

SOUTHWEST CLEAN AIR AGENCY

Board of Directors Meeting
May 4, 2017 at 3:00 PM
Southwest Clean Air Agency
11815 NE 99th St. Suite 1294
Vancouver, Washington

Optional Conference Call Number for Board of Directors 1-800-356-8278 Code: 576617

AGENDA

- I. Call to Order
SWCAA Chair Don Jensen
- II. Roll Call/Determination of Quorum
SWCAA Chair Don Jensen
- III. Board of Directors Minutes
Board of Directors Minutes - March Meeting
- IV. Changes to the Agenda
SWCAA Chair Don Jensen
- V. Consent Agenda
 - A. Approval of Vouchers
 - B. Financial Report
 - C. Monthly Activity Report
- VI. Info Items & Public Comment
None
- VII. Public Hearing

Hearing on SWCAA's proposed fee proposal and rule revisions.
- VIII. Unfinished Business/New Business

A. Proposed Consolidated Fee Schedule

Issue - On October 6, 2016 SWCAA's Board of Director's approved the Southwest Clean Air Agency to move forward with outreach and public comment for a proposed fee increase and rule revisions.

Summary - On March 16, 2017 SWCAA posted notice on its website and mailed letters to well over a thousand affected parties including all registered and permitted sources and cities and counties within SWCAA's jurisdiction. The letter solicited comments on SWCAA's fee proposal including its proposed Consolidated Fee

Schedule. SWCAA also published notice in the local newspaper of each affected county and held a public information meeting on April 11, 2017.

After conducting extensive outreach SWCAA received only four written comments and no verbal testimony. One was a comment from a regulated auto body shop in opposition to the fee increase and one was a comment from a regulated cabinet maker in support of the fee proposal. The two other commenters suggested alternative fee increase options or amounts. One comment letter came from a regulated flood control zone district and the other from a city manager. All comments are attached along with SWCAA's responses in Attachment A.

A resolution to adopt the proposed Consolidated Fee Schedule is provided in Attachment B. Other options include: (1) Approve a modified Consolidated Fee Schedule; or (2) Decide not to approve the Consolidated Fee Schedule.

Recommendation – Approve Resolution 2017-01 which adopts the proposed Consolidated Fee Schedule.

B. Proposed Rule Changes

Issue – The Southwest Clean Air Agency's fees are currently contained in many different SWCAA regulations which can make it difficult for affected parties to find applicable fees. It also creates an administrative burden for SWCAA when fees need to be updated. The proposed rule revisions remove fees from the individual rules and instead establishes a process for the adoption of a Consolidated Fee Schedule by the Board of Directors.

Summary - On March 16, 2017 SWCAA posted notice on its website and mailed letters to well over a thousand affected parties including all registered and permitted sources and cities and counties within SWCAA's jurisdiction. The letter solicited comments on SWCAA's fee proposed rulemaking. SWCAA also published notice of the proposed rule revisions in the Washington State Register in accordance with RCW 34.05.320, the local newspaper of each affected county, and held a public information meeting on April 11, 2017.

After conducting extensive outreach SWCAA received only one written comment. The comment came from the Washington Department of Ecology noting a small error in the rule language. The identified error has been corrected in the attached rule proposal in Attachment C. The proposed rule revisions in Attachment C amends SWCAA 400, 425, 476,491,492,493, and 802. A copy of the comment received and SWCAA's response is included in Attachment D.

Recommendation - Adopt the proposed rule revisions in Attachment C.

C. Decision on Cost of Living Wage Adjustments for Fiscal Year 2017/2018

Issue - A decision on SWCAA's employee cost of living wage adjustments is one of the early budget decisions that must be made prior to submitting the proposed Fiscal Year 2017/2018 Budget for Board approval.

Summary - The proposed Fiscal Year 2017/2018 Budget will be presented to the Board of Directors for approval at the June Board meeting. The Consumer Price Index figure based on calendar year 2016 for the Portland/Vancouver area is 2.1%. This results in a total dollar amount increase of \$20,925 based on eligible salaries.

Other options include: (1) Approve a cost of living figure other than the Portland/Vancouver CPI; or (2) Decide to not provide a cost of living adjustment.

Recommendation - Approve a 2.1% cost of living wage adjustment for eligible employee wages effective July 1, 2017.

D. Review of Merit Pool for Fiscal Year 2017/2018

Issue - Whether to approve funding of merit salary increases for fiscal year 2017/2018.

Summary – In May of 2016 the Board tentatively approved a 1.5% Merit Pool with the opportunity to adjust or reconsider the approval at this Board meeting. Merit Pool funds would be allocated based on annual performance evaluations and go into effect on July 1, 2017.

A 1.5% Merit Pool based on Fiscal Year 2016/2017 eligible salaries is equal to \$10,417. SWCAA has not utilized an automatic step pay increase system used by many government agencies since implementing the merit pool concept.

Other options include: (1) Approve a Merit Pool in an amount other than 1.5%; or (2) Decide not to approve a Merit Pool.

Recommendation – Approve a 1.5% merit pool for salary increases to be allocated to staff based on annual performance evaluations to become effective July 1, 2017.

E. Tentatively Set a Merit Pool for Fiscal Year 2018/2019

Issue - Whether to tentatively approve and announce funding of merit salary increases for fiscal year 2018/2019.

Summary – SWCAA's longstanding practice has been to use a merit system for salary increases along with CPI adjustments instead of using a step system for raises. SWCAA's policy is to announce the potential Merit Pool amount to staff in advance of the award.

If the Board of Directors approves a tentative merit increase pool of 1.5%, based on

eligible employees it will cost approximately \$10,635. The final decision to distribute these funds will be made by the Board next spring when more information will be known about the 2018/2019 budget.

Other options include: (1) Approve a tentative Merit Pool in an amount other than 1.5%; or (2) Decide to not approve a Merit Pool.

Recommendation – Tentatively approve a 1.5% merit pool for salary increases to be allocated to staff based on annual performance evaluations in 2018. The funds are to be awarded at the end of next fiscal year (i.e., July 1, 2018) and this decision will be reviewed prior to adoption of the 2018/2019 budget.

F. Performance Evaluation for Executive Director

The Board may go into Executive Session for discussion related to the performance evaluation in accordance with RCW 42.30.10(1)(g). Any salary adjustment or other decision will be made during the open public meeting following the Executive Session.

IX. Control Officer Report

A. President Trump Revokes Final Determination to Retain LDV GHG Emission Standards for MYs 2022-2025 with Support of Auto Industry and Opposition from States (March 15, 2017) – President Trump traveled to the American Center for Mobility in Detroit to announce his decision to revoke the Obama Administration’s January 12, 2017 Final Determination to retain greenhouse gas (GHG) emission standards for Model Years (MY) 2022 through 2025 light-duty vehicles (LDVs). The following week, the State of California filed a motion to intervene in the litigation to defend the January 12, 2017 Final Determination. The New York State Attorney General Eric Schneiderman said he too would file a motion to intervene, and also lead a coalition of states in opposing President Trump’s action. <https://www.whitehouse.gov/the-press-office/2017/03/15/remarks-president-trumpamerican-center-mobility-detroit-mi>, <https://www.epa.gov/regulations-emissionsvehicles-and-engines/midterm-evaluation-light-duty-vehicle-greenhouse-gasghg#final-determination>.

B. Seventeen House Republicans Introduce Climate Resolution (March 15, 2017) – A group of seventeen House Republicans introduced a resolution calling on Congress to “address the causes and effects of measured changes to our global and regional climates, including mitigation efforts and efforts to balance human activities that have been found to have an impact.” Among other things, the resolution appeals for a “fact-based” approach to environmental and economic stewardship, acknowledges an increase in harmful impacts due to more frequent heat waves, extreme precipitation, wildfires and water scarcity, cites a 2014 Department of Defense Study that called climate change a “threat multiplier” and notes the risk of significant economic harms if climate change is not addressed. Representatives Elize Stefanik (R-NY), Carlos Curbelo (R-FL) and Ryan Costello (R-PA) served as the resolution’s main sponsors. For further information: http://www.4cleanair.org/sites/default/files/Documents/House_Environmental_Stewardship_Resolution.pdf

- C. Volkswagen Pleads Guilty to Criminal Charges in Emissions Cheating Case (March 10, 2017)** - Volkswagen has pled guilty to federal criminal charges that it installed software in its 2.0- and 3.0-liter diesel vehicles to manipulate emissions testing results. As part of a plea agreement, the company agreed to accept a \$2.8 billion criminal fine. Though the agreement notes that Volkswagen could have been subject to fines as high as \$34 billion under federal guidelines, prosecutors recommended the lower total to reflect Volkswagen's cooperation with the investigation and the company's separate payments to settle consumer claims and to remediate NOx emissions. Volkswagen has already agreed to pay \$1.5 billion dollars to settle civil claims related to the emissions cheating. In the criminal plea, filed in the United States District Court for the Eastern District of Michigan, Volkswagen admits that the company made false statements in filings required by the Clean Air Act, took steps to conceal its false statements and used those false statements as the basis to import and sell its automobiles in the U.S. For further information: http://www.4cleanair.org/sites/default/files/Documents/United_States_v_Volkswagen_ED_Mich_Plea_Agreement_3-10-17.pdf
- D. Air Pollution Kills 570,000 Young Children Annually, World Health Organization Reports (March 6, 2017)** – Nearly 570,000 children under the age of five die each year from respiratory infections and other conditions attributable to indoor and outdoor air pollution, according to the World Health Organization (WHO). The organization's findings are published in a report titled “Don't pollute my future!” The impact of the environment on children's health. According to WHO, household air pollution from exposure to smoke from cookstoves, ambient air pollution, and second-hand tobacco smoke pose the most significant respiratory risks to children. 92% of the global population, including billions of children, live in areas with ambient air pollution levels that exceed WHO limits. “Children are especially vulnerable to environmental threats due to their developing organs and immune systems, smaller bodies and airways,” says WHO. The report was released in conjunction with a book titled inheriting a sustainable world? Atlas on children's health and the environment. In the book, WHO reports that the deaths of 1.7 million children under five – comprising a quarter of all deaths of young children in 2015 – were attributable to environmental conditions such as polluted air and water, second-hand smoke and lack of adequate hygiene. For further information: <http://www.who.int/ceh/publications/don-t-pollute-my-future/en/>
- E. OMB Proposes Huge Cuts to EPA Budget and State/Local Grants (February 28, 2017)** – The U.S. Office of Management and Budget (OMB) has provided EPA with the FY 2018 budget “passback,” which outlines a series of substantial and expansive proposed cuts to the agency's budget, including a 30- percent reduction in state and local air grants from FY 2017 levels, a 24-percent cut to EPA's overall budget and a decrease of 19 percent to staffing levels at EPA. In addition, the passback eliminates 38 significant environmental programs. The 23-page document details funding levels for EPA's programs and includes the following provisions, among many others: \$159.5 million for state and local air quality management grants (Section 103/105 grants), which is a 30-percent reduction from the FY 2017 level of \$227.8 million; \$6.16 billion for EPA's overall budget, which is a 24-percent reduction from the FY 2017 level of \$8.24 billion. This proposal will need to pass through congress before it would become effective.

F. Study Points to Asian NOx Emissions for Western U.S. Background Ozone (March 1, 2017) – A study published in the journal Atmospheric Chemistry and Physics has concluded that emissions of nitrogen oxides (NOx) from Asia have contributed to increases in background levels of ozone in the western United States. According to the study, from 1990 to 2014, emissions of NOx from Asia have tripled, undercutting the benefits from 50-percent decreases in NOx in the U.S. The study states, “[w]e conclude that the increase in Asian anthropogenic emissions is the major driver of rising background O3 over the WUS [western U.S.] for both spring and summer in the past decades, with a lesser contribution from methane increases over this period.” Additionally, the study found that NOx reductions in the eastern United States have “alleviated” the ozone build-up during heatwaves in 2011 and 2012. The study concludes, “a global perspective is necessary when designing a strategy to meet U.S. [ozone] air quality objectives.” For further information: <http://www.4cleanair.org/sites/default/files/Documents/atmos-chem-physicsstudy.pdf>

X. Board Policy Discussion Issues

As Necessary

XI. Issues for Upcoming Meetings

A. Approval of Fiscal Year 2017/2018 Budget. (June 8, 2017)

XII. Adjournment

Notes:

(1) Served by C-TRAN Routes: 7, 72 and 76.

(2) Accommodation of the needs for disabled persons can be made upon request. For more information, please call (360) 574-3058 extension 110.