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BOARD MEETING MINUTES

January 6, 2005 9:00 a.m.
SPOKANE COUNTY PUBLIC WORKS BUILDING
LOWER LEVEL HEARING ROOM

PRESENT WERE:

Mike Brewer
Michele Pope
Commissioner Todd Mielke

STAFF:

Eric Skelton, Director
Michelle Wolkey, General Counsel
Matt Holmquist
Lisa Woodard
Barbara Nelson

WORK SESSION: The work session of the board meeting was called to order at 9:05 a.m.

Discussion on Delegation of Certain Authorities – Matt Holmquist

Matt Holmquist gave an overview of the basis for delegation of certain authorities. The Resolution wouldn't change the way that SCAPCA has been doing business, rather it would make it clear that the Board is authorizing delegation of those tasks to different staff members, thereby addressing any future challenge of a staff member's authority to perform certain tasks.

Michele Pope asked if legal authority already exists that addresses the control officer and/or his authorized representatives, etc. Matt replied, yes it does. Michele asked if an organizational chart accomplishes the same thing. Eric replied there is an organizational chart, but and by bringing this back in Resolution form in February, it would formally establish the Board's approval on how SCAPCA is doing business.

Follow Up Discussion on Debarment – Michelle Wolkey

Michelle Wolkey stated that when SCAPCA is offered federal funding, one of the requirements is to certify that none of the principals of SCAPCA have been debarred or excluded from receiving federal funding. Currently, we have done that by collecting a certification from each of the principals of SCAPCA. A question was raised last month by Commissioner Phil Harris as to whether Board members themselves were principals and whether or not SCAPCA should continue to receive the certifications in the fashion that it has. Principal is defined broadly as an officer, director, owner,

partner, principal investigator, anyone with any management responsibilities within the agency, which also includes lawyers. One alternative option is checking the Excluded Parties List System (EPLS), which is maintained by the Federal Government in a data base, and upon finding no principal's name on that list, do a general certification only.

Eric added that by going to the EPLS check, he could get the federal debarment form signed more quickly and back to the Department of Ecology (DOE). Mike Brewer stated that he was in favor of changing to an EPLS search and asked what it would take to change it. Eric replied that in February, he would bring back an amended policy for Board approval. Commissioner Mielke asked what happens in the event one of the principals was on the list? Michelle Wolkey replied, that would disqualify SCAPCA from federal funding and it would be necessary to remove that person from the Board. The Board members present agreed for Eric to move forward with the changes to the policy on debarment and to bring it back for adoption in February.

BOARD MEETING: The board meeting was called to order at 9:27 a.m.

Public Concerns

There were no public concerns.

Minutes of the December 2, 2004 Board Meeting

Mike Brewer moved to approve the December 2, 2004, board meeting minutes and Commissioner Mielke seconded it. Motion passed unanimously.

Public Information/Education Update

Lisa Woodard gave an update of the November and December activity. The Air World Kiosk was placed at Pathology Associates Medical Labs and in a couple of weeks it will be moved to Wendle Ford. We provided an Air Quality Presentation at the County Commute Trip Reduction's (CTR) biannual Basic Training Course for new Employee Transportation Coordinators (ETC) in Spokane County. The Compliance Assistance display and materials were distributed at the Spokane Industrial Plant Maintenance and Construction Trade Show, in mid-November. We presented an Air Quality & Your Health presentation to about 40 District 81 Health and Fitness Teachers. We provided a Burn Clean, Burn Safe Seminar on November 13th and December 11th with Spokane Fireplace and Patio and this will be the last year for this. The Newcomers Association distributes a SCAPCA flyer to all "Newcomers" for \$35.00 a month. In November, 85 flyers and December, 96 flyers were distributed.

We created a new graphics display for the Compliance Assistance display for the Spokane Industrial Plant Maintenance and Construction Trade Show; developed and distributed the CAP newsletter and uploaded it to SCAPCA's web-site; updated Outdoor Burn Season flyer for 2005 dates; created an asbestos fact sheet defining "Owner-Occupied, Single Family Residence"; drafted a fact sheet describing DNR and SCAPCA burn permit program guidelines; and the Clean Air Calendar was developed, printed and distributed. The calendar replaces the periodic report, is something that is around for a year, and has different clean air information each month. Contributions from community

businesses such as National Color and Photographic Design underwrote half the cost of the printing of the 800 calendars and SCAPCA's photographer put in 50% of the cost for the stock photos.

Special projects included: It All Adds Up to Cleaner Air, which is an umbrella campaign that we promote in the community during the winter and summer. We distributed winter toolkits to 68 major work sites; developed and solicited prizes for the campaign's January "Add It Up & Win" contest for the work sites; aired KXLY's Tom Sherry spots that were created last year. We are developing plans with Toyota and KREM TV for a spring/summer promotion involving a Toyota Hybrid Prius give-away.

News media activities/events included news releases on the daily wood burning status and the Burn Clean, Burn Safe Seminars and a live interview conducted on the December 11th burn clean seminar. Eric Skelton interviewed with KREM TV on proposed state rules for automobile emissions standards. Ron Edgar interviewed with the Spokesman Review on December 28th, about the Northwest attaining air quality standards. Eric interviewed with the Spokesman Review on December 29th, on SCAPCA's air toxics study.

Michele Pope commented in regards to the calendar, that she saw it as self promotion for SCAPCA and an inappropriate use of our money. She pointed out that a lot of people don't even use calendars anymore, because of palm pilots and computers.

Activity Report for November

Eric Skelton stated that Ron Edgar was not present so there would be no air quality report given this month.

Commissioner Mielke had a question regarding how the complaint and enforcement actions summaries meshed together. Eric replied there is nothing in the activity report that makes the correlation. If we get a complaint, we respond in some fashion, such as, a site visit or a letter to the party being complained about. If we issue a Notice of Violation (NOV), it shows up on the report in the summary for NOVs. Not all complaints end up in enforcement action and there are other circumstances besides complaints that can result in enforcement action.

Voucher Approval for December \$165,215.09

Mike Brewer moved to approve the December, 2004, vouchers and Commissioner Mielke seconded it. Motion passed unanimously.

Income/Expense Statement for Period Ending November 2004

Eric Skelton pointed out that this reflects SCAPCA's income and expenses through December, half way through the fiscal year. SCAPCA's total core revenue receipt to date is at about 46% and the total core expenditures are at 50.19%. This is on track for the budget that was adopted in June.

Appointment of Advisory Council Members (by motion)

Eric Skelton requested that the Board reappoint by motion, John Hjaltalin to a new four-year term as the Industry representative on the Advisory Council. Mr. Hjaltalin sent a fax affirming his interest in serving another term and a copy of the fax was provided in the board packet.

Mike Brewer moved to approve the reappointment of John Hjaltalin and Commissioner Mielke seconded it. Motion passed unanimously.

Resolution 05-01 – Delegation of Residential Burn Program to Spokane County Fire District No. 5

Eric Skelton pointed out that Chief Huffman from Fire District No. 5 was in the audience and available for questions. The effect of this resolution would be to delegate a residential burning program to Fire District 5. They would issue burn permits to residents so that they could burn year round, air quality and fire hazard conditions permitting. SCAPCA currently has delegation agreements with Fire Districts 2, 11 and 12 in southeast Spokane County.

Michele Pope asked if residents have to contact SCAPCA. Eric replied that currently residents may only do residential burning during SCAPCA's yard and garden burning season, two weekends in April. They would retain that opportunity but in addition to that, Fire District 5 could issue written burn permits throughout the year. This would allow the residents more opportunities to burn and they could also burn larger piles. Fire District 5 would also be responsible for complaint response and if the Fire District wanted an enforcement action taken, they could forward that to SCAPCA for enforcement purposes. Michele asked if Fire Districts 2, 11 and 12 operate in the same way? Eric answered yes, with the exception that their delegation agreements also include some agricultural burning.

Commissioner Mielke moved to approve Resolution 05-01 and Mike Brewer seconded it. Motion passed unanimously.

Resolution 05-02 – Amendments to Advisory Council Rules of Procedure

Eric Skelton stated that the effect of this would be to add one additional member to the Advisory Council, expanding it from eight to nine members. This representative would be called the Business Community Representative with the first term expiring December 31, 2008.

Michele Pope asked if John Hjaltalin's position is Industry and it covers business, then do we need that other position? Eric stated that the Industry position is a requirement in the statute. The reason for the proposed expansion is that Rich Hadley from the Chamber of Commerce indicated an interest in having Chamber representation on SCAPCA. Eric stated that he also contacted the Valley Chamber and the Economic Development Council. Commissioner Mielke suggested making a short list of the business organizations that exist within the region and do a blanket invitation to all of those groups to propose candidates.

Commissioner Mielke moved to approve Resolution 05-02 and Mike Brewer seconded it. Motion passed unanimously.

Resolution 05-03 – Amendments to Personnel Policy Manual

Eric stated that Commissioner Phil Harris had asked at the last meeting that the SCAPCA policy manual include a section on employee gifts. Eric researched the law and found statutes, RCW 42.23.070, RCW 42.52.140 and RCW 42.52.150. He met with Michelle Wolkey, General Counsel to SCAPCA, to discuss applicability. Also proposed were amendments to SCAPCA's Capital Assets and Equipment Policies to conform with the Governmental Accounting Standards Board (GASB) requirements.

Commissioner Mielke noted that the gifting laws conflicted with the ethics laws at the state level. In one case meals were specifically listed as an exempted item for purposes of the ethics law, but not for a long time exempted under the gifts law. If you had lunch with somebody and they picked up the tab, you were cleared of violations of ethics laws but technically somebody could make the case you were gifted because it wasn't expressly allowed. He asked if there was something in the proposed policy that addressed this type of situation. Michelle Wolkey replied that RCW 42.52.150 number 5 indicates that a state officer or employee (which has been interpreted to include any municipal officer) may accept gifts in the form of food and beverage on infrequent occasions in the ordinary course of business.

Commissioner Mielke asked for more elaboration with regards to the changes on the capital assets policy. Barbara Nelson explained that the GASB has implemented new reporting requirements, which is GASB 34 and is more detailed than before, (capital assets must be depreciated and recorded on the balance sheet as a depreciation expense). To this point, SCAPCA has not depreciated any of its assets. Since SCAPCA has no buildings or land, its main assets are office/monitoring equipment and vehicles. SCAPCA has set the capitalizing limit at \$2,000 with a depreciation life of eight years and no salvage value at the end of the life. Items under the \$2,000 capitalizing limit will be listed and controlled as controlled assets but not reflected on SCAPCA's income statement.

Commissioner Mielke moved to approve Resolution 05-03 and Mike Brewer seconded it. Motion passed unanimously.

Board Concerns:

Eric reported on one particular piece of legislation that is going to be proposed in the upcoming session. Representative Gary Alexander is considering sponsoring a bill that would allow local air authorities, if their Boards chose to do so, to issue their own warrants/checks. SCAPCA would set up its own revolving fund and pay its bills directly. Under the current system, the County is the Treasurer and that would not change, but in order to pay SCAPCA's bills, the Auditor has to issue individual warrants on SCAPCA's behalf at a cost somewhere between \$2.00 and \$4.00 per warrant. If this legislation goes forward, we would have the option to ask the Treasurer, on a monthly basis, to place funds in SCAPCA's revolving fund and we could write our own checks. We would have to purchase check stock and there would be some additional accounting controls that we would have to adopt. The legislation would be good from the standpoint that it would give the local air authorities the option to go that way or to retain the current system. Representative Alexander asked for letters of support from all of the local air authorities.

Eric requested a motion authorizing him to take actions throughout the legislative session to support passage of the bill, if in fact it is introduced.

Commissioner Mielke stated he had two concerns: One is in our efforts to streamline government, he doesn't want it to be presumed that the Board would automatically make that decision if this legislation passed. We're trying to maintain our relationships with the County Auditors Office and don't want this to be seen as a shot across the bow. Second is a form of check and balance with regards to making sure we don't get sideways with the accounting mechanisms that are required of us at the state level. By having vouchers go to the Auditor for final approval, it is kind of a check to make sure that we are doing everything in compliance. SCAPCA's support of this legislation should be to market this in such a way that we believe there is value in having additional options and to know that we in Spokane County are always looking for the most efficient means of providing a service on behalf of the people that we represent.

Barbara Nelson added that to-date, the Auditor's Accounts Payable Department audits all of the original invoices and verifies the vendors. They continue to hold the original invoices and vouchers for audit purposes for that longer retention period. The copies in SCAPCA's office are considered secondary copies and are kept through its audit. The major changes, beginning approximately in January, are they will no longer take the original invoices and they will no longer retain those long term original copies of the signed vouchers. All of this responsibility will be SCAPCA's. They will still do somewhat of an audit of those bills as they review the file and verify vendors and check amounts. If this legislative change were to come about and we conducted everything through our office, we would need more internal controls and some other party doing a more thorough audit of what's being paid than is happening right now.

Commissioner Mielke added that with regard to the changes that have occurred so far, what he's hearing is they have shifted the responsibility of records retention back to the various organizations. Rather than getting the original invoices they are looking more for a summary of payables as opposed to the individual invoices. Barbara affirmed the Commissioner's statement and added there is a bit of an audit, but responsibility is no longer with their office. That will fall back on SCAPCA, including the long term retention for those records. Eric added that over the next several months as we implement our new accounting system it is going to give us a little better idea of what works best for us. He would approach this legislation as it is nice to have the option and if we want to retain the same status presently in place, or if we determine and the Board concurs that doing it on our own is a better way, then it is nice to have the option to do so.

Mike Brewer moved to authorize Eric Skelton to move forward with this action and Commissioner Mielke seconded it. Motions passed unanimously.

The meeting adjourned at 10:19 a.m.

The next Board Meeting will be February 3, 2005 at 9:00 a.m. in the lower level of the Public Works Building.

MICHELE POPE, VICE CHAIR

ERIC SKELTON, SECRETARY