



SPOKANE REGIONAL CLEAN AIR AGENCY BOARD MEETING MINUTES

May 2, 2019 9:30 a.m.
Spokane Clean Air's Conference Room
at 3104 E. Augusta Ave.

BOARD MEMBERS:

Al French, Commissioner (Chair)
Kate Burke, City of Spokane
Tom Brattebo, Member at Large (VC)
Kevin Freeman, Mayor of Millwood,
Small Cities & Towns (Absent)
Rod Higgins, Mayor, City of Spokane Valley

STAFF MEMBERS PRESENT:

Julie Oliver, Executive Director
Lisa Woodard, Comm./Outreach Section Manager
Derek Aubrey, Inspector II
April Westby, PE, Supervisory Engineer
Mark Rowe, Monitoring Section Manager
Michelle Zernick, Finance & HR Sect. Mgr.
Margee Chambers, Rule Writer/SIP Planner
Stephanie May, Public Info. Specialist

OTHERS PRESENT:

Michelle Fossum & Kristina Montanez, Legal Counsel
Ron Edgar, Advisory Council Member

WORK SESSION: The work session was called to order at 9:33 a.m.

1. Video Commemorating SRCAA's 50th Anniversary

Stephanie May gave an overview of the making of the video (video was shown).

2. Draft Budget for FY-2020

Michelle Zernick handed out a slide presentation to the Board. An overview of the draft budget included the following: Revenues include the general fund which is state and federal grants, local assessments and cost recovery programs such as the AOP Title V, asbestos, registration, NOC and marijuana programs. General expenditures are medical benefits, COLA, strategic planning, current contracts and future contracts; and the reserve accounts include vehicle, building maintenance and air monitoring. Appropriations include transfers out and the net operating gain/loss is new revenue only less expenses. Transfers out for the new fiscal year from the general fund into the various reserve accounts and the NOC and marijuana are not at full cost recovery, so they are partially covered by the general fund with local assessment dollars. An overview of the FY-20 ending fund balance and history was given. The general fund supports various programs and reserve accounts. The marijuana program has limitations on what can and cannot be covered by program fees. An example of expenses that cannot be covered by program fees are regulation development and enforcement activities, including legal expenses associated with that enforcement. It's essential that the general fund maintain a sufficient

ending fund balance to ensure cash flow is available for operations. The Agency exceeds the Washington State Auditors Office requirement that cash on hand must be available to cover at minimum 50 days of daily operations. Currently the first \$70,000 collected annually remains in the general fund and the balance is transferred to the project reserve account. Some discussion ensued on the cash on hand that the Agency has been working to lower from an operational standpoint and what is projected for 2020. Michelle will get that updated for the Board on the number of days. Cost allocation is based on a percentage of all staff direct hours by activity or program and these percentages are applied to the costs that are indirectly charged to allowable programs. This year the FY-20 budget includes \$776,378 of indirect costs, which is approximately 24 percent of the total expenses budgeted. Local assessments are billed on a calendar year. Some discussion ensued. The Board would like staff to confirm why the Spokane Valley's assessment went down at the next meeting. The draft budget includes the total appropriated budget; separate budget for each fund; a list of all transfers out included in the appropriation; the Agency doesn't have any outstanding debt; the local assessments costs per jurisdiction; and the fiscal year 2020 pay scale which includes a 2.3 COLA increase.

BOARD MEETING:

1. **Advisory Council Report** – Ron Edgar – The April meeting reviewed the director's reports and information. The EPA Title V report and the results of that audit by EPA were gone over and some discussion of the grade that Spokane Clean Air received from the Lung Association for air quality and the reasons. Some discussion ensued. The Board wanted Ron to take back to the Advisory Council the appreciation of the Board for the work that they do.
2. **Executive Director's Report** – Julie Oliver – Staff has been asked to host Gonzaga environmental engineering students for a site visit to SRCAA and students from Whitworth also. Staff have been testing the registered source and asbestos parts of the new database. Julie attended the Western States Air Resources Council (WESTAR) and Western Regional Air Partnership (WRAP) meetings in Seattle. Julie was nominated and approved to join the WRAP technical steering committee and that group provides oversight for technical projects and work groups and coordinates with WESTAR work groups and committees to provide support; and the National Association of Clean Air Agencies meeting. Staff attended Preventing Workplace Harassment training put on by Enduris.

ACTION ITEMS/POTENTIAL ACTION ITEMS:

3. **Consent Agenda**
 - a. Approval of the April, 2019 Board Minutes
 - b. Approval of Vouchers for April, 2019, numbered 11221 thru 11228, 11231 thru 11252 & 11254 thru 11262 with claims totaling \$49,153.85 and payroll numbered 11229, 11230, 11253 and EFTs totaling \$157,098.30 – for a Grand Total of \$206,252.15

Rod Higgins moved to approve the consent agenda as presented and Tom Brattebo seconded it. Motion passed unanimously.

4. **Resolution No. 19-06** – There were updates made to the term of expiration dates and some house keeping items. Rod Higgins moved to approve the Resolution No. 19-06 and Tom Brattebo seconded it. There was no discussion. Motion passed unanimously.

5. Proclamation Recognizing Spokane Regional Clean Air Agency's 50th Anniversary – Mayor Higgins read the proclamation into the record. Mayor Higgins has read the proclamation as a motion and Tom Brattebo seconded it. There was no discussion. Motion passed unanimously.

6. **PUBLIC HEARING ITEMS:** There were no public hearing items.

NON-ACTION ITEMS: The executive session was moved by the Board to follow the staff activity reports.

8. **Activity Reports:**

a. **Public Information/Education Update – Lisa Woodard** – Overviews of the April communications and education activity were given on the following: Community events/school programs/presentations; print/online materials/media; compliance assistance/business recognition program; asbestos; ongoing/special projects; and upcoming events.

b. **Compliance Activity – Derek Aubrey** – Most of the marijuana calls that the Agency has been receiving from businesses have been from people that have exemptions and just received their bill or from those that have received their bill that is three times the amount. The marijuana NOV's have been received by the parties and most of them have also received their penalties. There has been some delay in getting those out to everyone due to mailing issues and then some of them are inactive or closing. There were six odor complaints in March and two were marijuana related, no violations. The penalty for the Wellesley violation is going out this week. The Otis Hotel NOV's have been received by the listed parties.

c. **Permitting Activity – April Westby** – Last month the agency received six new permanent sources and one temporary source. The lumber drying kiln at Katterra has been finalized and is one of the first kilns of this kind to be installed and has gotten a lot of national attention. Staff is catching up on permits and a brief overview of the new and larger permits was given.

d. **Air Monitoring Activity – Mark Rowe** – A brief overview of the PM₁₀ and PM_{2.5} for March was given. Ozone design values were gone over based on the federal ozone standards. Julie went over the American Lung Association (ALA) giving many parts of the country including SRCAA failing grades because of wildfire smoke. ALA looks at everything because it affects people's health. When you are not meeting the NAAQS, areas must do things to come back into attainment and that impacts businesses. There is a process that allows for data from events that you can't control to be excluded, such as wildfire smoke, so that doesn't count against you but there are still the health impacts. SRCAA worked with Ecology over the years to get flag the monitoring data impacted by wildfire smoke. The next step is to officially get that data removed from the books for determining compliance with the federal air quality standard. Staff is working with EPA and the Department of Ecology to exclude the wildfire smoke data from consideration in SRCAA's compliance with the federal standards. Some discussion ensued.

e. **SIP/Rule Making – Margee Chambers** – There are two policy development projects that are being worked on, a public records act agency policy and public hearing ground rules policy. These documents will be presented to the Board at a future work session. We are working on regulatory amendments to the NSR (New Source Review). This is the NOC air quality permitting program and is a federally required program to ensure that we continue to meet air quality standards. Ecology completed an NSR regulation update several years ago and with that they updated a State Implementation Plan (SIP), which is a plan of state programs and regulations that in turn can be federally enforceable by

EPA. The SIP shows how we are going to attain and maintain air quality standards. Since Ecology made their updates, all the local air quality agencies in the State of Washington have to update their NSR program. This rule making will update many articles within our regulation and consolidated fee schedule. These will be gone over in future work sessions. Additional SIP work consists of the carbon monoxide limited maintenance plan to ensure that we are meeting air quality expectations. The updates will move the State Vehicle Inspection and Maintenance program from a required controlled measure in our county to a contingency measure if violations of the carbon monoxide NAAQS occur in Spokane County. This change is for the sunset of the vehicle inspection program which is planned to sunset at the end of the calendar year. Some discussion ensued.

f. **Financial Status Report – Michelle Zernick** – One item on the Treasure’s report is the new database development going on and the invoices are coming in for that. In April, all the marijuana invoices are out and some of those payments are coming in. We are getting a few business closures and moving notices. The source registration invoices have been paid.

9. **Public Forum** – There were no public comments.

10. **Board Concerns** – There will be a quorum for the June meeting. There will be a special meeting on May 23, 2019 at 1:30 p.m. for the 50th celebration tree planting at Riverfront Park with a reception at the Chase Gallery afterwards.

11. **Next Board Meeting** – 9:30 a.m., Thursday June 6, 2019.

7. **Executive Session** (Purpose will be announced if session is needed.)

a. **Executive Session – RCW 42.30.110(1)(g) – Executive Director’s Performance Evaluation** – The executive session began at 10:48 a.m. for 10 minutes. The board meeting reconvened at 10:58 a.m. No decision was made as a result of the executive session.

12. **Adjournment** – The board meeting was adjourned at 10:59 a.m.

COMMISSIONER AL FRENCH, CHAIR

JULIE OLIVER, EXECUTIVE DIRECTOR