

Southwest Clean Air Agency

Board of Directors Minutes

October 6, 2016

The regular meeting of the Southwest Clean Air Agency Board of Directors was held in the Southwest Clean Air Agency office, Vancouver, Washington on October 6, 2016.

Those present were: Don Jensen, Chair, City of Longview
Edna Fund Vice Chair, Director, Lewis County
Bob Hamlin, Director, Skamania County
Tom Mielke, Director, Clark County
Ben Shumaker, Director, City of Stevenson
Army Davis, Member at Large
Bonnie Canaday, Director, City of Centralia
Joe Gardner, Director, Cowlitz County
Ryan Smith, Director, City of Cathlamet

Excused: Blair Brady, Director, Wahkiakum County
Alishia Topper, Director, City of Vancouver

Also Present: Staff: Uri Papish, Executive Director
Paul Mairose, Chief Engineer
Traci Arnold, Office Administrator

Guests: Rachel O'Malley, WA Department of Ecology

Call to Order

Mr. Jensen called the meeting to order. A quorum was confirmed to exist.

Board of Directors Minutes

Mr. Jensen asked for consideration of the September 1, 2016 minutes. Mr. Hamlin moved and Mr. Smith seconded that the minutes for the September 1, 2016 Board meeting be approved. Motion passed.

Changes to Agenda

None.

Info Items & Public Comment

Mr. Jensen opened discussion on the Budget Analysis and Fee Proposal and recognized Mr. Papish. Mr. Papish said the Southwest Clean Air Agency has analyzed its budget over the next two years and determined additional funding is necessary to continue to effectively protect Southwest Washington's air quality. SWCAA's fees have not been increased in over eight years.

SWCAA is facing three main financial pressures 1) decreased federal funding, 2) increased workload, and 3) increased costs due to inflation. SWCAA's federal funding is set to decrease by 40% over the next eight years with EPA's reallocation of grant funds. Complaint response workload has also increased by over 50% since 2008. Permit applications have been relatively stable, but permitting workload has increased due to the complexity and number of new federal regulations which apply to permitted facilities. Inflation has increased costs by 18.5% since 2008 based on the Vancouver WA Consumer Price Index.

To maintain services, SWCAA recommends a supplemental income and fee increase that matches the rise in program costs due to inflation since the last fee adjustment in 2008 and to address budget shortfalls. The increases would be phased-in in 2018 and 2019 to maintain SWCAA at a reduced level of 15 FTE, which represents a 17% reduction in staffing levels since the last increase. In the meantime SWCAA will draw down agency reserves to cover expenses.

Without additional revenue, SWCAA will have to cut additional positions and continue to further reduce program functions and services such as permitting, facility inspections, and complaint response. These cuts would cause delays in permitting, reduced compliance assistance, technical assistance, pollution prevention, and result in degradation of air quality. All of these cuts would have a significant negative effect on the regulated community and public.

Mr. Papish said the number of SWCAA staff in relation to the population it serves is extremely lean. Other air agencies in the state have more staff for lower populations. Mr. Jensen asked if SWCAA would be considered closer to fully staffed with 1 to 3 more employees. Mr. Papish agreed that would bring SWCAA staffing more in line with the population it serves.

SWCAA recommends phased-in increases which would benefit Southwest Washington and the public's health and welfare by helping SWCAA issue and renew permits in a timely manner, complete required permit inspections, respond to citizen complaints, conduct monitoring, implement required burn bans, work with communities and industry to avoid non-attainment, and enforce compliance with air quality regulations.

Ms. Canaday asked if SWCAA is being penalized by the federal grant reduction because the air quality has been improved. Mr. Papish said the federal funding decrease has been coming for some time because of the reallocation formula. Mr. Jensen asked if the federal funding reduction is \$70,000 as shown in the graph. Mr. Papish said it is somewhere around that amount based on the reallocation formula.

Mr. Davis asked if the expenses are based on actuals. Mr. Papish said they are based on the current actuals with an averaged CPI adjustment based on past year trends.

Mr. Papish reviewed how the funding SWCAA receives is limited to what activities it can be used for. As an example the Title V program and Asbestos programs are self-sustaining and the funds cannot be used for other activities. Areas that SWCAA does not have specific funding for are outdoor burning complaint response, public outreach, burn bans, monitoring, and work to avoid non-attainment. These activities are supported by other revenues such as per capita.

Mr. Papish reviewed agency cuts and cost saving measures which include holding a vacant engineering position, decreased vehicle and computer replacement, as well as updating and maintaining the agency website in house. SWCAA also worked with Department of Ecology to receive more state money.

Mr. Smith asked if the agency will receive money from the Volkswagen settlement. Mr. Papish responded that eventually there may be money, however those funds will be pass through money for projects and little if any will come to SWCAA for project administration.

Mr. Gardner asked why there is an increase in complaint workload if public outreach has been reduced. Mr. Papish said the complaint work load is on the increase even with a reduction in public outreach because there are more people in the area SWCAA serves. Additionally, people are generally less tolerant of their neighbors and SWCAA's partnership with the fire departments helps direct the public to SWCAA. Complaint workload may further increase because SWCAA is partnering with City of Vancouver to increase awareness during burn bans beginning this year.

Mr. Jensen asked if SWCAA has a depreciation fund for vehicles. Mr. Papish responded SWCAA has a deprecation reserve for equipment.

Mr. Papish discussed the proposal to make up the projected short fall of \$250,000 by 2019. SWCAA is proposing a 2-year phase-in of a 10% across the board fee increase for each year, for a total increase of 20%. This proposed increase is approximately the equivalent of the CPI increase since the last fee change. This increase will make up about half of the short fall. SWCAA is also proposing a 2-year phase-in of a \$0.10 increase to the per capita fee, for a total increase of \$0.20 in per-capita. This increase will make up the other half of the short fall over the two-year period. Mr. Jensen asked for clarification on RCW 70.94.092. Mr. Papish said the legislature understands the importance of funding the air agencies, so when there is additional funding needed to cover expenditures the money will come from supplemental income. The supplemental funding (per capita) will come from the component cities, towns, and counties. This is why the proposal includes an increase to the per capita. SWCAA has the lowest per capita charge in the state compared to the other air agencies.

Mr. Davis asked why Spokane and Benton counties have such high per capita fees. Mr. Papish said these agencies serve only one county, so there is only one source of supplemental income. Mr. Jensen asked if the per capita fee is compounded. Mr. Papish said it is not.

After the phased increases in 2018 and 2019 SWCAA recommends the Board review fees on an annual basis and make incremental fee adjustments based on the CPI as needed. This would be done to avoid larger increases from being needed every several years. To facilitate periodic adjustments SWCAA recommends changing SWCAA's rules to allow for adoption of fees by Board Resolution instead of by rule which has been done by a number of other agencies.

SWCAA would instead be required by rule to annually publish a schedule of fees and go through a full public notice and comment process prior to adoption by the Board.

Mr. Jensen commented that reviewing the fees every year is a good idea. He said the City of Longview now reviews fees annually to avoid large increases.

Mr. Hamlin asked where the fee table would be published. Mr. Papish said the information would be available on SWCAA's web site as well as a hardcopy of the fee table at the SWCAA office.

Mr. Shumaker asked if there are programs and/or services being provided by the other air agencies that cause this difference in per capita rates and staffing levels. Mr. Papish said the largest difference is public outreach and diesel work for some of the agencies. Mr. Shumaker asked if there is something SWCAA would like to be doing that cannot be done due to resources. Mr. Papish responded that more public outreach would benefit the agency. Mr. Shumaker asked if the proposed increases will allow more public outreach work. Mr. Papish said no, the proposed increases are to maintain services as they are provided now and not cut additional staff. SWCAA is asking to maintain the current staffing level, including keeping one position vacant, not increase staff.

Mr. Shumaker asked to be provided the percentage of revenue the per capita represents in other air agencies budgets. Mr. Papish said he would research this information.

Mr. Davis said the proposal was very well prepared and presented.

Mr. Jensen asked for a motion. Mr. Hamlin made a motion to approve SWCAA to initiate outreach and public notice regarding SWCAA's fee proposal and rule change. Mr. Gardner seconded the motion. Mr. Davis opposed. Motion passed.

Consent Agenda

Mr. Jensen asked for approval of the Consent Agenda including voucher numbers 105 through 143, 145 through 152, 153 and 154, in the amount of \$9,836.28 which have been approved for payment by the Executive Director and voucher number 144 and 153 the amount of \$8,631.90, August 2016 Salaries in the amount of \$95,796.56, August 2016 Benefits in the amount of \$39,700.47, the August 2016 Financial Report and the August 2016 Activity Report. Ms. Canaday moved and Ms. Fund seconded approval of the Consent Agenda. Motion passed.

Public Hearing

None.

Unfinished Business/New Business

None.

Executive Session

None.

Control Officer Report

Mr. Papish offered to answer any questions in the Control Officer Report.

EPA Issues Principles and Best Practices for Oversight of State Permitting Programs (August 30, 2016) – EPA Acting Deputy Administrator transmitted to the President of the Environmental Council of the States (ECOS), a final document, entitled Promoting Environmental Program Health and Integrity: Principles and Best Practices for Oversight of State Permitting Programs. The document is intended to provide a common set of principles and best practices that will guide EPA’s oversight activities related to the Clean Air Act Title V permitting program, the Clean Water Act National Pollutant Discharge Elimination System permitting program and the Resource Conservation and Recovery Act Subtitle C permitting program. The document’s vision statement reads, “Establish principles and best practices for efficient and effective oversight of environmentally protective permitting programs while building the State-EPA relationship through high levels of trust, communication, and collaboration.” The development of these principles and best practices is in keeping with EPA’s commitment in the agency’s cross-agency strategy to “launch a new era” of partnerships; the initiative also helps to respond to recommendations by the agency’s Office of Inspector General to strengthen oversight. For further information:
<http://4cleanair.org/sites/default/files/resources/EPAPrinc&BestPracticesForOversightOfStatePermittingProgs-083016.pdf>

EPA Proposes Significant Emission Rate Threshold for GHGs (August 26, 2016) – A proposed EPA rule would exclude facilities that emit less than 75,000 tons of CO₂ equivalent of greenhouse gases (GHGs) annually from the Prevention of Significant Deterioration (PSD) program’s Best Available Control Technology (BACT) requirement. EPA is issuing the rule in response to a 2014 Supreme Court decision that struck down portions of the agency’s 2010 Tailoring Rule, which phased in GHG permitting requirements for new and modified sources under the PSD and Title V programs. The Supreme Court ruled that EPA could not require PSD or Title V permits based solely on a source’s emission of GHGs. The Court, however, held that EPA could apply both of the programs to “anyway” sources of GHGs that are already subject to the PSD or Title V program based on their emission of other non-GHG air pollutants. The Court also determined that EPA must provide justification for a de minimis or significant emission rate (SER) threshold for GHGs, below which “anyway” sources would not be subject to a GHG BACT requirement. The proposal includes additional changes to the PSD and Title V regulations to ensure that sources are not required to obtain PSD and Title V permits solely on the basis of GHG emissions. These include changes to PSD and Title V regulatory definitions and revisions to the PSD provisions on GHG Plantwide Applicability Limitations, among others. The proposal will be open to public comment for 60 days once it is published in the Federal Register. For further information:
https://www.epa.gov/sites/production/files/201608/documents/ghg_ser_2060-as62_nprm_8-26-16_wd.pdf

EPA/DOT Issue GHG and Fuel Efficiency Rules for Heavy-Duty Trucks (August 16, 2016) – EPA and the U.S. Department of Transportation’s National Highway Traffic Safety Administration (NHTSA) have issued standards designed to reduce greenhouse gas (GHG) emissions and improve fuel efficiency for medium- and heavy-duty vehicles. The final rules represent the second phase of regulations on medium- and heavy-duty vehicles (the first phase applied to model years 2014-2018). Specifically, EPA’s GHG and NHTSA’s fuel-consumption standards apply to four categories of heavy-duty vehicles: (1) Combination Tractors, which account for approximately 60 percent of total GHG emissions and fuel consumption from the heavy-duty sector; (2) Trailers (which are pulled by combination tractors and contribute significantly to the emissions and fuel consumption of tractors); (3) Heavy-duty Pickup Trucks and Vans, which account for about 23 percent of the fuel consumption and GHG emissions from the heavy- and medium-duty vehicle sector; and (4) Vocational Vehicles, including all other heavy-duty vehicles such as buses, garbage trucks, and concrete mixers, which represent about 17 percent of the total medium- and heavy-duty fuel consumption. There are also separate standards for the engines that power combination tractors and vocational vehicles. The new vehicle and engine performance standards would apply to model years (MY) 2021-2027 for semi-trucks, large pickup trucks, vans and all types and sizes of buses and work trucks.

Additionally, for the first time, the new regulations include fuel-efficiency and GHG standards for trailers, applying to MY 2018-2027 for certain trailers. EPA’s trailer standards, which do not include certain categories (e.g., mobile homes), take effect in MY 2018, while NHTSA’s standards take effect as of 2021, with credits for voluntary early participation. According to EPA and NHTSA estimates, by 2027 the Phase 2 standards will reduce emissions of carbon dioxide (CO₂) by 1.1 billion metric tons, save vehicle owners approximately \$170 billion in fuel costs and decrease oil consumption by as much as two billion barrels over the life of the vehicles affected by the regulation. For further information: <https://www3.epa.gov/otaq/climate/regs-heavy-duty.htm>

EPA Publishes Final Aircraft GHG Endangerment Finding (August 15, 2016) – EPA published in the Federal Register (81 Fed. Reg. 54,422) its final determinations, under the Clean Air Act that 1) atmospheric greenhouse gas (GHG) concentrations endanger the health and welfare of future generations and 2) GHG emissions from certain aircraft engines cause or contribute to the air pollution that endangers public health and welfare. These findings are for the six well-mixed GHGs that, together, represent the “largest driver” of human-caused climate change: carbon dioxide (CO₂), methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride, and were announced in a pre-publication version of the determination on July 25, 2016. Although this action does not include emission standards for aircraft engines, EPA indicates that it must make these final endangerment and contribution findings before adopting domestic GHG engine standards. The agency anticipates that the International Civil Aviation Organization (ICAO) will take action to formally adopt its environmental committee’s February 2016 agreement on international aircraft CO₂ standards in March 2017. EPA expects to move forward on aircraft GHG standards that would be at least as stringent as ICAO’s. According to EPA, its contribution finding for engines used in covered U.S. aircraft will result in nearly 90 percent of total U.S. aircraft GHG emissions being included in this determination. The findings will go into effect on September 14, 2016. For further information: <https://www.gpo.gov/fdsys/pkg/FR-2016-08-15/pdf/2016-18399.pdf>.

Board Policy Discussion Issues

None.

Issues for Next Meeting

A. Public Hearing.

1. As Necessary.

B. New Business/Unfinished Business.

1. As Necessary.

C. Board Policy Discussion Issues.

1. As Necessary.

D. Meeting Date and Location.

1. November 3, 2016 at 3:00 p.m. Southwest Clean Air Agency, 11815 NE 99th Street, Vancouver, Washington.

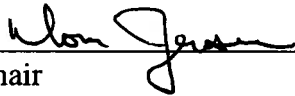
The next Board of Directors meeting will be held on November 3, 2016 at 3:00 p.m., Southwest Clean Air Agency, Vancouver, Washington.

Board Meeting Attendance:

JURISDICTION	J 2016	F 2016	M 2016	A 2016	M 2016	J 2016	J 2016	A 2016	S 2016	O 2016	N 2015	D 2015
Clark County	+	0	0	+	0	+	C	+	+	+	+	C
Cowlitz County	+	+	+	+	+	0	C	+	0	+	0	C
Lewis County	+	+	+	+	+	+	C	+	A	+	+	C
Skamania County	+	+	+	+	+	+	C	+	+	+	+	C
Wahkiakum County	0	+	+	+	0	+	C	+	+	0	+	C
Cathlamet	0	+	+	+	+	+	C	0	0	+	0	C
Centralia	+	+	+	+	+	+	C	+	0	+	+	C
Longview	+	+	0	+	+	+	C	+	+	+	0	C
Stevenson	+	+	+	+	+	0	C	+	+	+	+	C
Vancouver	+	+	+	0	+	0	C	+	+	0	+	C
Member-At-Large	+	+	+	0	+	+	C	+	+	+	+	C

+ = regular member present; 0 = unrepresented; A = alternate present; C = cancelled meeting

Mr. Jensen adjourned the meeting without objection at 3:42 p.m.



 Chair



 Executive Director