

Southwest Clean Air Agency

Board of Directors Minutes

April 1, 2010

The regular meeting of the Southwest Clean Air Agency Board of Directors was held in the Southwest Clean Air Agency office, Vancouver, Washington on April 1, 2010.

Those present were: Don Jensen, Chair, City of Longview
Pat Campbell, Director, City of Vancouver
Bill Schulte, Director, Lewis County
David Goodroe, Director, City of Cathlamet
Blair Brady, Director, Wahkiakum County
Bonnie Canaday, Director, City of Centralia
Milton Cox, Director, Member at Large
David Goodroe, Director, City of Cathlamet

Excused: Kelly Sills, Director, Clark County
Mary Ann Duncan-Cole, Director, City of Stevenson
George Raiter, Vice Chair, Cowlitz County
Jamie Tolfree, Director, Skamania County

Also Present: Staff: Robert D. Elliott, Executive Director
Traci Arnold, Office Administrator

Guests: Stan Rauh, 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 March 4, 2010 minutes. Mr. Goodroe moved and Mr. Schulte seconded that the minutes for the March 4, 2010 Board meeting be approved. Motion passed.

Changes to Agenda

None.

Public Comment

None.

Consent Agenda

Mr. Jensen asked for approval of the Consent Agenda including the March 2010 timesheets for Executive Director Robert Elliott, voucher numbers 542 through 590, 593 through 596, 599 and 600, in the amount of \$10,744.32, which have been approved for payment by the Executive Director, voucher numbers 591, 592, 597 and 598, in the amount of \$41,265.83 and February 2010 Financial Reports, February 2010 Monthly Activity Report, February 2010 Salaries in the amount of \$87,292.25 and February 2010 Benefits in the amount of \$31,389.79. Mr. Cox moved, and Mr. Goodroe seconded approval of the Consent Agenda. Motion passed.

Public Hearing

None.

Unfinished Business/New Business

Mr. Jensen opened discussion on the adoption of Fiscal Year Cost of Living funds for employee wage adjustments that will be included in the budget beginning July 1, 2010 and recognized Mr. Elliott. Mr. Elliott explained that approval of the amount of funds that will be available for employee cost of living 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. He said the proposed Fiscal Year 2010/2011 budget will be presented to the Board of Directors for approval at the May 6, 2010 Board meeting. Mr. Elliott said the Cost of Living adjustment based on the calendar year 2009 Portland/Vancouver consumer price index is 0.1% and this inflation figure of 0.1% results in a total dollar pool of \$1,008 that could be distributed among the 16 eligible employees. He said this pool of funds equates to a total wage increase of between \$1.60 and \$3.00 per pay period for agency employees. Mr. Elliott said the options available 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 fiscal 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.

Mr. Jensen asked for a motion. Mr. Blair moved to conclude that the Cost of Living adjustment figure for calendar year 2009 is zero (0) for all intent and purposes. Mr. Schulte seconded the motion. Motion passed unanimously.

Mr. Jensen opened discussion on whether to affirm or modify the April 2, 2010 approval of a 1.0% merit pool of funds (i.e., \$10,158) for awarding on July 1, 2010 and recognized Mr. Elliott. Mr. Elliott explained 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. He said this advance notification process is a requirement of the State Auditor. Mr. Elliott said the merit pool of funds based on 1.0% of Fiscal Year 2009/2010 agency salaries equals a merit pool of \$10,158. He said the decision to offer this program is made on a year-to-year basis depending on SWCAA's financial condition. Mr. Elliott

said 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.

Ms. Canaday asked for clarification on what the board is being asked to approve. Mr. Elliott explained the board is being asked to approve a pool of funds (i.e., \$10,158) which will be distributed to the employees based on performance evaluations. He said some employees may receive a higher percentage than 1% while others may receive less than 1%. Mr. Elliott explained the merit pool funds of \$10,158 were based on 1% of total salaries for Fiscal Year 2009/2010.

Mr. Schulte asked for further explanation of how SWCAA can financially support a merit pool during these difficult economic times. Mr. Elliott explained that SWCAA has reduced staff by 1.5 full time employees (FTEs) from staffing levels in Fiscal Year 2008/2009. He said the agency has been operated from a very fiscally conservative position for the past 18 years. Mr. Elliott reviewed the agency's reserves to illustrate the financial strength of the agency and explained that SWCAA is operating without any outstanding debt.

Mr. Jensen asked for a motion. Mr. Campbell moved to 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. Mr. Goodroe seconded the motion. Motion passed with Mr. Schulte and Ms. Canaday voting to not approve the merit pool consisting 1% of Fiscal Year 2010/2010 salaries (i.e., \$10,158).

Mr. Jensen opened discussion on the approval of a pool of funds that could be awarded on a merit basis on July 1, 2011 for Fiscal Year 2011/2012 and recognized Mr. Elliott. Mr. Elliott explained that 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). He said this advance notification is a requirement of the State Auditor if a merit program is going to be offered. He said 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 2011/2012 agencies salaries (i.e., \$10,086). Mr. Elliott said 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.

Mr. Goodroe moved to increase the merit pool for Fiscal Year 2011/2012 to 3% of salaries (i.e., \$30,258). Mr. Schulte asked for clarification if the Board has the option to increase the amount of the merit pool in April 2011. Mr. Elliott responded that the Board will have the option to increase or decrease the amount merit pool funds in April 2011, but that some amount of funds needs to be designated today in order to meet the State Auditor's requirements. Mr. Goodroe removed his motion from the floor.

Mr. Jensen asked for a motion. Mr. Cox moved to approve a merit pool for Fiscal Year 2011/2012 salaries for annual performance evaluations to be completed in June 2011 with the fund awarded at the end of the next fiscal year (i.e., July 1, 2011). Mr. Campbell seconded the motion. Mr. Schulte moved to amend the motion to include a merit pool consisting of 1.0% of Fiscal Year 2011/2012 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, 2011). Mr. Campbell seconded the motion. Motion passed unanimously.

Executive Session

Mr. Jensen opened discussion on the approval of a 7-year lease extension with EastRidge Business Park through October 31, 2017 [RCW 42.30.110(1)(b)] and on the performance evaluation of the Executive Director. Mr. Jensen asked for the Board to go into Executive Session and he requested the general public to leave during the executive session which he estimated would begin at 3:47 p.m. and last for approximately 40 minutes. Mr. Jensen requested Mr. Elliott remain for the 7-year lease extension discussion and then leave the room for the Executive Director evaluation session. Mr. Jensen reconvened the executive session at 4:35 p.m. and opened the discussion for Board member comments.

Ms. Canaday commented that the lease indicates some of the tenant improvements can be completed by the landlord once the lease is executed. She said items such as lighting improvements and replacing the carpet should be done as soon as possible to reduce costs and prevent the landlord from lengthy postponements. Mr. Elliott responded that he will work to have the improvements done as quickly as possible.

Mr. Jensen asked for a motion. Mr. Schulte moved to approve a 7-year lease extension with EastRidge Business Park through October 31, 2017 [RCW 42.30.110(1)(b)] once the agreement has been reviewed by SWCAA's attorney, David Jahn. Mr. Goodroe seconded the motion. Motion passed unanimously.

Mr. Jensen asked for a motion on the Executive Director's performance evaluation and salary adjustment decision. Mr. Campbell moved to approve a 1% merit salary increase and no cost of living increase for the Executive Director to be effective on July 1, 2010. Mr. Schulte seconded the motion. Motion passed unanimously. Mr. Elliott expressed his appreciation to the Board of Directors and communicated that he very much enjoys working with the Board of Directors. He said he looks forward to several more years of working for the agency.

Mr. Schulte indicated he would like to re-visit the presentation on lumber dry kilns and have specific cost data for each facility presented to the Board. Mr. Jensen confirmed that an updated presentation should be given to the Board. Mr. Elliott responded he would add lumber dry kilns to the next agenda and prepare the requested information.

Control Officer Report

1.) Mr. Elliott reported that Alabama, Texas and Virginia have filed lawsuits challenging EPA's Greenhouse Gas Endangerment Finding that greenhouse gas emissions contribute to air pollution that is endangering public health and welfare. He said 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. Mr. Elliott said 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. He said 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." Mr. Elliott said the opposition to this lawsuit includes 16 states who have filed a motion to intervene in support of EPA's decision. He said these states include Arizona, California, Connecticut, Delaware, Illinois, Iowa, Maine, Maryland, Massachusetts, New Hampshire, New Mexico, New York, Oregon, Rhode Island, Vermont and Washington.

2.) Mr. Elliott reported 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). He said 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. Mr. Elliott said Environmental groups appealed this decision. He said 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. Mr. Elliott said the Court stated that an "integrated gasification combined cycle coal (IGCC) 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."

3.) Mr. Elliott reported EPA has promulgated a mandatory reporting rule for greenhouse gases that departs little from the proposed rule. He said the final rule requires direct reporting of greenhouse gases to EPA by reporting entities. There is no provision for delegation of reporting to states. Mr. Elliott said in an overview of the rule, EPA notes that the rule does not preempt states from regulating or requiring reporting of greenhouse gases. He said 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. Mr. Elliott said 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. He said the EPA reporting threshold is 25,000 tons of carbon dioxide equivalent emissions per year for sources other than mobile sources. He said sources will self-certify the emissions data, and EPA, rather than a third-party, will verify it. Mr. Elliott said 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. He said 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. Mr. Elliott said 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. He said 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) thresholds above the current 100 ton/250 ton per year levels to avoid the administrative burden and delay in issuing the volume of permits forecast by EPA. Mr. Elliott said 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 (CO₂) equivalent emissions, but are reduced after three years to 25,000 tons per year. He said EPA is considering this NACAA proposal and appears to support it.

Board Policy Discussion Issues

None.

Issues for Next Meeting

- A. Public Hearing.
 - 1. None.
- B. New Business/Unfinished Business.
 - 1. Adoption of Fiscal Year 2010/2011 Budget.
 - 2. Lumber Dry Kiln Testing Presentation Update.
- 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.

The next Board of Directors meeting will be held on May 6, 2010 at 3:00 p.m., Southwest Clean Air Agency, Vancouver, Washington.

Board Meeting Attendance:

JURISDICTION	J 2010	F 2010	M 2010	A 2010	M 2009	J 2009	J 2009	A 2009	S 2009	O 2009	N 2009	D 2009
Clark County	0	0	+	0	+	+	C	+	+	0	+	C
Cowlitz County	+	+	+	0	+	+	C	+	+	+	+	C
Lewis County	+	+	+	+	0	+	C	+	+	+	0	C
Skamania County	+	+	+	0	0	+	C	+	+	+	+	C
Wahkiakum County	+	+	+	+	0	+	C	+	+	+	+	C
Cathlamet	+	+	0	+	+	0	C	+	+	0	+	C
Centralia	+	+	A	+	+	+	C	+	0	+	+	C
Longview	+	+	+	+	+	+	C	+	+	+	0	C
Stevenson	+	+	+	0	+	+	C	+	+	+	+	C
Vancouver	0	0	+	+	+	+	C	0	+	+	0	C
Member-At-Large	+	+	+	+	+	+	C	+	+	+	+	C

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

Mr. Jensen adjourned the meeting without objection 4:51 p.m.

Chair

Executive Director