SPOKANE REGIONAL CLEAN AIR AGENCY
SPRING RETREAT MINUTES

April 6, 2023   10:30 a.m.

BOARD MEMBERS:
Al French, County Commissioner (Chair)
Jim Simon, City of Spokane Rep. (VC) (Absent)
Tom Brattebo, Member at Large
Kevin Freeman, Mayor of Millwood, Small Cities & Towns Representative
Rod Higgins, City of Spokane Valley

STAFF MEMBERS:
Scott Windsor, Executive Director
April Westby, PE, Supervisory Engineer
Lori Rodriguez, Compliance Section Manager
Michelle Zernick, Finance & HR Section Manager
Mark Rowe, Monitoring Section Manager
Lisa Woodard, Communication/Outreach Sect. Mgr.

ADVISORY COUNCIL & LEGAL COUNSEL PRESENT:
Michelle Fossum (Legal Counsel)
Ron Edgar (Chemistry)
Tony Masiello (Member at Large)
John Dietzman (Environmental)
Ray Byrne (Public Health)
Brent Downey (Industry)
Hal Ophus (Business Community)
Jacquie Etter (Agriculture)

PUBLIC PRESENT:

SPRING RETREAT MEETING:  10:30 a.m.

10:30 a.m. Introductions

10:40 a.m. – Monitoring – Mark Rowe

We monitor particle pollution, PM$_{2.5}$ which is fine particles less than 2.5 micrometers in diameter and PM$_{10}$ particles are up to 10 micrometers in diameter. Of the sites with monitors, there are five PM$_{2.5}$, two Ozone and three PM$_{10}$ monitoring stations. The two Ozone stations are regulatory stations, at Green Bluff and Turnbull; the one PM$_{2.5}$ regulatory station is at Broadway; and two PM$_{10}$ regulatory stations at Broadway and Turnbull. Discussion ensued between the Board and Mark on the cost of putting a PM$_{2.5}$ and PM$_{10}$ monitoring stations at the State Line and I-90. There were questions regarding
if Coeur D’Alene is inside Spokane’s air shed and does Panhandle Health do any air monitoring. Mark replied it is approximately $35,000 for the monitor, the enclosure is another $10,000, plus the cost of getting electricity to the site and any preparations for getting the site ready. Yes, Coeur D’Alene is inside our air shed and the Idaho Department of Environmental Quality does monitoring. The Board would like Mark to find out if Idaho’s DEQ office has any monitoring in the area. Mark stated that he would get more information about the wind patterns during the ozone monitoring season. More discussion ensued on these subjects and any data available on these subjects and the prevailing winds. EPA is going to revise the annual PM$_{2.5}$ standards and the rest of the standards remain the same. Mark then went over the values for PM and ozone. The Climate Commitment Act and Washington State Department of Ecology’s declared an overburdened community in parts of Spokane and Spokane Valley. Mark then went over CO and PM$_{10}$ maintenance plans.

11:10 a.m. – Enforcement/Compliance – Lori Rodriguez

There are six Inspectors and the way that we do our work, even though we are an enforcement agency, we try to approach it from a customer service perspective. We do source inspections which is 50 percent of the work and is funded by registration fees and local assessments. There are approximately 600 sources right now and we inspect sources routinely. We have sources, unregistered sources, and sometimes we do inspections for source testing and provide compliance assistance. The average source inspection takes nine hours. Inspections are prioritized and AOP and SM sources are inspected every year.

There are asbestos NOIs that get reviewed; inspections, and surveillance of asbestos projects. Approximately 12 percent of all complaints received are asbestos, which is about 18 percent of the NOVs written, and is about 25 percent compliance time, it is fully fee funded. There are approximately 700 NOIs a year. Some discussion ensued.

Ten percent of complaints result in NOVs, 83 percent of all the NOVs issued start out as complaints; funded by local assessment fees and some grant money from the 103 Grant. Enforcement consists of about 90 NOVs a year and is funded locally because of the statute that says you can’t pay for enforcement out of the program fees. There are 750 to 800 complaints a year. Enforcement includes issuing NOVs, penalties, writing NODs, settlement agreements, mediation, appeals and hearings.

Outdoor burning is mostly complaints, but there are about eight Ag and outdoor burning permits a year. DNR can now do burns within the UGA and staff have to inspect the sites when permits are issued. We do weekend and burn ban surveillance and coordinate with other agencies. Burning is about 35 percent of all complaints and 12 percent of the NOVs issued.

Solid fuel burning devices consist of complaints, some surveillance when there is a burn ban, and approved exemptions for people that have a SFBD as their sole source of heat during burn bans. Dealers are inspected to make sure they are not selling uncertified stoves. SFBDs are 12 percent of all complaints and are funded by local assessments and some wood stove grants. There are not many paving waivers issued.
The registration fee structure consists of the following three parts: Facility fee, that is the same for all sources $304; Emission point fee is $96 per point; and Emission fee is per ton of emissions, these fees are the sources registration fees. AOPs are funded separately and SMs have an additional fee.

Expenses since FY18 have gone up 35 percent, but the amount for salaries has only gone up 4 percent. Most increases are due to indirect costs. Things that affected that are Covid, staffing changes, inflation, our facility, and the database. There is a three-year downward trend in fee revenue, it’s different this year because there was a fee increase and money from local assessment. We are not keeping pace with wage increases in terms of the total salary portion of the budget, so there is a decrease in program hours overall. This year and last year, available hours don’t get us to that goal of 1.5 year frequency for inspections. We’re about 1,000 hours and $100,000 short to get there on inspections. One way to fix this is to increase fees and put together some scenarios of what we get if we increase these fees this next fiscal year by 9 percent, 12 percent, and 15 percent. This does not include any increase in wages. This assumes that all of the increase will go to salaries and benefits. Discussion ensued with Lori and the Board regarding not needing another FTE and increases.

The Board asked if this is an add across the board to keep all three components equal as part of the revenue that’s coming in now, are all facilities created equal, and does the facility fee really cover all the costs for the facility? Lori replied no they are not all equal, that’s why there is a three-part fee because it accounts for most of that. The facility fee is close to covering the full costs of administration time. More discussion ensued about costs, fees, and time spent on each source by administration, inspectors, and engineers. The Board would like to know if the facility fee is covered, why don’t we raise the places where we are putting in more effort, because the complexity of the source and the emission should drive the level of effort which should drive the fee. Lori stated that can be done instead of raising it across the board. Lori asked the Board if they want to increase fees by one of these amounts or use local assessment supplements. Eventually we could pursue a routine fee increase so that this doesn’t have to be done every five or six years trying to catch up. Discussion ensued between the Board and Staff. The Board would like to know how much of the $510 is the facility fee. Lori replied $179,000. A lot of discussion ensued on the raising of costs or supplementing with local assessments. Michelle stated that she has budgeted as a topic, 12 percent for local assessments and 9 percent for registration as a place holder right now. Lori stated that what’s really increased in the total expenses is the indirect costs. Michelle stated that part of the big hit in the registration program was the building of the database. That is where local assessments helped the registration program with that $200,000 last year, we do have a plan in place of $37,000 a year coming from the project reserve into general fund to help put some of that agreed $180,000 back into the general fund. Building the emissions and emission points into the database is what was taken from the reserve. April stated that we went seven years without changing the fees, from 2016 to 2023 and then last year is when we did an increase to bring it up to the present level and we said that we would do an evaluation going forward. Al stated that the facility fee should be a flat fee if you are establishing that baseline; the emission point fee and the emission fees are unique to the operation and that should be more reflected in the cost of the permit so that you have a better chance at cost recovery, but you also have reflection of the work involved with the fee that’s charged. Lori asked if what Al wants is for staff to look at making changes in the emission fees. Al replied yes. More discussion ensued between the Board and staff on who, where, emissions, and business transfers to adjust for cost recovery on the registration program. Al stated that it would be helpful if next month at the board meeting Lori could come back with three examples of three different types of payment structures, what their impact would be, and focus on emission points and emission fees. Have a target of cost recovery for two years and make it effective for next year’s billing.
11:50 a.m. – Budget Discussions/Finance – Michelle Zernick

As specified by the Clean Air Act, by the fourth Monday in June each year, SRCAA must adopt a budget for the following year. Michelle gave an overview of the FY2024 budget. The Revenue for the General Fund includes State and Federal Grants and Local Assessments. The cost recovery programs are the AOP Title V, Asbestos, Registration, NOC and Marijuana programs. Expenditures consist of the General Fund (medical benefits, COLA, current contracts, and future contracts), Reserve Account (vehicle, retirement, IT, and air monitoring), Transfers Out (General Fund and Project Reserve Fund), and Transfers In (Retirement, Air Monitoring, and Vehicle Reserves and IT, General Fund, Database Development, NOC, Marijuana, and Registration). FY24 ending fund balances overall (estimated): Beginning fund balance $1,414,969; Revenue $3,233,049; Appropriation $3,133,516 (includes interfund transfers of $225,100); and Ending fund balance of $1,504,503. Michelle then went over the ending fund balance history: general fund, civil penalties, cost allocation, indirect costs, FY24 indirect cost per program, and local assessments.

Scott asked the Board if they were good with the local assessment being at a twelve percent increase. The Board agreed that twelve percent is good for assessments and three percent for the COLA. Some discussion ensued.

12:20 p.m. – Closing Remarks

12:30 p.m. – Adjournment – The spring retreat was adjourned at 12:30 p.m.

COMMISSIONER AL FRENCH, CHAIR

SCOTT WINDSOR, EXECUTIVE DIRECTOR