

SOUTHWEST CLEAN AIR AGENCY

Board of Directors Meeting  
April 1, 2010  
3:00 P.M.  
Southwest Clean Air Agency  
11815 N.E. 99th Street  
Vancouver, Washington

Optional Conference Call Number for use by SWCAA Board of Directors  
(360) 407-3780 and PIN No. 746501#

(Note: Please notify Tina Hallock at (360) 574-3058 Ext. 10  
if you desire that SWCAA pay the cost of this long distance call because  
in this circumstance a state SCAN Operator will need to telephone you.)

AGENDA

- I. Call to Order
  - A. SWCAA Chair Don Jensen.
  
- II. Roll Call/Determination of Quorum
  - A. SWCAA Chair Don Jensen.
  
- III. Board of Directors Minutes
  - A. Board of Directors Minutes of March 4, 2010.
  
- IV. Changes to the Agenda
  - A. SWCAA Chair Don Jensen.
  
- V. Public Comment
  - A. Public Comment.
  
- VI. Consent Agenda
  - A. Approval of Vouchers.
  - B. Financial Report.
  - C. Monthly Activity Report.
  
- VII. Public Hearing
  - A. None.
  
- VIII. Unfinished Business/New Business
  - A. Decision on Cost of Living Funds for Fiscal Year 2010/2011.**
    - 1. Issue – Decision on cost of living funds for employee wage adjustments that will be included in the budget beginning July 1, 2010.
    - 2. Summary – A decision on the amount of funds that will be available for employee wage adjustments on July 1, 2010 is one of the early budget decision items that must

be made prior to staff submitting the proposed Fiscal Year 2010/2011 budget for Board of Directors approval. The proposed Fiscal Year 2010/2011 budget will be presented to the Board of Directors for approval at the May 6, 2010 Board meeting. The Cost of Living adjustment based on the calendar year 2009 Portland/Vancouver consumer price index is 0.1%. This inflation figure of 0.1% results in a total dollar pool of \$1,008 that could be distributed among the 16 eligible employees. This pool of funds equates to a total wage increase of between \$1.60 and \$3.00 per pay period for agency employees. Other options involve concluding: (1) the Portland/Vancouver consumer price index for 2009 is zero (0) for all intent and purposes; (2) adopt a 2% cost of living increase because no cost of living adjustment was provided last year; or (3) adopt one of the cost of living figures adopted by one of the southwest Washington cities or counties who utilized figures covering a time period different than calendar year 2009. (Attachment No. 1)

**3. RECOMMENDATION – Conclude that the Cost of Living adjustment figure for calendar year 2009 is zero (0) for all intent and purposes.**

**B. Review of 1.0% Merit Pool of Funds Approved in April 2009 for Fiscal Year 2010/2011.**

1. Issue – In April 2009 the Board of Directors approved a merit pool of 1.0% for distribution on July 1, 2010 on the condition that an opportunity to reconsider this approval would occur at the April 1, 2010 Board meeting.

2. Summary – The amount of funds awarded on a merit basis and allocated according to the annual performance evaluation decision needed to be made in April 2009 if there was going to be any possibility of merit raises provided on July 1, 2010. This advance notification process is a requirement of the State Auditor. The merit pool of funds based on 1.0% of Fiscal Year 2009/2010 agency salaries equals a merit pool of \$10,158. The decision to offer this program is made on a year-to-year basis depending on SWCAA’s financial condition. SWCAA has the financial ability to fund this year’s merit pool. Another option is for the Board of Directors to cancel the awarding of a merit pool of funds on July 1, 2010.

**3. RECOMMENDATION – Approve moving forward with the awarding of a \$10,158 merit pool (i.e., 1% of Fiscal Year 2009/2010 salaries) on July 1, 2010 based on annual performance evaluations for this current fiscal year.**

**C. Decision on Merit Pool of Funds for Fiscal Year 2011/2012.**

1. Issue – Whether to approve a pool of funds that could be awarded on a merit basis on July 1, 2011.

2. Summary – The amount of funds awarded on a merit basis and allocated according to the annual performance evaluation needs to be decided today so that these funds, if any, can be awarded one year from now (i.e., July 1, 2011). This advance notification is a requirement of the State Auditor if a merit program is going to be offered. If the Board of Directors is willing to continue supporting a merit pool concept, SWCAA’s financial condition appears capable at this time of funding a merit pool of 1.0% of Fiscal Year 2010/2011 agencies salaries (i.e., \$10,086). The final decision to distribute these funds will be made one year from now when the actual financial ability of the agency to award these funds will be known.

**3. RECOMMENDATION – Approve a merit pool consisting of 1.0% of Fiscal Year 2010/2011 salaries (i.e., \$10,086) for annual performance evaluations to be completed in June 2011 with the funds awarded at the end of the next fiscal year (i.e., July 1, 2010).**

IX. Executive Session

A. Recommended Approval of a 7-Year Lease Extension with EastRidge Business Park through October 31, 2017 [RCW 42.30.110(1)(b)].

B. Performance Evaluation and Salary Adjustment Decision for the Executive Director [RCW 42.30.10(1)(g)].

IX. Control Officer Report

A. Three States Join Industry Groups in Challenging EPA’s Greenhouse Gas Endangerment Finding.

1. Issue – Alabama, Texas and Virginia have filed lawsuits challenging EPA’s decision that greenhouse gas emissions contribute to air pollution that is endangering public health and welfare.

2. The actions of these three states follow similar challenges previously filed by several industry groups that have petitioned the court to review EPA’s finding. The industry groups include the American Iron and Steel Institute, the American Farm Bureau Federation, the American Petroleum Institute, the Corn Refiners Association, the National Association of Home Builders, the National Association of Manufacturers, the National Mining Association, the National Oilseed Processors Association, the National Petrochemical and Refiners Association, the Portland Cement Association, the U.S. Chamber of Commerce and the Utility Air Regulatory Group. Texas’ Attorney General stated that “EPA outsourced the scientific basis for its greenhouse gas regulation to a scandal-plagued Intergovernmental Panel on Climate Change (IPCC) that cannot be considered objective or trustworthy. Prominent climate scientists associated with the IPCC were engaged in an ongoing, orchestrated effort to violate freedom of information laws, exclude scientific research, and manipulate temperature data. In light of the parade of controversies and improper conduct that has been uncovered, we know that the IPCC cannot be relied upon for objective, unbiased science, so EPA should not rely upon it to reach a decision that will hurt small businesses, farmers, ranchers, and the larger Texas economy.” The opposition to this lawsuit includes 16 states who have filed a motion to intervene in support of EPA’s decision. These states include Arizona, California, Connecticut, Delaware, Illinois, Iowa, Maine, Maryland, Massachusetts, New Hampshire, New Mexico, New York, Oregon, Rhode Island, Vermont and Washington.

B. Texas Appeals Court Rejects Coal Gasification Power Plants as Best Available Control Technology (BACT) for Pulverized Coal Power Plants.

1. Issue – A Texas Appeals Court ruled against environmental groups who argued that new coal-fired power plant decisions should include the analysis of Coal Gasification Power Plants as Best Available Control Technology (BACT).

2. Summary – Sandy Creek Energy Associates obtained approval from the Texas Commission on Environmental Quality to build an 800 Megawatt pulverized coal power plant in McLennan County, Texas. Environmental groups appealed this decision. The Texas Appeals Court concluded that a Best Available Control Technology (BACT) analysis must include any emission control technology that may be applied to the proposed facility, but does not need to consider technology that would not be capable of application to the proposed facility. The Court stated that an “integrated gasification combined cycle coal power plant is significantly different from a pulverized coal power plant. The coal gasification process produces electricity by the burning of gases extracted from coal to drive turbines that turn electric power generators whereas a pulverized coal power plant produces electricity by burning coal to generate steam that drives a conventional steam-powered turbine as proposed by Sandy Creek Energy Associates.”

### C. EPA Finalizes Mandatory Greenhouse Gas Reporting Rule.

1. Issue – EPA has promulgated a mandatory reporting rule for greenhouse gases that departs little from the proposed rule.

2. Summary – The final rule requires direct reporting of greenhouse gases to EPA by reporting entities. There is no provision for delegation of reporting to states. In an overview of the rule, EPA notes that the rule does not preempt states from regulating or requiring reporting of greenhouse gases. In addition, EPA indicates that it is working with states, the Climate Registry and the Exchange Network on a data standard to reduce reporting burdens. Furthermore, EPA communicated that it is committed to working with state and regional programs to provide timely access to verified emissions data, establish mechanisms to share data efficiently, and harmonize data systems to the extent possible. The EPA reporting threshold is 25,000 tons of carbon dioxide equivalent emissions per year for sources other than mobile sources. Sources will self-certify the emissions data, and EPA, rather than a third-party, will verify it. Facilities already reporting and collecting emissions data (e.g., under the Acid Rain program) must report direct measurement of emissions; other source categories can use facility-specific calculations as provided in the rule. Finally, EPA identifies major changes from the proposed rule, including mechanisms for terminating reporting for sources reporting less than threshold amounts for five years, and for sources that shut down. The rule was developed under the authority of Section 114 of the Clean Air Act in response to a Congressional Mandate under the FY 2008 Consolidated Appropriations Act. The National Association of Clean Air Agencies (NACAA) urged EPA in its comments on the proposed rule to provide state and local air permitting authorities with an additional 12 months to 24 months to increase Title V and Prevention of Significant Deterioration (PSD) threshold above the current 100 ton/250 ton per year levels to avoid the administrative burden and delay in issuing permits forecast by EPA. NACAA also recommended that EPA utilize a step-down approach for implementing its program where the initial threshold is set at 50,000 tons per year of carbon dioxide (CO<sub>2</sub>) equivalent emissions, but are reduced after three years to 25,000 tons per year. EPA is considering this NACAA proposal and appears to support it.

XI. Board Policy Discussion Issues

A. As Necessary.

XII. Issues for Next Meeting

A. Public Hearing.

1. None.

B. New Business/Unfinished Business.

1. Adoption of Fiscal Year 2010/2011 Budget.

C. Control Officer Report.

1. As Necessary.

D. Board Policy Discussion Issues.

1. As Necessary.

E. Meeting Date and Location

1. May 6, 2010 at 3:00 p.m., Southwest Clean Air Agency, 11815 NE 99th Street, Vancouver, Washington.

XII. Adjournment

## Mission Statement

“To Preserve and Enhance Air Quality in Southwest Washington”

### Board of Director Values

1. It is important for the region to first achieve healthy air before focusing on other air quality issues.
2. Local control of southwest Washington air pollution issues should be apparent to our constituency.
3. It is important that compliance with federal and state air pollution regulations be achieved.
4. A partnership that is fully reciprocal is desired with the Washington Department of Ecology and U.S. Environmental Protection Agency.
5. All decisions made by the Board should be guided by a principle of doing what is best for the region as a whole.
6. It is important to strive for a good working relationship with the residents and industries of southwest Washington.
7. The effort to obtain stakeholder input on agency actions is a key component of the agency’s public involvement process.
8. The pursuit of reductions in air pollution should be based on achieving the largest air quality benefits first.
9. The basis for air pollution reduction measures should be rooted in sound science.
10. Education should be utilized as an important tool for achieving sustained voluntary compliance.
11. The priority of enforcement decisions should first be on ensuring education is achieved and then issuance of civil penalties.
12. Effective enforcement means that recalcitrant sources are brought into clear compliance.
13. The Board prefers to be involved at the policy setting level for the agency rather than the day-to-day management issues.
14. Fiscal expenditures by the agency should be consistent with the Board approved budget.
15. The fair treatment of the agency’s employees is an important goal of the Board.

Note: (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 10.