



SPOKANE REGIONAL CLEAN AIR AGENCY
BOARD MEETING MINUTES

June 5, 2008 9:00 a.m.
SPOKANE COUNTY PUBLIC WORKS BUILDING
LOWER LEVEL HEARING ROOM

BOARD MEMBERS PRESENT:

Mayor Edward Crockett
Board Member Melissa Ahern
Commissioner Bonnie Mager
Chair Jeff Corkill

STAFF MEMBERS PRESENT:

Bill Dameworth, Director
Barbara Nelson, Finance & Personnel Admin.
Ron Edgar, Chief of Technical Services
Lisa Woodard, Public Information Officer
Matt Holmquist, Compliance Administrator
Michelle Wolkey, Legal Council
Mary McDermott, Secretary

WORK SESSION: The work session began at 9:02 a.m.

1. FY 09 Budget Presentation – Barbara Nelson

Barbara stated that her presentation gives the Board the opportunity to look at the three options provided. Board Member Ahern stated that she personally understands the three options and has gone over them in the board packet. Barbara stated that the only difference in the three options is on the revenue side. The first one is full-cost recovery where the fees would be increased to cover the full-cost of the program; second is partial-cost recovery; and third is no change in the fees. All the expenses are the same. Commissioner Mager agrees with Board Member Ahern; the request to go over these was by Councilmember Taylor who is not present. Mayor Crockett and Chair Corkill agreed to pass on the presentation.

BOARD MEETING: The board meeting was called to order at 9:05 a.m.

1. **Director's Report for May – Bill Dameworth**

Bill stated that staff has met and discussed what elements Spokane Clean Air would like to see in a rendering plant regulation. We are in the process of getting comments on Spokane Clean Air's ideas from other air pollution control agencies, as well as an odor control consultant. These will then be forwarded to EKW Law for legal review.

Steve Taylor and Bill attended the County Commissioners/CEO meeting and made a request for a building loan. Marshall Farnell spoke with the Treasurer's Office and they can give Spokane Clean Air a loan for five years and the interest rate would be around four percent. To maintain Spokane Clean Air's cash flow going out the same is what is being paid now in rent, we could borrow approximately \$225,000. There is money in the special projects account to cover the difference so that the down payment could be made to purchase the building. Once it appeared that Spokane Clean Air would be able to obtain financing for the building, Bill entered into negotiations with the sellers and agreed on a price of \$469,000 which is \$66,000 less than the asking price. This turns out to be approximately \$90 to \$95 a square foot which is reasonable for a commercial building. If the Board approves, Spokane Clean Air will move forward with giving a six month notice to the Health District, which may be sooner since there is interest in the space we now occupy. Spokane Clean Air still needs the time to consummate the financing agreement as well as time to do modifications to the building. Chair Corkill complimented and thanked Bill, Steve and Bonnie for the work that they have done on coming up with this arrangement. Commissioner Mager added that it was Bill's persistence that paid off. Bill added that he was just waiting until somebody said "no" and nobody did.

Bill was on Jury Duty from May 19th to the 30th. Michelle Wolkey and Bill completed Michelle's annual performance review and everything came out fine.

2. Public Information/Education Update – Lisa Woodard

Lisa gave a brief overview of the May events. We participated in the American Lung Association's annual Asthma Walk and we involved our environmental kids club. The Spokane Youth Conference was held at SCC and there were a couple of hundred students, teachers and agency staff talking on various environmental topics. Students presented their projects to their peers and were evaluated and awarded superior projects. Prizes were donated from local businesses and awarded to the students for their efforts. Spokane Clean Air also provided a \$250 cash donation to each Science Department, made possible through private donations. The asbestos display was out in the community during the spring and was moved to True Value Hardware in Cheney for the month of May. It has been moved to the Habitat for Humanity Surplus Store for June. We went to an ESD 101 meeting of the Transportation Coordinators and presented the school districts with certificates for the diesel retro-fit idling program. The ozone brochure was updated and printed.

The wood stove change out program is going well and Spokane Clean Air has been invoiced for approximately 85 devices. There is another 20 to 30 pending installation, etc. We have started the income qualified program and there are 11 applicants and there is funding for approximately 18 to 20. The "No Idle Zone" program is going well also. The Town of Millwood and City of Liberty Lake have passed resolutions to be no idle zone towns to encourage their residents to avoid unnecessary vehicle idling for air quality. Approximately 130 schools have been communicated with and 20 have implemented the no idle zone program. We are working with District #81 to get information out to school parents in the fall. The summer outreach program is being developed. We have received donations from Black & Decker, so we will be giving away electric lawn equipment and tying it in with a radio promotion in July and

August. Spokane Clean Air is hoping to tie in with Solid Waste on these promotions. We've done a lot of research on the change-out programs that have happened nationally and if the Board is supportive than Spokane Clean Air can go after some grant money and do an exchange. There is a company out of California called Newton and they will provide \$100 discounts off their electric mowers to any community that wants to do a change-out program. Spokane Clean Air is hoping to tie in with Solid Waste and get meetings going with them. King County has a "Natural Yard Days" program and it is a holistic approach to all the ways we can improve the environment with yard care. Spokane Clean Air would like to stay in the loop with any organization that would like to start a program for electric lawn care equipment. We had a couple of interviews on the no idle zone and asbestos ads running on KXLY and some classified ads. The Solid Waste System applied for a grant last year and it was the grant that Ecology made available to Solid Waste Agencies to apply for as a result of the phase-out for yard and garden burning. Susan Tresko, at the Solid Waste System, applied for a grant. It sounds like we'll be able to partner with them and use the chipper for the events that we collaborate on.

3. Activity Report for April 2008 – Ron Edgar

Ron noted that there were approximately 100 complaints during April and most of those were regarding outdoor burning. April is the month for the eight days of yard and garden burning. Many inspections are being done and there is one that is labeled as a P2, we are starting to get appointments for and do what are called pollution prevention inspections. At no cost to the companies, we work with the company to try and come up with ways to reduce their emissions, which in turn could help the company reduce their fee costs. April was a good air quality month. Ron did put the wind speed and direction in to the reporting of the air quality data as requested by the Board Members. Ron added that Spokane Clean Air will continue to retro-fit busses for School Districts but it appears District 81 will be getting all new busses. There was discussion between the Board Members and Ron on all electric buses for some of the School Districts.

4. Income/Expense Statement for April 2008 – Barbara Nelson

Barbara stated that Spokane Clean Air is on track with its revenues and expenses at this point in the year. There is nothing unusual to point out. Commissioner Mager wanted to state that she appreciates Barbara's spreadsheets because they can be easily read and understood.

5. CONSENT AGENDA – ACTION ITEM – Approval of the May 1, 2008 Board Minutes, May 9, 2008 Board/Staff Retreat Minutes and Vouchers for May 2008 Numbered 2632 through 2699 in the amount of \$170,039.96 and Payroll of \$50,750.53 for a Grand Total of \$220,790.49. Commissioner Mager moved to approve the Consent Agenda and Board Member Ahern seconded it. Motion passed unanimously.

Michelle stated that the Subpoena for Turbo Burn was scheduled for 10:30 today so she requested the Board move on to other items in the agenda. Chair Corkill noted that items 6 and 7 would be moved to the end of the meeting.

8. Resolution 08-14 – FY-09 AmeriCorps Service Agreement for No Idle Zone Program – Lisa Woodard

Lisa stated that Spokane Clean Air is wrapping up its six month position with Tom Brattebo from AmeriCorps. Spokane Clean Air applied for another position through AmeriCorps and was one of the selected agencies for this program. It will be the same amount of hours (900 hours), but will be spread out over the school year and the position will start in September.

Board Member Ahern moved to approve Resolution 08-14 and Commissioner Mager seconded it. Motion passed unanimously.

9. Resolution 08-15 – Approval to Purchase Property and Building at 3104 E. Augusta – Bill Dameworth

Bill stated that this is contingent upon the building having a clear title, successful inspection and approval of the loan from the Spokane County Treasurer. This is allowing Spokane Clean Air to move forward with the purchase. Spokane Clean Air has the funds in the special project account to cover the down payment, renovations and moving. There was some discussion between the Board and Bill.

Commissioner Mager moved to approve Resolution 08-15 and Board Member Ahern seconded it. Motion passed unanimously.

PUBLIC HEARING ACTION ITEMS 10, 11 AND 12

10. Resolution 08-11 – NOC Fee Increases – Matt Holmquist

Matt gave an overview of the NOC/NOI fee increases. NOC fees are a one-time fee paid by any new stationary air pollution source prior to installation and operation. Portable stationary air pollution sources must obtain a NOI permit each time the source relocates and operates at a new site. The NOC and NOI Fee Schedule are calculated by using fee categories: the Base Fee comprised of four classes of fees, a permit modification/revision fee, and additional fees and there is also the compliance investigation fee and miscellaneous fees. Under Options 1 and 2, which are designed for full-cost recovery on this program, the total permit fees would be about \$2,600 to \$3,000. Under Option three, it would be about \$2,100 to \$2,500.

Matt then gave an overview of the Registration Program. There are approximately 650 air pollution sources and they pay the annual registration fees which consist of a facility fee, emissions fee and emission point fee. At the end of June, we expect to see a fee based revenue short fall of roughly \$100,000. Most of this can be attributed to accounting changes that were made following the recent State Audit. Option 1 is for the full-cost recovery of direct and indirect costs, Option 2 is designed to recover direct program costs only (which would be a short fall of roughly \$190,000) and Option 3 there would be no adjustment of the fees (which would be a short fall of roughly \$216,000).

All three Options are based on the polluter pays scenario, meaning the more pollution a source emits the more they are going to pay. Under Option 1, the average fee increase would be about 66%, Option 2 would be 10% and Option 3 there would be no increase. Matt then went over comments received by sources on the NOC/NOI and Registration fees. There was some discussion between Matt, Bill and the Board Members on the process for allocating indirect costs and for Spokane Clean Air to put forth effort in contacting the sources and suggesting how they can bring down their tons of emissions and thereby reduce their fees. Margee runs the pollution prevention program so she can help the sources with ways to reduce the tons of emissions that they put out which would save them money. Bill added that the By-Laws say that Spokane Clean Air will design the fee based programs to be full-cost recovery. If we don't do full-cost recovery, we will have to change the By-Laws. If the Board goes with Option 2, we would cover the direct costs out of the fee based program and not the indirect costs for the Registration Program. There is a possibility that we could phase that in and go to Option 1 in a three year period if the Board chooses. Also, Option 1 would allow Spokane Clean Air to reduce the local assessment by a significant amount. Chair Corkill stated that the majority of the money that comes in is from the local tax assessment from the public and the public should not have to pay for the sources pollution points, etc. Maybe Margee could allocate more of her time to helping the sources during the first year of the increase. The Board agreed for Spokane Clean Air to have a proactive approach with the sources to help them to reduce their emissions and in return it would lower their fees. Bill replied that they could increase Margee's time but it would be based on demand from the sources.

PUBLIC COMMENTS:

Scott Thompson from Thompson Chevron: I am here today to tell you that the full-cost recovery he understands, it's just unacceptable from the industry today. We're dealing with an industry, my profit on gasoline last month was six-tenths of one percent. So when I'm faced with a 66% increase in fees and structures, I have no way to recover that. We're dealing with an economy in Spokane and in this industry I can name six service stations that have closed in the last 30 days just between my drive from downtown to the north side. I want you to look at the long term effects of what you're doing today and please take that into mind, okay. I understand the fees, we use to pay \$165, I think my fee this last year was \$600 and now I'm asked to pay \$1,002. I don't have a way in this economic environment to recover any of those costs. People won't do it. If I go out and change my price, you know everybody is screaming about the cost of petroleum today and we've all made significant advances and there's many, many things happening in that industry to curb usage and a number of other things, but believe me if I go out and add 66% to a \$4 price sign I'd welcome you to come down and stand with me when the media's there. That's not going to be a pleasant, comfortable position to be in because you just can't pass 66% on when you're in a market that makes less than one percent profit. Commissioner Mager asked what Scott's normal profit margin would be. Scott replied: all I can really go back to is when we had the fuel crisis in the mid 70s. I was also there and in the mid 70s, the government came out and said that for the risk you have and the liability you have and the exposure you have, you should be allowed to make 18 cents a gallon. That was in the mid 70s, I was still at the same location pumping gas that I'm in today. I can tell you honestly and truthfully that's about the most money we ever made, okay. When the government came out and said for what you have and the exposure and liability, you should make about 18 cents a gallon.

So immediately, everybody went to 18 cents a gallon, we pumped gas four hours a day, so we had very limited overhead, we haven't made that kind of money since then, since then and the fees have gone up, the expenses have gone up and you know we're faced with things like this that quite honestly we don't understand. I'm not well versed in your world either. I don't know exactly what you folks do for me, in fact there's some confusion, I went to a meeting last year as to whether is this a public enterprise or is this, I understand you're regulated by the Department of Ecology, but is it a private enterprise that's regulated by DOE or is it a government entity. Bill replied that we are a municipal corporation that is founded under the Washington Clean Air Act and either DOE does this or Spokane Clean Air does it. If the community wants to have a little more input on how things are done than they have a local agency. But all of the State of Washington is going to have clean air agencies throughout. Chair Corkill added that Spokane County is not small like Stevens County, where the population is less, and then the DOE is effectively the clean air agency. But in the larger urban areas they have clean air agencies doing the same task. Commissioner Mager stated that the reason for that is because there is more need in a more densely populated area because the air quality is impacted more greatly by all of the driving and various different things that create air pollution. Now we were in non-attainment for some time as you probably knew. Scott replied: yes a very long time. I appreciate that, thank you. I don't know what your budget is and what you spend your money on. I don't know where my fees go, that's part of the problem and I don't know how to obtain that or if I can obtain that. Maybe it's not my business, maybe it is. I've asked for it, I've never received it; I've received a lot of information from your association, or whatever you call your group. I did ask, Dave stepped outside, you were talking about Stage II fuel recovery and when you talk about Stage II fuel recovery there's a whole lot more to that than just bolting on another pump. First off the expense, I have 24 nozzles, each nozzle comes with an expense and I know Dave made a phone call so I let him explain. Dave Ady replied: I phoned people that we've used in the past to do our work and have done a lot of fuel system installs in the Northwest, Granite Petroleum, and talked to Joey and I asked him because maybe we could upgrade and do the Stage II and I said how much is it going to cost and he says well, you have to have Stage II ready dispensers and he says those have just come out in the last few years. Well my dispensers were installed in 95 and then we upgraded again in 99 and I put new dispensers in that were single hose. Those aren't Stage II compliant so you'd have to switch out the dispensers. The dispensers with the hanging hardware, because you have the hose that's got a co-axial in it with the boot over it and everything on the nozzle, those dispensers with the hanging hardware installed, you've got to put some valves in the ground, are about \$15,000 a piece and we've got, I've got six dispensers at my site, a lot of sites are six, some are eight, a lot of sites are four. So if you have compliant dispensers, which have just come out in the last few years, and you have those and you have them in, like some stations have maybe been built in the last two or three years might have them, it's about \$3,500 a dispenser to plumb that and put the hanging hardware on it and get everything ready to go. If anybody from your Board here would like to contact Joe, he could probably fix you up with a little spread sheet or a cost analysis on that. Bill responded: I wouldn't want to dispute your costs, but there are a couple of things I would like to state. One is that Stage II vapor recovery has been available in some parts of the country since the 80s, so it's not something that is just new. Also, some of the newer stations have prepared themselves in case they want to do this (i.e. the bigger new Costco station or Fred Meyer station). They have situated themselves so they could install this at a lower cost later on. For somebody like you who doesn't have all of this stuff, I am sure the costs are quite high. Dave added: Back in 95

when we built, we do have all of the piping in the ground to accommodate the Stage II. There are a lot of stations out there in this county that don't have that, which would create a huge excavation cost. But we do have that piping and that was put in for that very reason, but at the time back in 95 and 99, Spokane County there wasn't even anything close to even talking about Stage II. So I guess were getting hit with a little bit of sticker shock on our fees. \$165 in 06 and then I think mine went to, it was up there \$520 or \$540 or whatever and the new ones would be \$922. And it's a tough business to be in right now. All of our fees have, our B&O taxes have doubled because the price of the product has doubled, credit card fees have doubled, everything has gone up and it's just tough for the small business guy, it's a tough business to be in. So I'd sure hope that when you vote, that you take some of this into consideration and I appreciate your time, thank you.

Chair Corkill had a comment about Scott wanting to know where the budget goes and things like that. Chair Corkill stated: The mission of a clean air agency is to maintain and improve the air quality for the public health issue. There are three parts to the budget and they are education, monitoring and regulation. That is where Spokane Clean Air's budget goes. The agency itself runs on a pretty lean budget and has maintained it pretty well over the last few years. During the time that the fees never went up, property taxes went up and the value of houses in Spokane went up so the people who are bearing the freight of having relatively low registration fees were the public. What we are trying to do is change it around a bit by having a scale fee where there is a basic fee and then a "what you emit fee" is an effort to address that problem without going back to the tax payers and asking them for more money. He would like to know if Scott knows why we're concerned about the emissions from gas stations and paint booths. Scott replied: I've asked this exact question. I went to a meeting last year and I said can you tell me specifically what the emissions are from a service station. The reply I received was Mr. Thompson I can't tell you what the emissions are from your service station but I can tell you I can require you to install that equipment and tell me what the emissions are. That was the answer I got. Bill replied: You got that answer because you didn't like the answer where we said we'd just look up an emission factor for how many gallons you pump and it wasn't specific to your station. But the fact is we have to estimate the emissions using the best ways we can and there are emission factors where other people have done the tests on similar types of stations and they say this is how many pounds of emissions you get for every gallon you pump and if you wanted something more specific to your station, it would require them to come in and test your specific station which is pretty expensive. Chair Corkill added: How this spins out to public health is that if you release hydrocarbons (which you do when you pump gas) and there is a release of volatile organic compounds (VOCs) and part of air pollution is that those compounds are required as well as sunlight to form ozone and that's the main concern for Spokane County now a days. (Chair Corkill then read from an environmental science book of what the major human sources are of ozone and its health effects). One of my concerns and I know it is of Melissa's to is that over the years Spokane Clean Air has done a really good job at reducing or helping the community to reduce CO levels and particulate matter, but one of the concerns that is going to be in the future is the ozone level. Right now Spokane Clean Air is just below the limit and they just lowered the limit and after a court case they may lower the limit again and if Spokane violates that level, then we will be in non-attainment again and then we will have to go to Stage II vapor recovery whether we like it or not. So what we are trying to do is by trying to limit emissions right now, we are trying to make a preemptive strike so that we don't have to go

to Stage II vapor recovery. They are trying to lower the level of ozone because of the public health issues. That is the theme of Spokane Clean Air, to try and do that. In the mid 90s, the thought was to leave the registration money where it is at and let the budget for Spokane Clean Air be paid for by the property tax. The Board, in the last few years, has tried to allocate the fees to the people who are actually putting out the emissions not to the tax payers. Scott: Do we still receive some budget from the property taxes? Chair Corkill: Yes. Scott: I'm blind on that because I don't have a copy of your budget. Chair Corkill: We are not here to make a profit. We are obligated by the State to have a balanced budget and all of the indirect costs are not to be paid for by only the local assessments or the public's taxes; that is what we got from the last audit. You heard earlier about buying a building and the reason for this is because Spokane Clean Air would save money by having its own building instead of paying rent to the County. By having the increase in fees and having full-cost recovery programs, we are hoping to return some money and not take such a big chunk of the tax payer's money in property taxes. Scott: I understand. Commissioner Mager: The major goal is clean air and so we are all looking in all of our lives to try to reduce that for our own families health and so that there won't be so much human suffering and medical costs. Scott: I'm not here to tell you to don't go buy a building. I think that's great, I don't have any challenge with that. My challenge is that it's a 66% increase. That's a lot, that's more than most businesses can absorb in any fashion. I don't know of one service station that is proposed to be built in Spokane County in the next 12 months that I know of personally. If you have a permit on hand that would be different but people aren't building them. What you're going to find, like I said six of them have gone down in the last 30 days, you're going to see more and more and more of that. The corner service station will be gone, you will have large facilities and I'm right downtown so I have the luxury of the benefit of meeting a lot of people and giving a lot of directions every single day and that just won't be there forever. So your actions go farther than you may think and all I'm going to do is ask you to think about that a little bit. Thank you for your time.

Good morning, my name is Carey Townsend. We operate a couple units downtown as well and we also supply both Dave and Scott and several of the other C Store operators downtown. The one question that I have is that if we all go out and put Stage II on and the Auto Body Shops and everybody else goes out and does this and you're telling us our rates are going to go down but yet with your full recovery program, you guys can't cut costs. You got your \$600,000 you have to cover, so how is that going to work? Bill replied: I think we would just reallocate them and you would pay less of a percentage than you do now. You're right we do have to recover the costs to run the program and our costs to run the program are irrespective of your emissions. But the amount that you are targeted to pay is going to be dependent upon how much your emissions are. So if you reduce your emissions you'll still be a small piece of the pie. Carey stated: Right, but if all of us go out and reduce our emissions, nobody's rates are going to go down because you guys will still have to recover it. Bill replied: There is a lot more out there than gas stations. We have over 600 companies that Spokane Clean Air regulates. Commissioner Mager added: In terms of looking at the building, that is a cost cutting measure that Spokane Clean Air is taking because it will cost us less to own our own building once it is purchased and we have something in reserve that is to go on the down payment so that we can then reduce the taxes for everybody in terms of how much comes to us. So we're trying to do the best on our side too. I guess the thing that I would say that I am sympathetic towards is that I think that the smaller businesses are going to suffer more and maybe we do need to look at

phasing this in as opposed to the jump right off the bat and so that's something that I think we should discuss. Carey stated: I know we appreciate that and it's something to think about and if your real goal is to lower the emissions, maybe we should look at the program a little bit different if we want to do that. Thank you.

Commissioner Mager stated that clearly our mission is clean air and we need to go a full-cost recovery fee process but she thinks that perhaps the 66% increase in one jump is a bit much, especially for the small businesses that are operating on a very thin margin. So she would like to suggest that the Board go with Option 2 and phase in Option 1 over a two or three year period. Board Member Ahern stated she agrees with full-cost recovery but we are moving into a tough economic phase and so she agrees with Commissioner Mager's comments. Bill stated that one of the things the Board will have to do is the By Law change and it might be appropriate for the Board to give the staff direction to phase this in over a three year period. Spokane Clean Air could do Option 2 this year and then phase in Option 1 over the following two years so we have a Resolution that says we will achieve full-cost recovery on the Registration program except for the indirect costs. We could put a sunset clause in that that says until July 1, 2011 that we will do this and after that Spokane Clean Air will be at full-cost recovery. Looking at the comments, some people supported the idea of the phase in. Commissioner Mager stated that she would appreciate that. She would like to direct the staff to do that and she thinks that Michelle and Staff could work on the language and bring it back at the next meeting. Bill stated that it would be easy to do in this meeting because you can put the date in the clause that changes the By Laws. Bill asked for Michelle's opinion. Bill stated that the By Laws amendment just says that Spokane Clean Air will only do the direct costs and you can't say until July 1, 2011 without another hearing. Chair Corkill stated that it seems to him that the other Resolution doesn't really achieve what we are trying to do which is just phase in the changes. That actually separates direct and indirect costs. Michelle Wolkey stated that as she understands what the Board intends to do now is move to adopt Option 2, which we could do today because we have an appropriate Resolution for that. Then if we're going to do a further By Law amendment to put this sunset clause in and do the phase-in, we could certainly do that at the next board meeting and it still allows us to do our budget today but you do the sunset next time. Part of the reason is, is that under our By Laws we're suppose to provide notice of the change we're going to make 10 days in advance and Steve not being here wouldn't have the benefit of what's happening today. That is her recommendation to the Board. Do the budget under Option 2 today, next month the further By Law amendment to add the phase in and the sunset clause.

Chair Corkill stated that Option 2 is Partial Cost Recovery – It will increase the NOC review fees and the Local Assessment remains at the current level. Local Assessments will pay the indirect costs for one period of time until they are phased in and we have to adjust the By Laws. This is Resolution 08-13 Option 2. Michelle Wolkey stated that we need to get things in the right order in the sense that we need to change the By Laws to be just direct cost recovery which allows us to then do the budget and we put those two things together in one resolution and then do what the fees are going to be. They are all interrelated and we need to do them in the correct order so we're not violating our own By Laws either. We will vote on the budget first and then it leads us into the other one.

Board Member Ahern moved to approve Resolution 08-11 and Commissioner Mager seconded it. Motion passed unanimously.

11. Resolution 08-12 – Registration Fee Increases – Matt Holmquist

There were no comments from the Public or the Board Members. Board Member Ahern moved to approve Resolution 08-12 – Option 2, Partial Cost Recovery and Mayor Crockett seconded it. Motion passed unanimously.

12. Resolution 08-13 – Budget Approval – Possible Amendment to By-Laws – Bill Dameworth

Barbara Nelson presented the budget approval with Option 2 – Partial cost recovery. The revenue will be leaving the local assessment money at the current \$600,000 level and we are proposing a partial increase in fees for the registration fees and a full-cost recovery fee for the NOC fees. The NOC fees are a one-time permit fee when someone constructs a new facility or equipment. This budget has the basic expenses. The salaries are 78% of the budget, it includes a 3.7% COLA. The rest of the general expenses are supplies, postage, rent, etc. There is a 3% inflation factor added in for all of the out years in the long range projection. We are proposing to buy one vehicle and a replacement piece of monitoring equipment and we will do those purchases with our equipment reserve funds. We are proposing to purchase a new accounting software package which will come from our project reserve account. There is an unreserved designated fund balance and in that fund balance we have that project reserve account which was approved moments ago to use a portion of that to apply as a down payment on the building purchase. Also unreserved designated we have our equipment reserve account and a retirement reserve account which was set up last year so that it will be available to pay off folks at retirement time. The unreserved designated fund balance for Option 2 will be looking at the end of our long range period of 19% of total budget balance for that unreserved designated fund balance and our target is 20%. For FY-09, the unreserved designated fund balance is at 28% and we're expecting under this proposal to take it down to 18% over the five year period. So we are moving towards reducing that fund balance while still holding a hold the line budget. There is nothing new or extraordinary to point out in the general expenses, they are similar to what Spokane Clean Air has been doing the last several years. One thing Barb noted was that after we get into this building purchase that we're just working on, she wanted to make it clear that none of that is included in this budget. Board Member Ahern wanted to point out that the 3% inflation number for each year of the following years is almost certainly way to low and wanted it stated for the record. The money for the building is in the unreserved designated project reserve account. The money in the account is from past penalties that have been collected. When we put that account in place, we designate \$50,000 as revenue that we expect to get from penalties and anything received above that goes into the other account to eliminate the perception that we are out collecting penalties to run the organization. The local assessment is money that we assess to each of the Cities in the County. There is a formula that is dictated by the Clean Air Act that we follow and it is proportioned to population and property value. Chair Corkill stated that the difference between Option 1 & Option 2 is what we are going to charge the County property tax people. There is a balance between this money and full-cost recovery and it is a zero sum game because there is a certain amount of money that has to be raised and it either comes from fees

and registration or from the tax payer. What we are doing this year is not affecting the amount; we're taking money from the tax payer so we don't raise fees. Barbara replied we are collecting the same amount of local assessment money over all as we have for a number of years. These fee based programs have been being funded a good part by the local assessment money and the funding distribution will be different depending on how many fees Spokane Clean Air collects because whatever fees are collected have to be used specifically for that program. The program costing will be a part of the budget and a part of the fee schedule review on an annual basis. There was more discussion on the budget between the Board Members and Staff Members.

Scott Thompson: Going through this I just want to be sure that I understand. For an entity that isn't suppose to make money, for lack of a better term, they have a \$337,000 overage and by your last speaking, so am I to understand that's all from penalties. Barbara replied yes, that is the project reserve account. In the middle 90s, penalty money has been put into that account for special projects or other needs that might arise so that the general fund didn't have to fund certain things such as big education campaigns and right now Spokane Clean Air is proposing to use almost all of this money for this building, the move and the retro fit of the building. Buying a building has been a thought for quite some time. Spokane Clean Air didn't want to use a large amount of penalty money as expected revenue so that when we are looking at our budget and we're below a collection on our revenue throughout the year, we don't want the agency to rely or live off of penalties so that we think we have to issue a certain number of tickets each year. Scott stated "Correct, I agree with that, I don't think you should live that way, but we have a half a year's budget saved in cash reserves, at the same time we're asking businesses and raising their fees by 66%, that challenges me and it would probably challenge a lot of people if they knew about it. I understand the purchase of the building; I understand the cost savings that go along with purchasing the building as opposed to renting a building; but there are a whole lot of other opportunities out there. That creates a challenge for me. I think that unless there's something in your by-laws and I've never read those, if there's something in your by-laws that says you cannot spend that for general fund or if you can't spend it for capital improvement, you can't buy a building with it either so, I guess I'm a little curious about that. That's a lot of money, you've got a half a years reserve. Bill stated that it sounds like Scott thinks Spokane Clean Air should give the money to him. Scott stated "I don't suggest you give it to me, but I don't suggest you charge me any more either". Bill stated that once the money is gone, we would be looking at this next year. Scott added "That's why we had this conversation last year and last year when we had this conversation, you said we will evaluate that next year at the appropriate time when we look at our budget. Now we're looking at the budget and you have a half a year's budget sitting here in cash reserves. There's no need at all to raise fees or increase anything, the moneys already there." Bill replied, it's not suppose to be used to operate the agency otherwise you'd be back into this "well we don't have enough money, we need to issue more tickets". Scott added "It's not suppose to be used to operate your agency and I appreciate that, but last year we were told that we would re-evaluate it this year on an as needed basis and that's why we're here today is to evaluate the needs. I don't see a need for increase at all because you have plenty of cash reserves, plenty. There's no need for an increase at all. You told us last year that we'd evaluate this year-to-year and you would see how it went; if we had enough money we wouldn't have an increase. We have enough money, there's no need for increase. You chose not to be dependent on the penalty as opposed to reduce the increase to fees to your customers. I don't agree with that. Commissioner Mager stated that if there were folks

here from the public, then we could also use that money to reduce the local assessment taxes that we get. Scott added "If you offered them a cash refund, they're going to stand in line and take it, I agree with you. I don't think that's going to happen either." Commissioner Mager restated that on the other hand what she is saying is that in looking at the fiscal as a business as Scott does, with this first of all, a lot of this money came from a very large violation and so it's not a bunch of small violations. Scott understands that. Commissioner Mager went on to say that this is a one-time thing that happened and in the long run as an agency, by buying the building, we will be over the long haul reducing costs as opposed to a one-time hit. So it makes more sense fiscally to look at that long range plan than to say okay this year we won't raise these rates or we will reduce the amount of money that would go back to the overall subsidy from the taxpayer. Those are the things that we're bound to. Scott added "You could drive through downtown Spokane and see a lot of empty real estate down there. Empty real estate downtown is not a novel thing, there's a lot of empty real estate downtown. So I just don't feel comfortable spending that money to purchase a building when you're going out and giving people 66% increase in their fees. Chair Corkill stated that some of the money Spokane Clean Air received from these settlements has been used to buy extra equipment because people have come to these meetings and said the air quality was terrible in my area but when I look on Spokane Clean Air's web site it says the air quality is good. So what we have done is address the public's issues by putting extra monitoring in areas like Deer Park, Liberty Lake and City of Spokane Valley and that doesn't come cheaply. This is in response to people's request for looking at the air quality in their neighborhoods rather than just downtown. Again the theme of this is public health and that's part of where some of that money goes and as you know, technical equipment like what your colleague reported on doesn't come cheaply so we've had to spend quite a bit on money on that. Board Member Ahern also wanted to state that the savings that we will get from moving into the new building, eventually, it will be a substantial savings. Bill stated that Spokane Clean Air estimates that it will save about \$50,000 a year once we are moved into the building and get the loan paid off. That's long term money and once you own the building the rent won't go up, some of the maintenance costs would go up but this is a prudent thing to do considering the building that we are in. Spokane Clean Air did look at a number of buildings in downtown Spokane and where we are purchasing this building; the costs are much less there than they are in downtown Spokane. Even if the buildings don't look great, the price per square foot downtown is much higher than it is out in the Valley. Commissioner Mager wanted to add that she thinks what was witnessed here was sympathy towards concerns over a big jump in fees and that we are moving to the phase in with Option 2 as opposed to the one-time jump. She hopes Scott does look at this in terms of a business not to make money but a business as a non-profit that wants to be stable and make the kinds of decisions that will in the long run keep the agency from having to continue to raise taxes and also fees. We are hoping to do both of those things. Scott added "I appreciate that but last year you told me we'd evaluate this year and see if a fee increase was needed. I guess I don't feel a fee increase is needed this year and the Board probably does and I'm saying that now you're going to tell me again that we won't do it that way but we'll look at it and try not to raise it later. I have to question whether that's ever really going to happen." Bill replied that if you look at the analysis that was done by Matt, the fees are based on the operating costs, not how much money we have in the bank and if you spend the money in the bank, it's all gone and then next year you have to go back and raise the fees again. It's a very short term idea here, but the actual costs to run the program are what Matt had in his presentation and the direct costs have gone up about 10% and the indirect costs are something that was not

considered in the past but we are directed by the State Auditor to include them so that is where the 66% comes from and the Board has given some direction that they want to phase those in over a period that would make it a lot more palatable to the businesses; you still won't like it but it is something you can prepare for and get used to. Spokane Clean Air's costs are going up and other businesses costs are going up, everything is going up.

Commissioner Mager moved to approve Resolution 08-13 – Option 2, Partial Cost Recovery and amend the By-Laws regarding the full-cost recovery fees for Spokane Regional Clean Air Agency and Member Ahern seconded it. Motion passed unanimously.

13. Board Concerns – Bill stated that Steve Taylor has taken another job so he will no longer be able to serve on our board and the City of the Spokane Valley is working on a replacement for him. Steve was filling out Mike DeVleming's term so it will still be a partial term as far as total years are concerned. He will need to send a resignation letter and we will need to receive an appointment letter from the City of the Spokane Valley.

14. Public Forum – There were no public comments.

6. Hearing on Turbo Burn Inc. – Michelle Wolkey, Bill Dameworth

Michelle stated that in the April board meeting, the Board issued a Subpoena Deuces Tecum for the last meeting, at which Mr. Hamilton was not present, then a Hearing Notice and Subpoena for Testimony for today with respect to the sale of the devices of Turbo Burn and he is present here today and Michelle's thought would be that with the Board's consent she would ask a few questions of Mr. Hamilton with respect to his activities and then open it up for the Board for follow-up questions. Chair Corkill asked Michelle to start off with Mr. Hamilton. Dwight Hamilton stated "I don't really understand, I am Turbo Burn, it's me, I'm not a big corporation, don't have big pockets. We've sold a lot of systems in the last 30 years. We have the cleanest burning system on the market. I have invited you guys to come down or Bill and his crew to come visit me, watch it burn, see it smoke, I have a customer here and he could testify, but he's not here to help me but he is here. I have all my literature since we've talked to Bill and it says "not intended for the use of solid hydrocarbons in the State of Washington"; you can go to my internet it's there and every piece of literature we send out states that. We are going to, on Bill's recommendation you guys have adopted something that no other state has which I'm in favor of because we believe in being clean and green, the 4.5 grams particulate matter per hour that you have for fireplaces, pellet stoves and wood stoves, they've done some research and I believe we can get ours to that because I guarantee even if we did burn at say 7 parts per million, we're only going to smoke for three to seven minutes, there'll be no smoke visible so in the long run, my system's the safest system and cleanest here is because we burn one to three hours every 24 to 72 hours, it sits and stores energy and so I really do invite you guys to come and learn what it is, you and Bill have been great. I have no complaints and I'll abide by the laws. You've got the Turbo Burn 1 and the TB2 and those are the two sizes we make. What we do is we calculate everything in BTUs as far as stored energy, so at 200 degrees our TB1 which has 750 gallons of water in it will store 700,000 BTUs, so that in our literature you will see that as your BTU rating to be compliant with, but what I have here is that all other manufacturers that manufacture just a normal wood stove. These other stoves show the BTUs per hour if they burn an all night burn, I

don't have that rating because we burn, taking into the equations, 20 pounds of wood equals one cubic foot so we take the firebox dimensions which we have there, 12 cubic feet, I'm taking a 24 inch long piece of wood, so that mean in a two hour burn I'm putting out 360,000 BTUs an hour which puts us well under the legal limit of 500,000 BTUs. I don't know that I'm going to go take the test right yet, Bill, with the State of Washington, I've been talking to the DOE and they would be willing if I could pass that, I don't know that I will, I don't have the \$75 grand it's going to take to do the test, because I'm small, it's me, I'm Turbo Burn. The EPA is on my team 100%, they, unfortunately as you've said, they haven't done anything in 20 years and why I don't know but with their help, I'm going to become an EPA certified lab and if all else fails, I will do the testing myself, but in the meantime, I won't sell any systems in the State of Washington for solid fuel. I don't know if Bill's informed you guys but here are my brochures. There is a deflector plate that will sit inside the firebox, which is the part that says waste oil burner available and is the portion that you would put the wood in. What we do is weld a deflector plate now in it & it looks like a medieval armor plate basically and it has holes in it and it is mounted in the firebox for all sales in the State of Washington so they cannot burn solid fuels in it. On the door there is a flange, that flange will accept waste oil burner, fuel, oil or propane, any liquid hydrocarbon burner that's available. The purpose of the deflector plate is two-fold, number one they can't burn solid fuels and number two it increases efficiency because my father 50 years ago designed this system already knowing where you guys are today, what you were going to have happen. That's why we have what they call a single pass heat exchange, they burn with the fan at almost 3,000 degrees, it looks like the heat vapor on 100 degree asphalt and it burns so clean. The reason we did that is that's how you burn clean, you burn hot and hard to burn clean with wood, but if we were using liquid hydrocarbons which we advertise multi fuel, you loss a lot of energy because the flame just shoots out and out the stack so the deflector plate's second purpose is to give you dwell time, the flame hits it and rolls off and then goes out. There was some discussion between the Board Members and Dwight Hamilton.

Michelle Wolkey asked Dwight Hamilton where he advertises these units for sale. Dwight replied, "World wide". Michelle asked if he advertised them for sale in Spokane County. Dwight replied, "As a liquids burner that is per permission through you guys, through Bill. We made a deal that I didn't sell it as a wood burner whatsoever in the state." Michelle asked how he insured that the folks that he sells these to are not burning wood. Dwight replied, "For number one, the way we deal with the deflector plate did it, ma'am, there's no way they can. You can put a piece of wood in it but the way we're designed to burn with the fan is you need a tunnel burn, you can't do it. So what are they going to do, put a piece of wood in there and let it burn for 20 hours and never heat up some of the DLs water? They can't do it." Michelle asked how difficult it is to remove the deflector plate. Dwight replied, "If you have a fabrication shop and you want to load a 3,000 pound machine up and take it to a welder, I could buy a brand new Lennox furnace and when my power goes out I can burn wood in it, it is all basic." Michelle asked if Dwight's representation to the Board is that those deflector plates are welded in. Dwight replied, "They are bolted down and welded in for the State of Washington." Michelle stated she understands from Dwight that it is virtually impossible to remove without specialized equipment. Dwight stated that he brought one and they are 50 pounds plus and beefy. Michelle asked if someone was to indicate that the deflector plate was very easily removed from a unit that they got from you, what response would you have to that? Dwight stated that they would have had to have gone in with a welding torch and did it. It's not

impossible, you buy a car and speed up to 70 mph what's going to assure me that you're not going to drive it 110 mph. Michelle asked if he advertised in the newspaper. Dwight replied, "No ma'am". Michelle asked on the internet. Dwight replied, "Yep". Michelle asked if he goes to Home and Garden Shows. Dwight replied, "All over the country, except in Washington, we did one in October of last year and you guys fined us \$1,000 and we were advertising liquid hydrocarbons". Michelle asked, so you haven't attended any in Washington since October. Dwight replied, "I won't ever attend, as a matter of fact I've got a couple of really big deals going on with oil companies because North Dakota and they are booming, we're thinking about taking our tax dollars to Idaho right now, but I would love to work with you guys because you guys have a hundred million dollar business in your back yard even though your one guy, but this is, we've been doing this for so many years, we are the best out there for what we're doing and we've got oil companies from British Petroleum to Conoco to 76 come to us saying hey we like what you got and the bottom line is to save money. Just like in your building you guys are going to get. You've got this budget figured out but what's it going to cost you to heat it, it's not ever going to come down, we're going to have to become more of a European style lifestyle in America and that's what all of the companies are coming to me for and I don't want to leave Hillyard and neither do you guys because we pay two-thirds of your sales tax to this city now, that's the only industrial park we have is Dog Town. I want to be here but it's, you guys aren't going to make me drive out, you guys are a good thing, I'm happy to work with Bill, he's been great, but his hands are tied too because EPA is just sitting on their thumbs not doing anything to help out the cause." Michelle asked if he attended Fairs. Dwight replied he hasn't in about two years at any Fairs. Michelle asked, "So you don't go to the Spokane Interstate Fair?" Dwight replied, "That would be no use because you guys don't want me there and I want to abide by the law, I'm not going to do it, and we've been around so long, it's like our shop is a full on store. Not to tell you this has really chilled my business by not being able to advertise in Washington but all things happen for a reason and this is actually turned out to be a really good thing because I've learned a lot of things myself." Michelle asked if he had a local showroom people can come and see your device. Dwight replied he has a fabrication shop, yes, where you can come. I've got one whole city block that's heated by Turbo Burn and I've never had a utility bill over \$500 and I'm heating over 33,000 square feet. Michelle asked what he burned in his unit there. Dwight replied he burns waste oil, restaurant grease and fuel oil when he's running low. Michelle asked does your unit have any kind of certification currently. Dwight replied CSA – Canadian Standard Authority, which again is a joke because UL and CSA all it means to the manufacturer and the consumer is nothing but you all know CSA means one thing: it does what I advertise it to do, it doesn't mean its safe and they don't do anything. So yes, we have CSA. We've been to EPA labs but there's no standard for us. The only standard I know is what a wood fire place is. We are actually thinking we can do it but I explained when I first opened here and I don't know what I'm going to do or when I'm going to do it. Until then, I'm just not going to advertise in Washington whatsoever. If you go to my web, you go to my brochures it's well stated. Yesterday I thought for a second because I've got conspiracy type thinking once in a while and I got three e-mails in a row from these people saying is it illegal to burn waste oil or solid fuel in your system. That's all it said no reply no phone number nothing like that so I instantly replied back yes it's illegal in the State of Washington and we get a lot of those now. I'm doing the best I can and I'm obeying the law and whatever I can do. I sure hope that this hearing isn't all about to fine me for the sales I've made in this state because that would jeopardize my son's college cause like I said this is Turbo Burn, I have some welders and guys

and we're presently also manufacturing to places because our customer besides the companies that we sell to are very out of the box thinkers and it's a lot of money to get into my system and if I had to, I'm all confused, lets start over, ask me a new question. Board Member Ahern stated that the note on the front says "not intended for the use of solid hydrocarbons in the State of Washington". A stronger statement would be that it's actually not legal, that's it's illegal for use and it seems like that might be a clearer statement. Dwight stated he could spend a \$1,000 for stickers that say that. Board Member Ahern added that she would defer to others, in particular our attorney, on that, but she thinks that that is just a question that came to her mind when she saw that. Bill stated that he thinks the law says that you can't sell them; it doesn't say that you can't use them and he thinks Spokane Clean Air and its Board may be overstepping their bounds. The law is not worded very well. Dwight stated that Spokane Clean Air and he can work together on this. Bill stated that he has no problem working with Dwight on a lot of this stuff, to him the wood and solid fuel has to meet the Washington State Standards and Spokane Clean Air is willing to work with Dwight on certification, tests and approval and that kind of thing even though EPA hasn't developed a procedure, Spokane Clean Air is willing to use the Oregon State Procedure and if need be he will talk to the Department of Ecology people about doing something so that they can approve it also. Bill thinks that this is wrong for the State or Government to say you have to meet the standard and we will tell you how to do it but we're not going to. That is kind of the situation that has occurred here. On the other hand there are a lot of people in your business and there are some pictures and videos of all kinds of smoke coming out of them that it's got kind of a bad reputation here. Dwight replied that he could take any system you name, they're designed differently than mine, I'm a stored energy system, they have a firebox that is as big as the front of my stove and the concept there is they put the wood in and it burns hot for a while than the aqua stat senses it's 180 degree water it chokes the fan off then it sits and smolders, smokes like crazy. That's why we don't do it anywhere like that, we burn hot and hard and you are done. That's why we customize the system to your needs. I could heat the Spokane Arena for a fraction of the cost but do you think that anybody in the City or any of the private owners want to do it or anybody here that has the Court House, they don't want to do it because its alternative, its new. I'm excited for the test but I don't know that I could pass right now without a major design change for the fireplace standard. This in his mind is like giving him a truck driving job and he's got to haul 80,000 pounds of lumber for you but you give him a Volkswagen to drive it with. It's pretty backwards but I'll do whatever it is you want. Michelle asked if Dwight brought any of his sales records establishing how many units he sold in the Spokane County area. Dwight replied he brought everything for the last three years. The copies are for Michelle to keep and Bill has copies of all the 07 sales of which I gave to him. Jim McKelvey will be the only one on there that doesn't say propane, waste oil burner because he pre-existed and had one, second time owner, so you'll see things like that. You'll see I don't have that much, Washington State has always been a hit and miss situation. I don't know how to explain it but this year Virginia and New Hampshire are hot as far as what we are selling. Something else you may not be aware of, Connecticut passed a law, no outdoor wood burning citizen within 500 feet of another one. You could put a 100 Turbo Burns in 10 houses in the same block and if everybody did it correctly you'd have no problems because now we come down to the major problem of all companies and most say it is the consumer, they're not educated well enough and they are burning things they shouldn't burn. That's something he has no control over. Michelle Wolkey had no further questions of Dwight Hamilton. There was some discussion between the Board Members and Dwight Hamilton. Michelle Wolkey stated to

Dwight Hamilton, "Didn't the Clean Air Agency give you the opportunity or request that you become certified through the Oregon Standard and we would accept that as a certification for your units?" Dwight replied yes and no. It's not a doable scenario unless I get some help from you guys. Michelle stated doable scenario how? Dwight replied I couldn't pass it. Do you know what the Oregon Code is? Do you know what it states? Michelle replied I can't state it verbatim, no. Dwight replied I can't either off my memory, but what Bill has right now isn't it pretty close to what we have already for the Washington State 4.5. Bill added you still have to meet the Washington State Standard but the test procedure would be the one adopted by the State of Oregon, which Bill thinks EPA pretty much adopted that as well but they didn't specify it for boilers. Dwight added that right now it is strange because he could call EPA up and talk to seven different people, they'll e-mail him a letter you're exempt. He sent it to an inspector in Vermont, he passes it. That was just a joke, they've got all these rules, it's just a money making thing. They're suing Central Boiler who's the General Motors of the industry and so in answer to your question, I've never had a personal invite to take the Oregon test but I have a lot of EPA laboratory guys that I know that own them, they said I'd be a fool to do it because Washington is not going to be able to hold their own forever. When EPA does step in there, the grandfather, then you've got your DOE; then if they exist you can exist in the county that you're in. Chair Corkill stated that we're right now, not in the future and in order to sell these things in Washington State they have to be certified, then they're not certified and Bill has given you the opportunity to certify them under the Oregon rule. So as far as Chair Corkill can see, until Turbo Burn gets certification then you're not allowed to sell them in the State of Washington. Dwight stated that he would abide by it just like he has but he will sell them as liquid hydrocarbons because the DOE says he can burn liquid fuels. Commissioner Mager asked why is it that Turbo Burn feels it can't get certified in Oregon. Dwight replied that number one I am not educated enough to really know what it says and I've read it and just for the fact that, I don't know. I guess I better retract, I guess the test methodology like on his paper, and they're using the hardest wood known to mankind. This is a make believe scenario, we've got to be more real. We all don't live in Michigan where they have 20 pound pieces of oak or maple, we're burning pine, tamarack, red fir very light, dense weight. All wood has the same BTU per pound but a pound of oak is this big and a pound of tamarack is this big. So this is where they come up with these BTU figures, if you fill the box you're now complaining what you could never do. So there are a lot of factors that we have an attorney working on right now that is dealing with Oregon to where they're going to try to change that because and it's kind of shooting a hole in my foot because it would be better for me just to call up a trucking company in Michigan, which everybody does and order 20 cords of this cedar or this pine or whatever it is they want us to do to do the test with. Chair Corkill stopped Dwight Hamilton to get to the point. Unless Dwight can organize some sort of way of getting certified then he doesn't think that Dwight can sell these things to burn wood in Washington State. Dwight replied I'm not going to sir, that's why I brought you all the documentation. Go to my web site and visit me, drop in on a customer that just recently purchased. Chair Corkill encouraged Dwight to keep in touch with Bill and try and work out some way where he can get certified, but until that happens, he doesn't think there's any way out of this. Commissioner Mager asked Bill what type of tests they do in Oregon. Bill replied it is basically that they tell you how you operate the equipment, how much you charge in, how long you burn and what kind of a cycle completes a test and then your stack tests are just like what the stack test industry does. Bill is not positive because he hasn't read through it. It is a way of collecting the particulates out of the stack and how many grams per hour is emitted and

the State of Washington Standard is grams per hour for all solid fuel burning devices. What we are trying to work out here is some way to certify it and since somebody has already done that elsewhere, we are willing to not have to re-invent the wheel ourselves and just say that the Oregon test procedure will work for us. In the meantime, I think we need more than just an agreement to at least have some sort of proof that they're manufacturing these things so that the wood and coal can't be put into them, at least for the ones sold in the State of Washington. There have been some issues along those lines and we have had some gentleman's agreements, but Bill's thought is to work up some sort of a settlement or Michelle Wolkey might work it up and Dwight's lawyer could look at it. Dwight asked if we were to get certified by Oregon, then at that point we'd have to get DOE involved to say, "Hey we're going to accept that, because even if I was certified for Oregon's code, I still wouldn't pass Washington's." Bill added he would still have to meet the Washington State Standards but he could use the Oregon test procedure to do. Also, if you have any trouble with DOE, Bill would be more than happy to go to bat for Dwight. Chair Corkill asked Dwight if his lawyer could talk to Michelle and the Board will bring this matter back later about whether they can work out a scheme that Dwight could get certified. Dwight would like to work with Michelle instead of his attorney and he would work with Spokane Clean Air and Michelle to find out if he can get certified.

7. Board Action Regarding Turbo Burn

Michelle recommended that this issue come back before the Board with Mr. Hamilton again next month so that in the next 30 days they can try to hammer out what the agreement is going to be between them; otherwise it may fall off of everybody's priority list. Bill added that Matt can stand in for Bill next month because he will be gone next month. Matt stated that he would be gone next month so Ron will stand in next month. Commissioner Mager also stated that she would be gone for the next meeting also. Michelle stated that for this matter they can shoot for 60 days if that is okay. The Board agreed on this matter. Dwight agreed with this decision also and wanted to state that with this item, we could put Spokane on the map in many different ways, especially if we set the standard nation wide and everybody will follow suit. They will have to because EPA is not going to do anything, he's been told 10 years ago in a year's time we'd have it.

The meeting adjourned at 11:35 a.m.

The next Board Meeting will be July 3, 2008 at 9:00 a.m. in the lower level of the Public Works Building.

JEFFREY CORKILL, CHAIR

WILLIAM DAMEWORTH, SECRETARY