



SPOKANE COUNTY  
AIR POLLUTION  
CONTROL AUTHORITY

WEST 1101 COLLEGE AVE, SUITE 403 ♦ SPOKANE, WASHINGTON 99201 ♦ (509) 477-4727 ♦ FAX (509) 477-6828

SPOKANE COUNTY AIR POLLUTION CONTROL AUTHORITY  
BOARD MEETING MINUTES

July 13, 2006 9:30 a.m.  
SPOKANE REGIONAL HEALTH DISTRICT  
ROOMS 320 and 321

PRESENT WERE:

Matthew Pederson  
Jeff Corkill  
Michele Pope  
Commissioner Mielke  
Mike DeVleming

STAFF:

William Dameworth, Director  
Barbara Nelson, Finance & Personnel Admin.  
Ron Edgar, Chief of Technical Services  
Chuck Studer, Air Quality Engineer I  
Mary McDermott, Secretary II

**WORK SESSION:** The work session of the board meeting was called to order at 9:35 a.m.

**1. Staff Report on Coffee Roasting**

Bill Dameworth asked if the Board had any comments on the report in the board packet. Jeff Corkill asked what the average amount of roasting was for smaller roasters. Ron Edgar replied that the average was three to four pounds. At ten pounds, they are staying below what is called the small quantity emitters and the toxics are very unlikely to be a problem at that level. SCAPCA staff prefers option number two where it continues to permit them but does not require that they have an afterburner. By permitting them, it allows SCAPCA to set some conditions on how they will vent the coffee roaster. Also if there is a problem with the odors that can't be addressed with some minor adjustments of the venting, then there would be discussion on installation of an afterburner if they continued to get complaints. Another advantage of option two is that it becomes effective immediately and there is no rule making process, just an adoption of a policy that is approved by the Board. Option number three would require a change in the regulation and SCAPCA would have to go through the rule making process. The main issue with the smaller roasters is an odor nuisance and if they are a permitted and registered source, they are inspected on a periodic basis to make sure they are following all of the other guidelines and the venting is still proper. Michele Pope asked if the smaller roasters already have some sort of standard that they follow as far as their venting systems without SCAPCA's rules. Ron replied not necessarily, they could be vented straight out the back wall but most manufacturers recommend a certain type of venting. By permitting them, SCAPCA would look at it as good engineering practices with the proper height above the buildings so that the odors and smoke would not get trapped down between buildings, etc. Bill Dameworth interjected that on the permitting process, the enforcement of odor regulations is extremely difficult. But if they have a permit already in place where you have conditions that state if the odor is documented as a problem, then that would be an easier mechanism to get them to stop bothering

their neighbors with the odor. The permitting process will allow SCAPCA to have a better handle on who's out there.

Ron Edgar stated that SCAPCA would like some direction on what the Board would like to see regarding a policy or rule on small coffee roasters. Matthew Pederson stated that he would like to see a policy amendment detailing option number two. He does feel it is important to permit them for the sake of knowing where these operations are going on and where potential issues may arise and it is important to inspect the equipment that they do have to insure that they are not going to be a nuisance to their neighbors and be detrimental to the surrounding area. He doesn't feel it is necessary to have the after burner equipment for such a small operation.

Mike DeVleming asked how the other air pollution authorities are dealing with the ones that aren't requiring the permits and what the complaint process is as far as initiating the process for them to be required to put on an afterburner. What frequency of complaints are they seeing? Ron Edgar stated that he doesn't know exactly but in general they are similar to SCAPCA's. Michele Pope stated that she would like to have option number three because ten pounds or less is a small number and the cost and effort involved to permit everybody she thinks is overkill, expensive and unnecessary and believes that the businesses will operate the best way they can because it is in their best interest to do that so they don't have any complaints, etc. She would like to see option number three come back as a Resolution also. Matthew stated to bring both back at the next board meeting as options for adoption and Jeff Corkill and Mike DeVleming agreed. Ron Edgar stated he would get additional information and bring proposed policy wording to the next meeting. If the Board decides on option number three SCAPCA will have to start the rule making process. Currently SCAPCA will operate under the direction of the Board to not require permits but allow the small roasters to continue to operate without any interference unless complaints are received. Jeff asked how much time and paper work would it take for an operation to get permitted. Ron replied it would take 15 to 30 days to get a permit out and without an afterburner it would be easy as long as they have the information. Puget Sound does require that the source notify them that they are established and that would be a registration process.

Matthew Pederson stated he saw something in option two that was closer to that. In the past in the City of Airway Heights, two years ago they overhauled the planning permits and registrations. During the process, they found that there were many items that citizens were being charged for permits on home repair or maintenance items that was felt to be unnecessary. So a process was created to register these kinds of items and the planning staff would insure that the proper information was given to the individuals to do the job right. We cut back a lot on our man-hours doing this and made it a benefit to the citizen so that they weren't going through the frustration of a planning process for simple items. This is what Matthew would like to see with small coffee roasters. Ron Edgar stated that more details, information and proposed language for a policy or a proposal for a rule change looking at options two and three would be brought to the next board meeting.

## **2. Staff Report on Registration Fees and Annual Fee Adjustment**

Bill Dameworth stated this is something the Board has asked the staff to work on. Matt Holmquist and Bill have talked about this and had a change in direction and would still like to become self-sufficient in recovering all of the costs in operating the registration program.

Matt Holmquist gave a presentation of the proposed rulemaking to increase annual registration program fees to achieve full-cost recovery. The facility fee component will be increased for the larger more complex sources instead of having the small and medium size sources subsidize them. The incremental increases based on tons of pollutants make the fees more equitable. The current fee schedule has been in place for over ten years and is \$160 or \$215 depending on the tons of emissions the facility emits. SCAPCA is going from increments of zero tons of emissions up to just less than a hundred tons. These will be placed on a scale that is more incremental with the idea of the polluter pays. The facility fees would range from \$160 to \$1,825 for up to 100 tons of emissions. Instead of phasing in the increase over five years with a 92% cost recovery in year one, SCAPCA is going for 100% cost recovery in year one with annual fee adjustments being made thereafter as necessary. In summary 54% of the facilities could expect an increase of less than \$100 a year; 26% could expect an increase of \$100 to \$300 a year; and 20% could expect an increase of over \$300 a year. In order to accommodate routine fee adjustments, SCAPCA is proposing that the fees be reviewed annually and any revisions be made by the Board's adoption of a Resolution following Public Notice and a Public Hearing. Yakima Regional Clean Air Authority has been using this process for several years. What their Regulation says is all registrants must pay a fee in accordance with the current fee schedule. SCAPCA is proposing a rule that explains the process in more detail that accomplishes the same thing. This is less complicated than going through the existing rule making process that we currently use; file a CR-102 form with the Code Reviser's Office, fill out a SEPA/DNS, publish it in the newspaper, follow-up with a CR-103 for with the Code Reviser's office, etc. This makes it easier to routinely adjust fees as necessary and to not go for 10 years or more between fee adjustments with a goal of an annual fee adjustment, if necessary, to be at full-cost recovery. We could come before the Board with a streamlined process and save a lot of time, still accomplish the same thing as far as getting comments from the public and incorporating those if necessary and then adopt a fee schedule. This would keep the fee schedule on track so that there wouldn't be such a large jump in fees. The goal is to have a fee schedule adopted as early as November that will achieve full-cost recovery in the first year of implementation with routine fee adjustments being made thereafter as necessary to maintain full-cost recovery.

In addition to the facility fee, the facility would pay an emission point fee which is a per point, per stack fee (if the facility had one stack of emissions, they would pay an additional \$35 for that emission point), plus have an emissions fee of \$25 per ton and if the facility happens to be an incinerator/crematory there is a \$200 fee. The Synthetic Minors (SM) (approximately 26-30) emit 25 tons or greater of emissions and they would pay a \$200 fee annually, plus for the Washington Emissions Data System (WEDS) which is a throughput reporting form that the facilities have to report and SCAPCA turns that over to the State and charges \$55 an hour to review. You add up all those fees applicable to each individual facility and that is the total fee changes they would be subject to. SMs have an additional facility fee because they are more complex, larger sources that take more time to inspect and at times have compliance issues that take a lot of staff time to follow-up on. There are approximately 630 total registered sources. Bill Dameworth interjected that they

are facilities that, if they didn't take restrictions on their operations, would be Title V sources and subject to the Title V program which is far more onerous than the registration program. The facilities are taking conditions or agreements with us on their operations to stay out of Title V status and this does take a lot more of SCAPCA time to deal with them. The whole concept was the small operations that SCAPCA sees very seldom and spends little time on not have to pay as much as the larger operations where SCAPCA spends a lot of its time. Bill's thought was as long as SCAPCA is doing the fee recovery, it should base it on the percentage of time that SCAPCA spends on these sources and the larger more complex sources should bare the burden of paying more of the increased fees. The concept of the polluter pays for the program is a valid concept. Matt added that the range for gas stations would be \$200 to \$1,000 based on the emissions they are putting out.

Commissioner Mielke stated that he thinks the categories should be more segregated at the lower end of the scale to recognize the difference in the total scale of business. He is looking at the technical staff to say when they are seeing a change in the scope of business. Matt Holmquist stated there is no limit on how they can break the categories down. Commissioner Mielke would like to keep the scale and just add a new second category that would run in the range of .1 to 1 and then go from 1 to 5 and adjust the rates accordingly so that it is still a full-cost recovery program. Matt stated he can do that but wants to clarify if the Board wants him to hold off posting the current proposal he has previewed today and wait until he comes back in August with the new information. Mike DeVleming would like to see it posted the way it is because after a round or two of comments, it could still have more changes. Bill Dameworth stated that Matt could modify it as Commissioner Mielke suggested and post that on the web site or put this one on the web site and take what Commissioner Mielke is saying as a comment for the final changes of the regulation, either way it doesn't matter but SCAPCA is making enough of a change in the original proposal that Bill thinks it should be put back out on the web site to get more comments. Commissioner Mielke stated he is comfortable with staff having some flexibility to tweak here and there whether it is the categories or whatever and then make those adjustments posted for the public to begin their review process. Jeff Corkill stated another way around this is to use that formula for adding on and plug in what their emissions are. Commissioner Mielke asked if Jeff is suggesting having no base fee just a sliding scale based on emissions. Jeff stated he is suggesting having a base fee of \$160 and then changing the price per ton. Bill stated that SCAPCA could change the formula and incorporate the per ton fee as well and then have a per ton fee and all the other fees such as the point fees and measure how complex the source is and how much time SCAPCA is going to have to spend there; that's why those fees are there but you could roll the basic fee and emissions fee per ton in the same calculation. SCAPCA could give them a table as an example of how this would work and still be looking at the formula. Matt asked if SCAPCA pursued that, would the Board still like to see another starting point or a starting fee for the scale to start from and is the Board comfortable with that staying at \$160 and going up from there or does the Board want to see that modified slightly. Matthew Pederson asked if that will work for the full-cost recovery issue. Bill stated he believes it will and the \$160 reflects SCAPCA's view on the amount of time it has to spend on everybody. Then from there you would go up based on how much emissions you have. Matt asked if the Board would like staff to make these changes and post it on the web site for comments and keep moving forward. The Board was in agreement to make the changes and post it on the web and move forward. Matt stated he would get an update in the Board packet for the month of August.

**BOARD MEETING:** The board meeting was called to order at 10:31 a.m.

**1. Advisory Council Report – Peter Williams**

Peter Williams, Vice Chair for the Advisory Council (Council), gave a brief update on the last Council meeting. The Council welcomed Bill Dameworth, SCAPCA Director and Ray Kelleher the new Business Community Representative for the Council. The Council had a lengthy discussion concerning how to fill the Chemistry Representative position. There are two applicants that are extremely qualified and the Council reviewed their qualifications letting Bill know they believe both are well qualified. Bill interviewed both of them and will put it on the next board agenda. The Council decided to have the Council review the letters and resumes and provide feedback to Bill. Bill will then interview the candidates and make the final decision on who to forward to the Board. The Council also reviewed the results of the 2005 Air Toxic Study.

Mr. Kelleher gave a short history on his background. He has been in Spokane since 1954, went to GU, started out teaching, went back and took more chemistry classes, worked in research and development for 12 years, went into business building mobile monitoring laboratories and consulting work and did ambient monitoring for different people, put together different monitoring laboratories for different agencies, built the first vehicle emissions testing station and ran it for 4 ½ years, did a lot of work for Water Power on their project in Kettle Falls, went into the business of transformer disposal and got an incinerator permitted in Airway Heights, and retired but decided to do some substituting in Math and Science and tutoring Chemistry at GU. One reason he wants to be on the Council for the business side is because he realizes what happens on the regulatory side when you start imposing regulations. He has a good idea what the businesses go through and at the same time he understands how the regulatory system works because he has worked both sides.

**2. Public Information/Education Update – Lisa Woodard**

Ron Edgar stated Lisa could not be here today but she will catch the Board up at the August meeting.

**3. Activity Report for May 2006 – Ron Edgar**

Ron Edgar gave a summary of the activity report. May 18<sup>th</sup> there was a jump in the wind blown dust and Spokane is meeting air quality standards.

**Action Items:**

**4. Approval of Minutes of the June 1, 2006 Board Meeting**

Commissioner Mielke moved to approve the June 1, 2006, board meeting minutes and Michelle Pope seconded it. Motion passed unanimously.

**5. Income/Expense Statement for April 2006 – Barbara Nelson**

Barbara Nelson stated that SCAPCA is on track with the year-to-date figures. There is nothing unusual on the income and expense statement for April.

**6. Voucher Approval for June 2006 – \$150,030.40**

Commissioner Mielke moved to approve the June 2006, vouchers and Mike DeVleming seconded it. Motion passed unanimously.

**Public Hearing**

**7. Resolution 06-08 – Amendment to Regulation 1, Article II**

Chuck Studer gave an overview of the changes to Regulation 1, Article II. The changes are basically administrative and informative. Section 2.12 had a title added to it to clarify what the purpose of the section was. Section 2.13 is necessary to allow SCAPCA to implement and enforce revised and newly promulgated federal rules and regulations since March 31, 2004 to July 1, 2006. Section 2.14 is necessary to clarify those Washington Administrative Codes (WAC) that SCAPCA implements and enforces and those sections that SCAPCA does not implement and enforce.

Public comments: Beth Hodgson, an environmental consultant. She works with a variety of small businesses. Her comment is specifically related to the amendment to Section 2.14. Her concern is that this is being added for the intention of simplifying things for the public. The items that are listed as exceptions a. through e. while they are technically correct will confuse things for the public. It says that SCAPCA does not implement or enforce portable and temporary sources; they don't use WAC 173-400-035, SCAPCA uses their own set of regulations. So if a small business actually read these regulations, this is one of the first sections they are going to get to before they even get to the section on Temporary Sources, they're going to think they are suppose to follow Ecology's rules. So they are going to go look at Ecology's rule and if they catch the exemption in Ecology's regulation which says not if it is enforced by SCAPCA, they might actually come back to SCAPCA's regulation and read it again and get to Section V. The difficulty is a. through e. are all in SCAPCA's regulation, written in SCAPCA's language rather than in Ecology's language. So if the purpose of this is to simplify things for the public, I don't think it does that. Jeff Corkill asked Beth what her solution would be. Beth replied her solution would be either to add a section that references those five that says we have equivalent or more stringent regulations for 035, 045, 104, 110, and 116 or to not include them in that list as far as the public is concerned. If this is for the public's information, Ecology knows what rules you have authority for, the public needs to know it, as she understands it that's the purpose for this being here. There were no other public comments.

Commissioner Mielke stated that he thinks it makes a good point. SCAPCA is not talking about changing the content just the layout to present the information and prevent any level of confusion. It makes sense to separate the exceptions from those that we are adopting so that they are two adjacent sections. Section 2.14 would be those items where we are adopting the State WACs and a new section that would have a sentence that states why the following lists are exceptions. Bill Dameworth asked if the Board could adopt everything but Section 2.14 and deal with that at a later date. This way Sections 2.12 and 2.13 can be adopted.

Commissioner Mielke made a motion to approve the amendments to Sections 2.12 and 2.13 and continue further consideration of Section 2.14 until the next meeting. If it is non-substantive and the Code Reviser's Office agrees with the Board, then we are prepared to proceed at the next

meeting. If they inform us that they disagree with that and it requires more notification, staff can report back at that time and there is nothing that prohibits us from further continuing consideration at that point. Mike DeVleming seconded it. Motion passed unanimously.

## **8. Resolution 06-09 – Amendment to Regulation I, Article X – Asbestos Fees**

Brenda Smits briefly went over the presentation from the May board meeting on Article X, Section 10.09, Asbestos Fees. The majority of Notices of Intent (NOI) are for Non-Owner Occupied, Single-Family Residence (OOSFR) projects. SCAPCA does site inspections, complaints, compliance assistance and enforcement action. There are still products in use today that contain asbestos and asbestos is a known cancer causing agent and has been classified as a hazardous air pollutant with EPA since 1971. The total program costs consist of overhead, salary and benefits. Overhead is allocated to each program based on the percentage of time spent in the program.

The goals of the program are: remove the amendment fee for early completion of projects; keep OOSFR fees low; achieve full-cost recovery for the program and establish fees that will sufficiently cover program costs up to five years out; maintain staff hours at current levels; and clarify exception for hazardous conditions to the table in Section 10.09. There will be a 20% fee increase for OOSFR, 67% fee increase for non-OOSFR, remove the amendment fee and combine project categories 5 and 6. Project 6 is a very large project category and SCAPCA has received two NOIs for that project category from 1995 to 2005 and we are combining them to simplify the form.

There have been two written comment periods. The first was February 10 to March 9, 2006 and a total of four comments were received which was in the staff report for the May board meeting. The second was May 23 to June 27, 2006. All of those comments were from Mr. Rob Reed of IRS Environmental. He was okay with removing the amendment fee. He would rather see this used to offset the increase at category 4 and would prefer the amendment fees be used to keep notification fees lower in this category. SCAPCA's response was the Board requested removal of the amendment fee for early completion of projects. SCAPCA receives an average of 64 amendments a year at \$50 each for a total of approximately \$3,200. Leaving the amendment fee in place and applying the difference to project category 4 would reduce the proposed \$500 fee to \$474. Mr. Reed stated the OOSFR fee seems reasonable and will not create a financial burden for homeowners that need to demolish. Mr. Reed would also like to see categories 5 and 6 stay the same and increase them the percentage needed to raise revenues. He doesn't like to see them combined because citizens in the categories are small business and property owners that need affordable enforcement the most. He thinks an across the board increase based on increased operating costs would be much more straight forward. SCAPCA's response is that SCAPCA receives 22 NOIs per year for project category 5 and 2 NOIs per year for project category 6. Increasing project category 6 by the same percentage as the other categories would change the NOI fee from \$1,500 to \$2,500. Because of the low number of NOIs submitted annually for project category six, project categories 5 and 6 were combined for simplification. Mr. Reed also stated to increase category 4 to \$500, he is not in favor of increasing costs for the projects completed by small business and property owners by 67%. SCAPCA's response was the 67% increase was applied to all Non-OOSFR project categories. Asbestos fees have remained unchanged since the comprehensive asbestos program was adopted in 1998. At that time, SCAPCA's Board decided via Resolution #98-01 that the program would be full-cost recovery. The proposed changes to the fee

schedule allow SCAPCA to continue its current asbestos program, and achieve full-cost recovery. Mr. Reed provided a copy of the asbestos notification fee schedule of the years 1999 and 2006 for Yakima Regional Clean Air Authority. SCAPCA responded that YRCAA has historically increased its asbestos fees annually as part of their annual budget process. Typically these fee increases have followed the cost-of-living adjustments (COLAs) for the agency which is two to four percent per year. There were no public comments.

Commissioner Mielke commented that he acknowledges that this 67% increase is a big jump and would argue that it is unreasonable but in this case it is clear that SCAPCA is mandated to fully recover its cost and have been informed that SCAPCA is not fully recovering the cost of this program. It is evident that the Board has been remiss in not making the appropriate adjustments since 1998 to keep it at cost recovery.

Michele Pope moved to approve Resolution 06-09 with the dates of July 6<sup>th</sup> on the document being changed to July 13, 2006 and Jeff Corkill seconded it. Motion passed unanimously.

## **9. Executive Session**

**a. Personnel Issues:** In the interest of time Matthew Pederson asked to continue this session to the next regular meeting if the Board had no objections. The Board agreed.

**10. Board Concerns:** There were no board concerns. Matthew Pederson welcomed Mr. Dameworth to his new position as Director, Councilman Mike DeVleming from the City of the Spokane Valley to the SCAPCA Board and Ray Kelleher to the SCAPCA Advisory Council.

**11. Public Forum:** There were no public concerns at this time.

**The meeting adjourned at 11:41 a.m.**

The next Board Meeting will be August 3, 2006 at 9:30 a.m. in the lower level of the Public Works Building.

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MATTHEW PEDERSON, CHAIR

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WILLIAM DAMEWORTH, SECRETARY