget if the Board needs time to consider the salary survey portion. Personally, Cooper noted, he is supportive of moving forward with it today.

Cooper added the director's salary was not included in the salary survey budget numbers. We will need to discuss the director's salary if the survey goes forward. If the director's salary isn't adjusted the highest paid employee would be above her salary.

Michael Steadman, City of Lacey, stated he would be more comfortable going with the recommendation of the finance committee at this time.

Valenzuela noted Cooper's recommendation to put a small amount of money in the budget to hire outside help to do a salary survey. Valenzuela noted she had argued against that noting she felt staff could perform it in house. During the finance committee meeting, Valenzuela changed her mind and felt an outside consultant was the better way to go.

Cooper noted we realized how much staff time this survey took and felt we should have a policy to ensure staff doesn't fall 10 years behind in the future. Cooper felt there were several options. We can do it in-house again, taking our staff away from their day-to-day jobs; we could create a reserve, adding \$1,000 per year to give staff the funds to have a survey done every five years; or make a policy decision that we make those funding decisions every five years.

Valenzuela stated that once we received the information and recommendation from staff it made more sense to have a greater distance between the people that do the survey and those that benefit from it. Valenzuela stated staff did a fine job on the survey and were undoubtedly very objective, but for our own confidence and perhaps appearances sake, it feels more appropriate that it be done out-of-house.

Di Guilio asked if we were to pass the budget with the salary survey recommendations would it be sustainable. McNair stated it is. Valenzuela stated it would come from the fund balance. McNair explained we have 1.3 million in our fund balance and a portion of that is reserved. With the 2% COLA we would have

an unreserved balance of \$741,000. With the salary increase we would have an unreserved fund balance \$655,000. McNair added staff will be revising our Notice of Construction fees. Costs, including salaries, have gone up, but this source of revenue hasn't been looked at in over 7 years. Another source of revenue is residential burn permits. We have been discussing taking over the entire residential burn permit program, in Thurston County, especially in those areas where permits aren't tracked. McNair noted other air agencies are charging for permits. Our goal would be to deter burning by charging for permits.

McNair did note we had originally budgeted to use \$149,000 out of our reserves – we will be using only \$19,000 this past year. Even with our renovation, which was around \$30,000 and was not originally budgeted for, we are well ahead of what our projection was.

Steadman asked if it would make sense to have those increases that are less than 10% be effective immediately while the larger increase be spread out over the three years. DeMay stated that is basically how we were doing it.

Di Guilio stated he is not a fan of salary surveys. He feels it is a tool to artificially give large raises and he wasn't supportive.

Valenzuela moved adoption of the 2% Cola Budget. Di Guilio state he would support the 2% and seconded the motion.

Valenzuela stated we have just received the salary survey data and would like more time to digest it. Johnson agreed and stated he was not opposed to salary surveys. He noted it was our decision to keep it in-house, but felt having someone else do it is more appropriate. Johnson would like additional time to look over the information.

McNair stated staff would be available to meet with and go over, in detail, the survey if anyone is interested. Steve asked if the Board was interested in meeting at 9:30 a.m. at the July meeting. Di Guilio explained he isn't concerned with the quality of work, he has full confidence in staff—he is just philosophically against surveys. Cooper encouraged the Board to take advantage of McNair's offer to go over the results in detail, noting he is supportive of the motion to adopt the 2% COLA Budget, with the acknowledgment that we will have a more thorough discussion about the salary survey at the next meeting. The goal of the salary survey, Cooper stated, and what I believe is the intention of the Board is we want ORCAA to recruit and retain the best air quality operators and staff.

Doherty noted for the past 7 or 8 years his county hasn't been in great fiscal shape. Doherty felt some of the increases seem large and he has a hard time thinking it won't be an impact on the assessments to the counties. McNair stated we are not looking at increasing the assessments.

Valenzuela noted she was uncomfortable with the conversation. It appears staff is advocating for the increase and it is a Board discussion. Valenzuela noted authorizing the survey is not the same as implementing it. No one on this Board should feel obligated to do anything with the information, Valenzuela stated. Valenzuela noted she appreciates the ideas presented regarding ways to increase our revenues, which are Board decisions that have yet to be made so we can't count on those funds.

It appears there is enough concern about the salary survey, Valenzuela continued, we should consider voting on the motion before us, which is to adopt the 2% COLA budget. McNair noted 2% for her position has been included in the budget, but needs to be approved by the Board per the director's contract.

Rogers called for the question. The motion carried unanimously.

Valenzuela stated the finance committee would request that the other proposed budget be discussed at the next months' meeting. The Board agreed. Di Guilio requested both the newly adopted budget and the proposed salary increase budget be on one sheet for ease of reading. Staff stated they could do that.

## **NEW BUSINESS**

### Resolution 259 – Unpaid Religious Holiday

McNair explained legislation passed granting 2 unpaid holidays, per year, for a reason of faith or conscience. McNair added there is a caveat for undue hardship for the organization. The legislation goes into effect on June 12, 2014.

Cooper noted any time an employee takes unpaid leave it creates a hardship. Cooper asked counsel if we need to adopt this resolution. Myers explained the legislature contemplated employees would take these 2 days in addition to their regular holidays. The undue hardship has been defined by OFM. Rogers noted we don't have a choice as the legislation will go into effect.

Valenzuela moved approval of Resolution 259. Steadman seconded the motion and it carried unanimously.

## **DIRECTOR'S REPORT**

### Compliance Update

R.Moody noted we have had an upswing in odor complaints. R.Moody pointed out several complaints for Silver Spring Organics. There is a potential for odor issues at the Port Angeles landfill while they excavate. Staff is gearing up for the summer burn ban. Typically DNR begins to implement burn bans July 1 in all of our counties. If DNR doesn't call them, we do have agreements with each of the county fire marshals and Clallam and Jefferson typically follow the July 1. Valenzuela asked if counties can elect to implement burn bans earlier than July 1. R.Moody stated there is likely an ordinance that would allow that.

### Permit Actions

Goodin noted the permit we generated for the Port Angeles landfill has some very specific conditions regarding the moving of the waste. There was a tremendous amount of effort to assure the waste is put into landfills in such a way as to not cause air impacts—specifically asbestos, among other items. When they open the landfill up, we want to have assurance there is no dust. There is a high potential for odors and dust and we have provisions in the permit to minimize the impacts.

Goodin stated we held a public hearing in Mason County for a business called ProGlass. This facility will manufacture valve covers and various other items using fiberglass reinforced plastics. Goodin stated we will go over all of the comments we received and answer all questions. We should be finalizing the permit late next week.

ORCAA issued a standard procedure with regards to marijuana facilities. The procedure is clear in that we will not get involved in siting these facilities—we will only be involved in a permitting capacity if they have equipment that falls under our regulations. We did strongly recommend the siting decisions should be made at the local level and we pointed everyone to Denver's best management practices. Goodin did note this does not relinquish our enforcement authority should there be any odor violations. If they are sited poorly there is a high likelihood they will result in odors.

Cooper asked if there is a check and balance in ORCAA's permitting process whereas you won't issue the permit if it isn't sited correctly. Goodin stated SEPA needs to be complied with prior to issuance of our final permit.

Valenzuela noted her understanding is ORCAA's involvement begins only when there is some piece of equipment that falls under our rules. Now that we have growers and processors in Thurston County, Valenzuela continued, we are actually getting odor complaints from neighbors from the smell of the plants themselves. ORCAA wouldn't have a role in that correct? Goodin stated we do have a role which is why I

explained whether or not they have a permit through us, we do have enforcement authority for an odor violation. If odors unreasonably interfere with the use and enjoyment of someone's property we can, and will, enforce. Valenzuela asked how odors, from plants growing in the ground, would be controlled. Our position is the biggest mitigation measure is done during siting—making sure these facilities are not sited in areas where they are sandwiched between residential areas. If it is an outdoor grow operation there isn't much you can do, for indoor they can use ventilation and best management practices that have been established in Colorado. Valenzuela noted her question is about outdoor growing. They have gone through permitting in Thurston County and are located where the county has agreed to allow them to be. We now have neighbors complaining about the odor. You stated, Valenzuela noted, there isn't much that can be done about the odor from outdoor grow operations. Goodin stated that is correct, but we can enforce regardless.

Valenzuela noted Thurston County's ordinance in an interim ordinance, good for one year. This was to give us time to address these types of issues. If we got it wrong at the County and have allowed the siting of these facilities in areas that will interfere with neighbors' enjoyment of their property we need to hear from ORCAA when we consider possible changes.

Johnson asked if an enforcement action is taken, the facility pays the ticket, what happens next—they keep operating. Goodin stated it can be a tricky situation with these types of issues. Siting is still the number one thing you can do to mitigate these issues. Rogers noted he felt all of the indoor growers will have standby generators. Goodin thanked him for that information.

Doherty questioned what will happen to these businesses that purchase land for their operation, go through all the permitting at the county or city and the neighbor's complain—who suffers the loss? Can they sue the county for the damages if we allowed them to operate there? Can the neighbor sue? Doherty noted people have begun to put houses on the market knowing there are planned operations nearby. Doherty requested a new copy of Denver's best management practices. McNair stated we would send them to all Board members.

### Air Quality Summary

Hadley stated she had planned on sharing the final report on the Clallam County Saturation Study, however we are postponing the report until the July meeting. Hadley explained the installation of the Saturation Study in Jefferson County has taken up more time than expected. Hadley did state she has already notified the citizens in Port Angeles and Sequim that the date for the report will be the day following the July Board meeting.

Hadley went over the air quality in our area, noting good air quality for the month of May.

All four monitors, for the Saturation Study, have been installed in Jefferson County. We have MOAs signed for each location.

Hadley showed initial data from the Jefferson County Saturation Study. It was noted we are seeing more of a spread, likely due to the fact we are starting in the summer. Hadley noted the 3 sites that we have data from are closely correlating. Hadley noted the Jacob Miller site is consistently higher, however the overall trends are the same as the other two sites. Hadley noted she will be looking into this to see if we can't pinpoint the reason.

Steadman excused himself for another appointment at 11:15 a.m.

### Education and Outreach

Nelson stated the woodstove reduction/change-out program is nearing completion. We have enough funding to finish up the projects that have been approved. The program has been very successful and we

are completing it a year ahead of schedule. Nelson noted we have contacted Ecology to be first on the list to request any unused funds from other agencies. Nelson noted ORCAA is the focus of a classroom study at South Puget Sound Community College. They were looking at woodstoves and wood smoke emissions and our program became a focus of their paper. Nelson stated he has been working with compliance staff regarding fires on beaches in our jurisdiction. We have created fliers and posters for the fire departments to place. Nelson handed out ORCAA's FY2014 annual report.

Valenzuela noted a constituent in south Thurston County had dismantled his deck and proceeded to burn it. Neighbors complained and apparently ORCAA staff visited. Valenzuela noted it is never clear to her, when she receives these types of complaints, if they are violating an air quality rule or not. McNair noted you can never burn that type of material. Valenzuela stated the feedback she received from her staff was no violation had occurred. Valenzuela noted she would share the specifics with the compliance staff.

#### Finance/Administrative Update

Harding explained part of her job is to review legislation which may affect ORCAA and its staff. For instance, the resolution the Board approved earlier in the Agenda. Harding added the resolution actually applies to each of the governments at the table—it is required to be adopted by June 2014. Harding also noted she received information from the state noting they will not increase the contributions for Department of Retirement Systems in July or September.

As a follow up, Harding noted we have been accepting credit cards since 2007. In July, last year, we changed vendors and wanted to update the Board on the differences. The main difference with our new vendor is we no longer pay the fees for transactions, those fees are passed on to our customers. Due to this change we have saved approximately \$5,000. We have had a 22% increase in use of credit cards in the past year. In 2013 there were 599 transactions that were handled, in house, by staff. After moving to our new vendor, we have given our customers the opportunity to process their own transactions and we have seen 732 transaction thus far this year.

#### Executive Director's Report

McNair asked the Board if they were interested in determining a month to take off. McNair noted she is aware members may be scheduling vacations. McNair did remind the Board we have to meet 10 times per year. Valenzuela stated she would like to remove the requirement to meet 10 times per year. It was noted the RCW states we must meet 10 times. Valenzuela noted she felt we could qualify our Bylaws for inclement weather. McNair stated we would look into it. After some discussion it was determined if there is no business the majority of the Board would like to skip the August meeting. Johnson moved approval of cancelling the August meeting. The motion was seconded by Cooper and it carried unanimously.

McNair stated we have a new employee beginning on July 7. Her name is Pinky Mingo and she is from Jefferson County.

McNair wanted to remind the members that she and staff are willing to go over the salary survey in detail if need be.

As indicated earlier, McNair stated, in the budget there is 2% for her salary. The Board needs to decide if it is granted. Myers noted because her salary is set by contract, the Board should present a motion. Johnson moved to allow 2% COLA for the director. Valenzuela seconded the motion. Sheldon noted the Board typically has a yearly evaluation process prior to adjusting the Director's salary. Rogers stated we did discuss this a bit in the finance committee meeting and felt an evaluation could be done every 2 years rather than annually. Rogers called for the question. The motion carried unanimously.

## EXECUTIVE SESSION

There were no items for Executive Session.

## FOR THE GOOD OF THE ORDER

Cooper stated a lot of organizations he participates in are moving up their schedules for when they will come up with their advocacy agenda for the legislature in the next session. At what point will we discuss our policy requests to the legislature. McNair noted that conversation typically takes place in September and it includes the Air Directors and Ecology.

Doherty asked how many of the members had adopted the Holiday policy that was brought before us today. Several members stated they had. Doherty noted Clallam had not.

Doherty stated there was also an open public meetings and public record mandate, how will that be handled. McNair stated some of our employees have been trained. Myers noted it covers public records officers and elected officials. Cooper noted the city of Olympia hosted a training for about 200 elected officials and staff from the region last week. The training was recorded by Thurston County Television and link will be sent to ORCAA staff.

Doherty asked if any ORCAA staff have talked to Ecology about the status of the Kinder Morgan. Under their proposal, Doherty stated, they will be doing more bunkering in Port Angeles harbor and the maritime industry is transitioning to liquefied natural gas as a cleaner fuel. If the state did seek intervenor status and, if they got it, is Ecology mitigating any of the impacts of the air quality issues from the bunkering operations?

McNair stated she would talk to Ecology.

## ADJOURNMENT

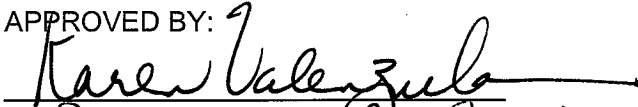
There was nothing further from the Board.

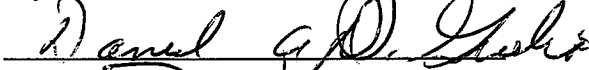
The meeting adjourned at 11:38 a.m.

PRESENTED BY:

  
Francea L. McNair, Executive Director

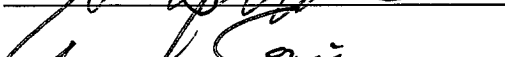
APPROVED BY:













APPROVED and SIGNED this 9 day of July 2014