

Southwest Clean Air Agency

Board of Directors Minutes

May 3, 2018

The regular meeting of the Southwest Clean Air Agency Board of Directors was held in the Southwest Clean Air Agency office, Vancouver, Washington on May 3, 2018.

Those present were: Don Jensen, Chair, City of Longview
Alicia Topper, Vice-Chair, City of Vancouver
Ben Shumaker, Director, City of Stevenson
Bobby Jackson, Director, Lewis County
Joe Gardner, Director, Cowlitz County
Ryan Smith, Director, Town of Cathlamet
Arny Davis, Member at Large
Eileen Quiring Director, Clark County
Blair Brady, Director, Wahkiakum County
Lee Coumbs, Director, City of Centralia
Bob Hamlin, Director, Skamania County

Excused: None

Also Present: Staff: Uri Papish, Executive Director
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 April 5, 2018 minutes. Mr. Brady moved and Mr. Smith seconded that the minutes for the April 5, 2018 Board meeting be approved. Ms. Quiring abstained. Motion passed.

Consent Agenda

Mr. Jensen asked for approval of the Consent Agenda including voucher numbers 781 through 822, and 824 through 830 in the amount of \$12,680.95 which have been approved for payment by the Executive Director and voucher number 823 in the amount of \$8,966.75, March 2018 Salaries in the amount of \$98,717.18, March 2018 Benefits in the amount of \$42,255.40, the March 2018 Financial Statement, and the March 2018 Activity Report. Ms. Quiring moved and Mr. Smith approval of the Consent Agenda. Motion passed.

Changes to Agenda

None.

Info Items & Public Comment

Mr. Jensen opened discussion on conducting a salary survey to compare SWCAA's salaries to that of other employers and recognized Mr. Papish. Mr. Papish said at its April meeting the Board requested SWCAA look into what it would take to conduct a salary survey to compare SWCAA's salaries to that of other employers and report back to the Board. Three firms that specialize in conducting salary surveys were contacted for quotes. The quote range is \$3,000 - \$13,000 depending on the customization and extent of the survey.

Mr. Hamlin asked if the cost of the survey is based on the number of employees. Mr. Papish responded the number of positions does influence the cost. Mr. Hamlin asked if the survey would compare outside of the state. Mr. Papish said the survey would stay within the region and might also consider national salaries. Mr. Jensen said the City of Longview had some issues with their salary survey including Seattle and Renton areas because the cost of living is much higher in those areas compared to Longview.

Mr. Smith said for the cost of the survey the staff ought to be given raises.

Ms. Topper said at the last Board meeting there was lengthy discussion regarding giving any raises at all, so a survey would help the Board make those decisions. Ms. Quiring agreed with Ms. Topper. Mr. Brady said to also consider the possibility that the survey comes back reflecting SWCAA salaries are out of line with the region.

Mr. Hamlin asked if the agency can pay for the salary survey since it was not included in the budget. Mr. Papish said the agency is going to come in under budget for FY 16/17 so as long as the cost of the survey remains around \$5,000 it will not be an issue.

Ms. Quiring asked how Mr. Papish will decide between the salary survey companies. Mr. Papish said one proposal outshined the others and he talked to each company that submitted a quote and looked at their credentials and pricing. He is also going to check references.

Mr. Shumaker asked if SWCAA could partner with another air agency to share the cost of the survey. Mr. Papish said he would research this, but didn't think it would result in much savings and the other air agency conducting a survey is in a different region with dissimilar cost of living standards.

Ms. Topper said that tenure can play a role in the salary survey as well. She recommended the survey account for tenure and retirement when looking at the ranges.

Mr. Jackson asked if the SWCAA staff receives annual evaluations. Mr. Papish said all staff receives a detailed performance evaluation once a year. Mr. Jackson asked about step increases for staff. Mr. Papish responded that SWCAA does not give step increases. Pay

adjustments are done through cola and merit pool. Every other agency represented on the Board uses a step system with the exception of Cathlamet.

Mr. Jensen asked for a motion. Mr. Brady made a motion to approve a salary survey be conducted for SWCAA not to exceed \$5,000. Mr. Hamlin seconded the motion. Motion passed.

Public Hearing

Mr. Jensen opened discussion on the Southwest Clean Air Agency (SWCAA) proposed changes to SWCAA 476 "Standards for Asbestos Control, Demolition, and Renovation." and recognized Mr. Papish. Mr. Papish said the proposed rule changes apply to demolition and renovation activities, the removal of asbestos-containing materials, and the storage, transport and disposal of asbestos-containing materials.

The public comment period for the proposed rule change began on April 4th and closes on May 4th. Public comments may be provided at the hearing or submitted in writing, prior to the close date, at the agency office, or emailed to comment@swcleanair.org. An electronic version of the proposed rule language can be viewed on the SWCAA website <http://www.swcleanair.org/regs/proposedrules.asp?nav=regs> and physical copies can be viewed at the SWCAA office.

Mr. Jensen opened the public hearing at 3:20 p.m.

Mr. Jensen asked for comments.

Mr. Jensen closed the public hearing at 3:21 p.m.

Mr. Papish said the comments SWCAA received will be responded to and summarized for the Board at the next meeting. The proposed rules will be considered for adoption by the Board at their June 7th meeting.

Mr. Hamlin asked how many comments SWCAA received. Mr. Papish said the agency has received comments from two commenters so far. Mr. Hamlin said he received some comments regarding the disposal of materials. Mr. Papish said the proposed rule changes are unrelated to calls about disposal of materials at the local transfer station. Ms. Quiring also commented she has received feedback regarding disposal and the changes at the Clark County transfer station. Mr. Papish said the transfer station is now requiring testing for most demolition materials which is creating controversy.

Executive Session

Mr. Jensen opened discussion on the performance evaluation of the Executive Director. Mr. Jensen asked for the Board to go into Executive Session for the purpose of performing the Executive Director's performance evaluation. He said the Executive Session will be utilized 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. He requested Mr. Papish and the general public to leave during the Executive Session which he estimated would begin at 3:24 and last for 10 minutes.

Mr. Jensen reconvened the general meeting at 3:34 and opened the discussion for Board member comments.

Ms. Topper asked if in the past the Board has matched the Executive Director increase to the increase given to staff. Mr. Papish said that has been the past practice. He said since he was hired close to the top of the posted salary range a 1.5% merit would exceed the range, however to reach the top of the range as it currently is a merit of 0.07% in addition to the 2.0% cola would put the position at the top of the range.

Mr. Shumaker asked if the Board provided a 2.0% cola then the merit would need to be 0.07% to prevent the position from exceeding the range. Mr. Papish confirmed this. Mr. Jensen said the Board has the ability to change the range.

Mr. Jensen asked for a motion. Mr. Shumaker moved to approve a 2.0% cola for the Executive Director to be effective July 1, 2018. Ms. Quiring seconded the motion. Mr. Jackson and Mr. Davis abstained from the motion. Motion passed.

Mr. Jensen asked for a motion. Ms. Topper moved to approve a 1.5% merit for the Executive Director position. Mr. Brady seconded the motion.

Mr. Shumaker expressed concerns about the position exceeding the range. He expressed concern holding staff to a range and not the director position. He said if the salary survey comes back and says something different about the range then the Board can have that discussion.

Mr. Brady asked if there are employees at the top of the range currently who will not receive merit. Mr. Papish responded there are two employees at the top of the range who will not receive merit and one employee who is not eligible to receive merit this year due to being a recent hire.

Ms. Topper said the range will need to be looked at once the salary survey is completed. Mr. Brady agreed that the employees at the top of the range will need to be reviewed and the ranges adjusted as appropriate.

Mr. Davis left the meeting at 3:42.

Ms. Topper amended the motion to approve a 0.07% merit for the Executive Director position to put it at the top of the current range effective July 1, 2018. Ms. Quiring seconded the motion. Mr. Jackson abstained from the motion. Motion passed.

Mr. Jensen assured Mr. Papish that the Board would review the ranges as soon as the salary survey is done.

Mr. Papish expressed his appreciation to the Board.

Mr. Jackson left the meeting at 3:50.

Unfinished Business/New Business

Mr. Jensen opened discussion on adoption of the proposed Fiscal Year 2018/2019 Budget and recognized Mr. Papish. Mr. Papish said the Southwest Clean Air Agency (SWCAA) is required by the Washington Clean Air Act (RCW 70.94.092) to utilize a budget year of July 1st through June 30th. This statute also specifies that SWCAA must have its budget adopted by the Board of Directors by the fourth Monday in June of each year.

The Proposed Fiscal Year 2018/2019 budget of \$2,234,517 found in Attachment B is a \$82,769 increase (i.e., 3.85%) over the Fiscal Year 2017/2018 budget. The more significant drivers of the increase in budget are anticipated cost increases in the following expense categories: (1) the consultant/pass through category was increased in anticipation of higher than normal legal costs and increased use of a temporary staffing agency; (2) the depreciable equipment category remains at a higher funding level for purchasing a replacement vehicle and aging computer equipment; (3) general supplies are increased for increased safety equipment and public outreach supplies; (4) increased staff costs are due primarily to a moderate increase in salaries, moderated by a smaller than projected increase in medical and dental costs, and; (5) the office lease budget was increased to accommodate the annual increase built into the new contract.

On the revenue side a decrease in the revenue from recent agency reserves draw down to balance the budget has been made possible by fee increases which phase in over two years. This drawdown is necessary, in spite of projected increased activity in both the local fee based categories and the air operating permit program, primarily because of: (1) a decrease in projected unspent non-AOP funds available to be carried forward from FY 2017/2018; (2) decreased funding available for new wood stove replacement grant awards; and (3) increased assessment of civil penalties from enforcement actions at larger industrial sources.

SWCAA expects to end the current Fiscal Year 2017/2018 with a projected end-of-year cash balance of \$1,683,481. The agency's reserves which have the purpose of maintaining the financial stability of the agency include the depreciation reserve, liability reserve, Title V reserve, non-Title V reserve, and vacation/sick/retirement reserve. These reserves will remain funded at \$93,270, \$110,000, \$40,000, \$98,660, and \$50,000 respectively. The agency's reserves which have the purpose of performing important projects include the records management reserve and the air quality improvement/diesel reserve. These reserves will remain funded at \$125,000 and \$193,667, respectively, at the end of FY 2017/2018. Fees collected in the current fiscal year and held for use in FY 2018/2019 amount to \$867,147 of the projected year-end cash balance and will be carried forward into the FY 2018/2019 operating budget as the non-title V fees fund. This fund will be used to meet fixed program expenses other than the air operating permit program. Due to less than expected time spent on AOP workload in FY 2017/2018, \$39,150 will remain in the AOP operating account for use in FY 2018/2019. AOP billings for FY 2018/2019 will be reduced accordingly. The remaining \$66,588 of the end-of-year cash balance for non-AOP funds, \$39,150 of AOP carryover, and \$21,200 of diesel reserve grant money will be carried forward into the FY 2018/2019 budget as revenue to help meet FY 2018/2019 operating expenses. In addition, \$17,000 from SWCAA's

reserves is still required to balance the budget for FY 2018/2019 without reducing SWCAA's level of service or jeopardizing important projects. If needed, this amount is budgeted to be drawn from the non-Title V reserves.

In summary, SWCAA remains in stable financial condition for the upcoming fiscal year, even though agency reserves and FY 2017/2018 carryover money must be relied on to cover the proposed budget. Fiscal Year 2018/2019 revenue is being supplemented by \$105,738 of carryover - unspent AOP and non-AOP money from the previous budget year - and a budgeted \$17,000 drawdown from SWCAA reserves. In addition, a reserve drawdown of \$21,200, of earmarked state diesel grant money, is budgeted in case there is a qualified diesel project in the upcoming year. If the total budgeted carryover and reserve drawdowns are required, the remaining SWCAA funds available in the future (i.e., July 1, 2018 and beyond) will be \$710,597 in reserves and a total cash balance of \$1,683,481.

The budget of \$2,234,517 is the funding amount required for SWCAA to maintain its current programs and an acceptable level of service through FY 2018/2019. The recent fee increases which go into effect in 2018 and 2019 are expected to stabilize funding and limit the need for future reserve drawdown.

Mr. Jensen asked for a motion. Mr. Brady moved to approve Resolution 2018-01 in Attachment C which adopts a Fiscal Year 2018/2019 Budget in the amount of \$2,234,517. Mr. Smith seconded the motion. Motion passed.

Control Officer Report

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

EPA's Office of Inspector General Announces Audit of Region 10 Smokestack Emissions Testing and Reporting (April 10, 2018) – EPA's Office of Inspector General (OIG) announced a project to assess "the effectiveness of EPA oversight in assuring emission stack tests are conducted in accordance with EPA regulation, policy and guidance." The audit will initially focus on EPA Region 10 and will include work at selected state and local air agencies. The review was announced in a letter from James Hatfield, air directorate of the Office of Audit and Evaluation, addressed to Bill Wehrum, assistant administrator of EPA's Office of Air and Radiation (OAR), Susan Bodine, assistant administrator of EPA's Office of Enforcement and Compliance Assurance (OECA), and Chris Hladick, EPA's regional administrator for Region 10. OIG does not include in the letter a project timeline but indicates that it will next contact OAR, OECA and Region 10 to schedule an initial meeting to discuss the purpose and objectives of the project. For further information:

http://www.4cleanair.org/sites/default/files/Documents/EPAOIG_notificationmemo_04-10-18_smokestack.pdf

Primary NO₂ NAAQS Will Remain Unchanged (April 6, 2018) – EPA Administrator Scott Pruitt signed a final rule to retain, without revision, the current primary National Ambient Air Quality Standards (NAAQS) for nitrogen dioxide (NO₂). The decision is based on EPA's review of the current body of scientific evidence and consistent with the

recommendation of the Clean Air Scientific Advisory Committee, the agency's independent scientific advisors. There are currently two NO2 standards: 1) a 1-hour standard, established in 2010 (at the conclusion of EPA's last review of the primary NO2 NAAQS), at a level of 100 parts per billion (ppb) and based on the 98th percentile of the annual distribution of daily maximum 1-hour NO2 concentrations averaged over three years and 2) an annual standard at a level of 53 ppb, originally established in 1971. EPA was under a court-order to issue a final decision on the NO2 NAAQS review by April 6, 2018. For further information: <https://www.epa.gov/no2-pollution/primary-nationalambient-air-quality-standards-naaqs-nitrogen-dioxide>

EPA Administrator Decides MY 2022-2025 LDV GHG Emission Standards Are Too High and Should Be Revised; California Responds (April 2, 2018) EPA Administrator Scott Pruitt announced his decision that current greenhouse gas emission standards for model year (MY) 2022 through 2025 light-duty vehicles (LDV) are not appropriate and should be revised. The decision comes after EPA's reconsideration of a January 2017 Final Determination on the MidTerm Evaluation (MTE) of the standards, which were established by the agency in 2012 with the support of auto manufacturers, California and other stakeholders, including NACAA. When the standards were set, it was agreed that an MTE would be conducted, and completed by April 1, 2018, to determine whether the standards remained appropriate or should be more, or less, stringent. On January 12, 2017, after a comprehensive review conducted in collaboration with the National Highway Traffic Safety Administration and California, then-EPA Administrator Gina McCarthy made a Final Determination that the standards remained "feasible, practical, and appropriate under Clean Air Act Section 202(a) and do not need to be revised." In March 2017, President Trump announced that EPA and NHTSA would reconsider that MTE Final Determination. For further information: <https://www.epa.gov/newsreleases/epa-administrator-pruitt-ghg-emissions-standards-cars-and-light-trucks-should-be> ; <https://ww2.arb.ca.gov/news/carb-chair-issues-response-epa-press-release-weakening-vehicle-standards>; <https://www.epa.gov/regulations-emissions-vehicles-and-engines/midterm-evaluation-light-duty-vehicle-greenhouse-gas>

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. June 7, 2018 at 3:00 p.m. Southwest Clean Air Agency, 11815 NE 99th Street, Vancouver, Washington.

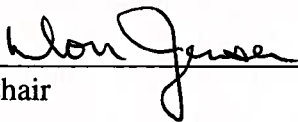
The next Board of Directors meeting will be held on June 7, 2018 at 3:00 p.m., Southwest Clean Air Agency, Vancouver, Washington.

Board Meeting Attendance:

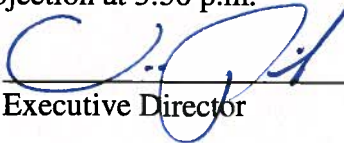
JURISDICTION	J 2018	F 2018	M 2018	A 2018	M 2018	J 2017	J 2017	A 2017	S 2017	O 2017	N 2017	D 2017
Clark County	+	+	+	A	+	+	+	+	+	+	+	C
Cowlitz County	+	+	+	A	+	0	+	+	+	+	+	C
Lewis County	+	+	0	+	+	+	0	+	+	0	+	C
Skamania County	+	0	+	0	+	+	+	+	+	+	0	C
Wahkiakum County	+	0	+	A	+	+	+	0	0	+	+	C
Cathlamet	0	+	+	+	+	0	C	+	+	+	+	C
Centralia	+	+	+	0	+	0	C	+	+	+	+	C
Longview	+	+	+	0	+	+	C	+	+	+	+	C
Stevenson	+	+	+	+	+	+	C	+	+	+	+	C
Vancouver	+	0	A	+	+	0	C	+	+	+	0	C
Member-At-Large	+	+	+	+	+	+	C	+	+	+	0	C

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

Mr. Jensen adjourned the meeting without objection at 3:50 p.m.



 Chair



 Executive Director