



Yakima Regional Clean Air Agency

*Yakima Regional Clean Air Agency
Agencia Regional de Aire Limpio de Yakima*

Meeting of the Board of Directors July 2023

**Reunión de la Junta Directiva
Julio 2023**

July 13, 2023

13 de julio de 2023

Notice of Language Services

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Members of the public may submit comments to the Board by: a) speaking in person or remotely (see below) during the public comment period of any meeting; b) mailing them to 186 Iron Horse Ct. Ste. 101, Yakima, WA 98901; or c) sending them via electronic mail to admin@yrcaa.org.

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Comentarios Públicos

Los miembros del público pueden enviar comentarios a la Junta por: a) hablando en persona o de forma remota (ver a continuación) durante el período de comentarios públicos de cualquier reunión; b) enviándolos por correo a 186 Iron Horse Ct. Ste. 101, Yakima, WA 98901; o c) enviándolos por correo electrónico a admin@yrcaa.org.

Acceso remoto

Las reuniones se transmiten en vivo y se retransmiten en el Canal de Acceso Público de Yakima (Y-PAC). Para ver un cronograma actual, visite www.yakimawa.gov/services/yctv. Los comentarios públicos se pueden ofrecer de forma remota a través de Zoom video o llamada de conferencia de voz. Consulte la agenda para conocer el ID de reunión, el enlace y los números de teléfono (se pueden aplicar cargos por larga distancia).

Regular Meeting of the Board of Directors

July 13, 2023 – 2:00 P.M.

AGENDA

- 1. Call to Order**
- 2. Roll Call**
- 3. Changes to the Agenda**
- 4. Public Comments**

The public may address any matter relevant to the business of the Board at this time. Please state your name and the item you wish to address. Comments are limited to three (3) minutes per person.
- 5. Public Hearing**
 - Method for determining AOP fee assessments
- 6. Board Meeting Minutes for June 2023**
- 7. Vouchers and Payroll Authorization Transfers for June 2023**
- 8. Resolution 2023-07 Updating the Method for Determining AOP Fee Assessments**
- 9. Wood Smoke Reduction Program Conditions**
- 10. Executive Director's Report**
 - Board meeting remote access
 - Inter-agency coordination of burn ban notifications
 - Update on Overburdened Communities
- 11. Other Business**
- 12. Adjournment**

Zoom information
URL: <https://us06web.zoom.us/j/6058007569>

Meeting ID: 605 800 7569
Phone number: 253-215-8782 or 253-205-0468

If you wish to attend the YRCAA board meeting and require an accommodation due to a disability or need interpretation or translation services, call 509-834-2050 ext. 100 or send an email to admin@yrcaa.org.

Reunión Ordinaria de la Junta Directiva

13 de julio de 2023 – 2:00 P.M.

AGENDA

- 1. Llamar al orden**
- 2. Registro de asistencia**
- 3. Cambios en el orden del día**
- 4. Comentarios públicos**
El público puede abordar cualquier asunto relacionado con los asuntos de la Junta en este momento. Indique su nombre y el artículo que desea abordar. Los comentarios están limitados a tres (3) minutos por persona.
- 5. Audiencia pública**
 - Método para determinar las evaluaciones de tarifas de AOP
- 6. Actas de la reunión de la Junta para junio de 2023**
- 7. Comprobantes y transferencias de autorización de nómina para junio de 2023**
- 8. Resolución 2023-07 Actualización del método para determinar cargos AOP**
- 9. Condiciones del programa de reducción de humo de leña**
- 10. Informe del Director Ejecutivo**
 - Acceso remoto a la reunión de la junta
 - Coordinación interinstitucional de notificaciones de prohibición de quema
 - Actualización futura sobre comunidades vulnerables
- 11. Otros asuntos**
- 12. Cierre**

Zoom información

URL: <https://us06web.zoom.us/j/6058007569>

ID de reunión: 605 800 7569

Número de teléfono: 253-215-8782 or 253-205-0468

Si desea asistir a la reunión de la junta de YRCAA y requiere una adaptación debido a una discapacidad o necesita servicios de interpretación o traducción, llame al 509-834-2050, ext. 100 o envíe un correo electrónico admin@yrcaa.org.

1. **Call to Order**

Chairperson DeVaney called the meeting to order at 2:00 p.m. in the council chambers, Yakima City Hall; 129 N Second St.; Yakima, Washington.

2. **Roll Call**

Herman conducted roll call and declared a quorum present.

Board members: Amanda McKinney, County Representative, Present
Steven Jones, Ph.D., County Representative, Present
Janice Deccio, Large City Representative, Present
Jose Trevino, Small City Representative, Absent
Jon DeVaney, Member-at-Large, Present

Staff present: Marc Thornsbury, Executive Director
Pamela Herman, Clerk of the Board

3. **Changes to the Agenda**

DeVaney asked if there were any changes to the agenda. None were requested.

4. **Public Comment**

DeVaney asked if there were any public comments. None were offered.

5. **Board Meeting Minutes for May 2023**

Deccio moved to approve the minutes. McKinney seconded. Motion passed 3-0.

6. **Vouchers and Payroll Authorization Transfers for May 2023**

McKinney moved to approve the vouchers and transfers. Deccio seconded. Motion passed 3-0.

7. **Resolution 2023-03 Altering Contribution to Health Insurance Premiums**

Thornsbury explained this was a returning item from the last board meeting. He noted at the last meeting there was a request for an additional item to be added to the resolution and some additional information included in the budget and these had been included. DeVaney asked if there was a motion to approve Resolution 2023-03. Deccio moved to approve Resolution 2023-03. McKinney seconded. Motion passed 3-0.

8. **Resolution 2023-04 Authorizing Social Security or Comparable Benefit**

Thornsbury explained that there were no substantive changes to the resolution other than minor alterations to the language in order to address concerns expressed by staff of the Department of Retirement Systems (DRS).

Dr. Jones requested confirmation that the DRS Deferred Compensation Program (DCP) would be implemented first, followed by a staff vote on whether or not to participate in Social Security.

Thornsbury concurred; the DCP is a bridge until an affirmative vote on Social Security takes place. Jones stated this assumes an affirmative vote occurs and asked what would happen if it does not happen. Thornsbury replied the DCP contribution would continue until participation in Social Security takes effect, at which time the DCP portion would stop.

McKinney moved to approve Resolution 2023-04 Authorizing Social Security or Comparable Benefit. Deccio seconded. Motion passed 3-0.

9. Resolution 2023-05 Adopting a “Supplemental Income Assessment” Rate

Thornsbury stated the matter had been previously discussed in the October, (and primarily) November and December 2022 meetings establishing what the Agency’s rates would be going forward. The timing of the adjustment changed slightly, but the resolution incorporates what was agreed to by the board at that time and serves as a formal way of implementing the rate change. The follow-up will be a notice to each of the component counties and cities, by the third Monday in June as required, informing them of their assessment for the coming year which will occur January 1, 2024.

DeVaney asked if there was a motion to approve Resolution 2023-05. McKinney moved to approve Resolution 2023-05. Deccio seconded. Motion passed 3-0.

10. Resolution 2023-06 Adopting the Fiscal Year 2023-24 Budget

Thornsbury noted the benefits section on page 10 of the budget contains the additional details regarding health insurance requested at the prior board meeting. He added there were no other substantive changes to the budget.

DeVaney asked if there was a motion to approve Resolution 2023-06. McKinney moved to approve Resolution 2023-06. Deccio seconded. Motion passed 3-0.

11. Resolution 2023-07 Updating the Method for Determining AOP Fee Assessments

Thornsbury noted during the last audit the Agency had received remarks noting it had been some time since the AOP fee assessment method had been reviewed and updated to ensure that it was correct. He added the resolution as presented is, by and large, the same as the resolution previously adopted. Thornsbury stated there were two notable changes related to how the audit costs and Wash. Dept. of Ecology Development and Oversight (D&O) costs are allocated to the AOP program.

Thornsbury explained the Agency is typically subject to accountability or financial audit for the state and a separate audit for the federal air operating permit (AOP) program—the cost of which is allocated amongst the permittees, also known as Title V sources. He added the Wash. Dept. of Ecology’s statewide D&O costs related to the AOP program are divided strictly by the total number of sources in Washington and the amount charged to the various clean air agencies is calculated on the number of sources in each jurisdiction.

Thornsbury noted in the prior language, those costs were allocated to the permittees on a percentage basis rather than a flat basis and this seemed unfair. He added since these costs

were charged to the Agency on a flat basis, staff believed the Agency should charge the permittees on the same basis, but the language of the previous resolution did not support doing so. Thornsbery explained the language has been adjusted in the new resolution so these costs can be allocated to permittees in the same way the Agency is charged for them.

Jones asked whether the complexity rating used in the calculation was set by a third party. Thornsbery replied this was an internal ranking and added he was unable to share much detail as he had not had an opportunity to review the specifics. Jones asked how the rating system was developed. Thornsbery noted it appeared unfair for simple operations requiring fewer resources to be allocated the same portion of the cost as complex operations requiring greater resources. He explained an assessment had previously been conducted to estimate the effort required by various sources, using inspections as an example. Thornsbery added three broad categories had been created and sources were then assigned to an appropriate category, constituting the complexity rating.

Jones inquired regarding the annual reconciliation process and asked how fees are collected after they have already been assessed. Thornsbery explained the Agency does not attempt to collect them at the end of the year and, instead, reconciles the estimated cost against the cost of the work actually performed, and the balance is billed in the next period. He added in the case of an overpayment, the amount would be credited against the next year's projected cost, and in the case of an underpayment, the amount would be added to the next year's projected cost, with a reconciliation occurring again at the end of the next year.

Thornsbery stated the Board would not be adopting the resolution in this meeting as it will need to go through a public hearing scheduled for the next meeting, after which it may be adopted.

McKinney moved to bring Resolution 2023-07 to a future public hearing. Jones seconded. Motion passed 2-1.

12. Board Meeting Remote Access

Thornsbery reminded the Board the matter of remote meeting access had been previously discussed and explained it took some time to work through the technical details regarding how it could be implemented and the limitations on what could be done if it were used. McKinney expressed support for providing remote meeting access to board members and the public and noted this might help address difficulties in meeting participation by Lower Yakima Valley residents and board members during periods of inclement weather. She added this would be consistent with many other government bodies have made remote access available. Deccio concurred, adding there have been times she would have been able to participate online despite being unable to attend in person.

McKinney moved remote access to future meetings be made available to the public and the board members via Zoom. Deccio seconded. Motion passed 3-0.

13. Agency Branding and Logo – Fonts

Thornsbury explained in completing the graphic design work, he discovered a bold version of the selected Marcellus font was not available and noted the first two pages of font options were likely the closest match for a replacement font with the remainder provided largely for completeness and comparison. There was a discussion on the different font styles.

Deccio expressed support for selecting Luxi Sans Bold. McKinney concurred. Jones stated his preference for the Gayathri font. Deccio noted Gayathri lacked a bold version and asked if Luxi Sans provided other font variations such as italic, light, semi-bold, etc. Thornsbury stated his belief all of the options presented had variants available, but the number would be different for each. DeVaney expressed support for the selection of Luxi Sans Bold.

McKinney moved to approve the new logo with Luxi Sands Bold as the font. Deccio seconded. Motion passed 2-1.

14. Executive Director's Report

Wood Smoke Reduction Program conditions: Thornsbury stated in the next few days the Agency will be completing the last biennium for what is commonly referred to as the wood stove change-out program. He added the agency will be applying for funding for the next biennium and one of the elements to be addressed in the application is how it intends to use those funds. Thornsbury noted the program has been successful and stated his belief the Agency has replaced more wood stoves, per capita, than any other clean air agency in the state including the Department of Ecology. He added this also means much of the low hanging fruit has already been plucked and the law of diminishing returns will likely become a factor in the near future. Thornsbury explained the costs for materials and labor are expected to rise around 17% to 18% in the coming year and, with no similar increase in the level of funding, this will affect the quantity of wood stove replacements that can be completed. He added this prompted staff to review how the Agency was allocating the grant funds and propose the plan as presented in the staff report. Thornsbury remarked the proposed plan is more complicated than the prior plan and a result of the desire to allocate additional funds in a way that would likely deliver the greatest improvement in air quality.

DeVaney asked whether the Board was bound to the recommendation presented and whether they were already a part of the grant application. Thornsbury replied the application has not been submitted and the information presented is simply a proposal at this time. He added the item could be tabled if desired, but cautioned this might only be possible one time as after the next meeting the application submission deadline would likely be imminent.

McKinney noted the rebate amount for gas devices was less than that for electric devices and expressed concern this did not adequately take into account the greater efficiency of gas devices and the potential for a future electric energy crisis in Washington State. Thornsbury noted the proposal could be altered and reiterated the focus had been on issues related to air quality rather than energy policy.

McKinney stated the proposed program would incentivize the use of electric devices over gas devices and, thereby, adds to the problem of an overtaxed electric power grid. DeVaney asked for confirmation the amounts presented were proportional to the replacement cost, not based on a preference ranking. Thornsby stated both factors were considered in developing the proposal, adding costs were considered as well as air quality benefits.

McKinney expressed a preference that gas and electric devices use the same rebate amount. DeVaney directed Thornsby to provide more information at the next meeting and asked if there was adequate time to allow for further discussion and to make adjustments to the application before the submission deadline. Thornsby stated he did not believe a deadline date had been set and would feel more comfortable with some direction from the Board in the event there was insufficient time to make further changes after the next meeting.

McKinney reiterated her preference that the rebates for gas and electric devices be equal. DeVaney noted there is an actual difference in cost for gas and electric replacements, and the proposed amounts are proportional to that cost, though not directly proportional. He added that he would like to see amounts directly proportional to costs.

Thornsby asked if a strictly proportional calculation based only on cost would be acceptable. McKinney agreed. Thornsby stated he would put together updated figures and provide them at the next meeting.

Future update on Overburdened Communities: Thornsby noted the Board had previously requested an update regarding the Wash. Dept. of Ecology work concerning overburdened communities. He added the project is fairly complicated and portions of it are still being finalized. Thornsby stated he is working on a staff report and anticipates having something available at the next board meeting.

15. Other Business

DeVaney noted outreach information had been provided and asked if Thornsby had additional comments. Thornsby stated questions in a prior meeting indicated a desire for clarity regarding his outreach work and the report was intended to answer those questions. DeVaney commended Thornsby for his outreach efforts.

DeVaney questioned the number of violations reported under the registration category. Thornsby stated it was his understanding these were related to failures to file and/or pay the registration fee and characterized the matter as “administrative housekeeping”. He added registration compliance was generally good in 2023 and noted he was pleased with the results.

DeVaney asked if there was any other business.

DeVaney announced the regular Board meeting would be adjourned to conduct a 30-minute Executive Session. He noted if more time is required, the public and staff will be informed of the revised end time. If the session concludes before the anticipated end time, the regular Board meeting will not reconvene until the announced end time occurs.

16. Executive Session

The Board went into executive session at 2:38 p.m. for 30 minutes pursuant to RCW42.30.110 (1) (g) for the purpose of conducting a performance evaluation of the Executive Director.

The board reconvened the regular board meeting at 3:08 p.m. DeVaney noted no time extension was needed. He added the Board had engaged in a lengthy discussion concerning the performance of its Executive Director and explained he would meet separately with Thornsbury to cover the details of the consensus evaluation.

McKinney expressed appreciation for Thornsbury's thoroughness and effectiveness and thanked him for his hard work and effort over a relatively short period of time. Jones and Deccio concurred. DeVaney added the Board is pleased with Thornsbury's performance and appreciates the progress being made.

17. Adjournment

McKinney moved to adjourn. Deccio seconded. Motion passed 3-0.
DeVaney adjourned the meeting at 3:12 p.m.

Jon DeVaney, Chairman

Pamela Herman, Clerk of the Board

Date of Release: July 6, 2023
Date of Consideration: July 13, 2023
To: Honorable YRCAA Board of Directors and Alternates
From: Office of the Interim Executive Director
Subject: Monthly Activity Report

Current Quarter

Activity	FY22 Total	Apr FY23	May FY23	June FY23	FY23 Total to Date
Minor Source Inspections	35	15	42	26	156
Complaints Received	104	10	5	11	161
NOVs Issued	24	1	15	5	77
AODs Issued	0	0	1	0	4
Warning Notices Issued	0	0	0	0	2
NOPs Issued	32	1	2	8	19
SEPA Reviews	443	22	15	28	297
AOP Applications Received	1	0	0	0	0
AOPs Issued or Renewed	0	0	0	0	1
Deviations/Upsets Reported	21	1	1	1	16
AOP Inspections	2	0	0	0	2
Public Workshops	1	0	0	0	2
Media Events	1	0	0	0	3
Media Contacts	7	1	0	0	8
Education Outreach Events	1	0	0	0	0
Sources Registered	271	56	12	6	375
NSR Applications Received	14	1	2	1	12
NSR Approvals Issued-Temporary	0	0	0	0	0
NSR Approvals Issued-Permanent	23	1	2	1	16
NODRs Received	143	19	9	4	180
Agricultural Burn Permits Issued	73	4	2	1	40
Conditional Use Permits Issued	11	1	2	0	5
Residential Burn Permits Issued	717	169	190	71	852
Burn Ban Days	84	0	0	0	34
Public Records Requests Fulfilled	39	1	1	2	29

Acronyms:

AOP - Air Operating Permit; **NODR** - Notification of Demolition and Renovation; **NOP** - Notice of Penalty; **NOV** - Notice of Violation; **NSR** - New Source Review; **SEPA** - State Environmental Policy Act

STAFF REPORT

Date: July 6, 2023
To: YRCAA Board of Directors
From: Christa Owen, Staff Accountant
Subject: Fiscal Program Report

Issue: Fiscal Reports

Analysis: June 2023 Accounts Payable (AP) and Payroll Authorizations are enclosed for your approval. The Budget Verification Analysis (BVA) and Supplemental Income documents are included as informational items.

Recommendation: Accept and approve by minute action the June 2023 AP Fiscal Vouchers, totaling \$30,169.29, and the June 2023 Payroll Authorization, totaling \$62,256.19.



June 16, 2023

**Fund 614-6140 YRCAA
Fund 614-1410 Enterprise**

<u>Name</u>	<u>Warrant/MICR #</u>	<u>GL #</u>	<u>Amount</u>	<u>Date</u>
Abadan Reprographics	35585	4801	\$ 118.64	6/20/2023
Alliant Communications	35586	4101	\$ 345.33	6/20/2023
Cascade Natural Gas Corporation	35587	4701	\$ 39.41	6/20/2023
Coleman Oil Company	35588	3201	\$ 347.14	6/20/2023
Intermountain Cleaning Service, Inc.	35589	4101	\$ 370.00	6/20/2023
Iron Horse Real Estate Property Mgt	35590	4501	\$ 4,920.80	6/20/2023
KeyBank	35591	Various	\$ 2,518.96	6/20/2023
Northwest Community Action Center*	35592	4105	\$ 50.00	6/20/2023
OIC*	35593	4105	\$ 250.00	6/20/2023
StorageMax**	35594	4506	\$ 75.00	6/20/2023
Terrace Heights Sewer District	35595	4701	\$ 114.00	6/20/2023
Thurston County Fair Complex**	35596	4506	\$ 100.00	6/20/2023
YRCAA	35597	4901	\$ 565.81	6/20/2023
Yakima County Public Services	35598	4701	\$ 21.87	6/20/2023
Yakima Herald Republic	35599	4401	\$ 39.10	6/20/2023
Pitney Bowes Global Financial Services	35600	4501	\$ 242.58	6/20/2023
Pitney Bowes Reserve Account	35601	4202	\$ 500.00	6/20/2023

\$ 10,618.64

***Reimbursement from Grant **NOC/Enterprise**

This is to certify that the invoices and warrants above for the Yakima Regional Clean Air Agency have been examined, audited and approved by the Alternate Auditing Officer for payment.

Total Amount: **\$ 10,618.64**

Christa Owen, Primary Auditing Officer 6/20/2023

Jon DeVaney, Board Chairman

Date

Marc D. Thornsburly, Secondary Auditing Officer

Date

June 29, 2023

**Fund 614-6140 YRCAA
Fund 614-1410 Enterprise**

<u>Name</u>	<u>Warrant/MICR #</u>	<u>GL #</u>	<u>Amount</u>	<u>Date</u>
Alliant Communications	35602	4101	\$ 636.95	6/30/2023
Armstrong's Stove & Spa Yakima*	35603	4105	\$ 6,000.00	6/30/2023
Charter Communications	35604	4201	\$ 309.51	6/30/2023
Coastal*	35605	4105	\$ 7,348.62	6/30/2023
Northwest Community Action Center*	35606	4105	\$ 100.00	6/30/2023
OIC*	35607	4105	\$ 250.00	6/30/2023
Pacific Power	35608	4701	\$ 254.19	6/30/2023
Rowdy Construction*	35609	4105	\$ 4,651.38	6/30/2023

\$ 19,550.65

***Reimbursement from Grant **NOC/Enterprise**

This is to certify that the invoices and warrants above for the Yakima Regional Clean Air Agency have been examined, audited and approved by the Alternate Auditing Officer for payment.

Total Amount: **\$ 19,550.65**

Christa Owen, Primary Auditing Officer 6/30/2023

Jon DeVaney, Board Chairman

Date

Marc D. Thornsbury, Secondary Auditing Officer

Date

**Yakima Regional Clean Air Payroll Reimbursement
June 2023**

Gross Wages	\$46,389.08	
Reserve Adjustment		\$46,389.08
ER Taxes Paid	656.26	
ER Medical Paid	9,135.89	
Pers 1 ER Paid	0.00	
Pers 2 ER Paid	3,679.80	
Pers 3 ER Paid	1,086.48	
	0.00	
SUTA	123.86	
L & I	1,152.51	
	0.00	
Total Benefits	15,834.80	\$15,834.80
Other	0.00	
Bank Charges	32.31	
Total	\$32.31	\$32.31
Total Payroll		\$62,256.19

Primary Auditing Officer Date

Chairman Board of Directors Date

Secondary Auditing Officer Date

FY 2023 Monthly BVA

June 2023 Report Date: July 13, 2023		Budget	Actual Current	Actual Year to Date	Year to Date % of Budget
REVENUE					
REVENUE 614 YRCAA Base Operations					
Stationary Source Permit Fees					
614-32199001	Minor Sources	\$ 163,880	\$ 3,363	\$ 226,406	138.2%
614-32199005	Synthetic Minor Sources	\$ 22,576	\$ -	\$ 32,814	145.3%
614-32199004	Complex Sources	\$ 32,808	\$ 2,652	\$ 48,392	147.5%
614-32290001	Title V Sources	\$ 92,000	\$ -	\$ 71,093	77.3%
614-32190002	New Source Review	\$ 38,000	\$ 5,524	\$ 25,045	65.9%
<i>Subtotal, Stationary Source Permit Fees</i>		\$ 349,264	\$ 11,539	\$ 403,750	115.6%
Burn Permit Fees					
614-32290005	Residential Burn Permits	\$ 55,000	\$ 5,559	\$ 74,808	136.0%
614-32290007	Agricultural Burn Permits	\$ 25,000	\$ 160	\$ 15,672	62.7%
614-32290011	Conditional Use Burn Permits	\$ 1,936	\$ -	\$ 2,735	141.3%
<i>Subtotal, Burn Permit Fees</i>		\$ 93,000	\$ 5,719	\$ 93,215	100.2%
Compliance Fees					
614-32190005	Asbestos Removal Fees	\$ 25,000	\$ 1,631	\$ 29,807	119.2%
614-32199007	Construction Dust Control Fees	\$ 5,800	\$ 1,017	\$ 9,042	155.9%
<i>Subtotal, Compliance Fees</i>		\$ 30,800	\$ 2,648	\$ 38,849	126.1%
<i>Subtotal, All Permit Fee Revenue</i>		\$ 462,000	\$ 19,906	\$ 535,814	116.0%
Base Grants					
614-33366001	EPA, Core Grant	\$ 106,545	\$ -	\$ 106,545	100.0%
614-33403101	DOE, Core Grant	\$ 76,800	\$ -	\$ 77,153	100.5%
<i>Subtotal, Base Grants</i>		\$ 183,345	\$ -	\$ 183,698	100.2%
Fines & Penalties					
614-35990001	Civil Penalty	\$ 2,500	\$ 4,446	\$ 36,318	
614-35990001	Other Fines	\$ -	\$ -	\$ -	
<i>Subtotal, Fines & Penalties</i>		\$ 2,500	\$ 4,446	\$ 36,318	
Supplemental Income					
614-33831001	Supplemental Income	\$ 102,830	\$ -	\$ 94,981	92.4%
<i>Subtotal, Supplemental Income</i>		\$ 102,830	\$ -	\$ 94,981	92.4%
Other Income					
614-36111001	Interest	\$ 3,500	\$ 967	\$ 8,110	231.7%
614-36990014	Miscellaneous Income	\$ 100	\$ -	\$ 401	400.6%
<i>Subtotal, Other Income</i>		\$ 3,600	\$ 967	\$ 8,510	236.4%
<i>Total YRCAA Base Operations Revenue</i>		\$ 754,275	\$ 25,319	\$ 859,320	113.9%
REVENUE 614 YRCAA Grant Operations					
614-33403105	Wood Stove Ed	\$ 4,906	\$ -	\$ 4,195	85.5%
614-33403108	PM 2.5	\$ 21,050	\$ 5,263	\$ 21,050	100.0%
614-33403107	Woodstove Change-out	\$ 579,000	\$ 57,274	\$ 885,775	153.0%
<i>Total YRCAA Grant Operations Revenue</i>		\$ 604,956	\$ 62,536	\$ 911,020	150.6%
REVENUE Enterprise Operations					
614-34317001	VE Certification Fees	\$ 60,000	\$ 8,560	\$ 50,425	84.0%
614-34317002	Other Enterprise Revenue	\$ -	\$ -	\$ -	#DIV/0!
<i>Subtotal, Enterprise Revenue</i>		\$ 60,000	\$ 8,560	\$ 50,425	84.0%
<i>Total Base, Grant and Enterprise Revenue</i>		\$ 1,419,231	\$ 96,415	\$ 1,820,765	128.3%

FY 2023 Monthly BVA

June 2023 Report Date: July 13, 2023	Budget	Actual Current	Actual Year to Date	Year to Date % of Budget
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EXPENSES
EXPENSES 614 YRCAA Base Operations

Salaries

614-1001	Salaries	\$ 412,802	\$ 35,595	\$ 402,473	97.5%
614-2002	Benefits	\$ 143,349	\$ 12,506	\$ 141,410	98.6%
614-1003	Overtime	\$ -	\$ -	\$ -	0.0%
<i>Subtotal, Salaries</i>		<i>\$ 556,151</i>	<i>\$ 48,101</i>	<i>\$ 543,883</i>	<i>97.8%</i>

Supplies

614-3101	Office Supplies	\$ 6,000	\$ 961	\$ 6,692	111.5%
614-3101	Safety Equipment	\$ 200	\$ -	\$ -	0.0%
614-3201	Vehicles, Gas	\$ 6,000	\$ 347	\$ 2,090	34.8%
614-3501	Small Tools/Equipment	\$ 1,000	\$ -	\$ 28	2.8%
614-3502	Computer Network	\$ 3,000	\$ 681	\$ 4,434	147.8%
<i>Subtotal, Supplies</i>		<i>\$ 16,200</i>	<i>\$ 1,990</i>	<i>\$ 13,244</i>	<i>81.8%</i>

Services

614-4101	Professional Services	\$ 80,000	\$ 1,352	\$ 57,997	72.5%
614-4101	Laboratory Analyses	\$ 200	\$ -	\$ -	0.0%
614-4125	Treasurer, Yakima County	\$ 1,000	\$ -	\$ -	0.0%
614-4201	Communications, Phones/Internet	\$ 7,000	\$ 348	\$ 5,636	80.5%
614-4202	Postage	\$ 1,800	\$ 500	\$ 1,968	109.3%
614-4301	Travel & Transportation	\$ 5,000	\$ -	\$ 903	18.1%
614-4401	Public Education Services	\$ 6,000	\$ -	\$ 640	10.7%
614-4401	Publications, Legal Notices	\$ 2,000	\$ 39	\$ 865	43.3%
614-4501	Rents & Leases, Equipment	\$ 5,750	\$ 243	\$ 970	16.9%
614-4501	Rents & Leases, Space	\$ 58,000	\$ 4,921	\$ 60,401	104.1%
614-4601	Insurance	\$ 16,000	\$ -	\$ 16,768	104.8%
614-4701	Utilities	\$ 4,500	\$ 429	\$ 5,301	0.0%
614-4801	Maintenance, Motor Vehicles	\$ 1,400	\$ 126	\$ 656	46.8%
614-4801	Maintenance, Equipment	\$ 5,000	\$ 119	\$ 1,604	32.1%
614-4801	Maintenance, Computers	\$ 4,000	\$ -	\$ 146	3.6%
614-4801	Maintenance, Building	\$ 4,500	\$ -	\$ 3,330	74.0%
614-4901	Memberships	\$ 700	\$ 14	\$ 1,563	223.3%
614-4901	Training	\$ 6,000	\$ 699	\$ 2,539	42.3%
614-4901	Service Chgs & Interest	\$ 7,500	\$ 566	\$ 8,721	116.3%
614-4901	Miscellaneous Services	\$ 1,000	\$ -	\$ -	0.0%
614-4901	DOE Oversight Fees	\$ 3,600	\$ -	\$ 3,590	99.7%
<i>Subtotal, Services</i>		<i>\$ 220,950</i>	<i>\$ 9,355</i>	<i>\$ 173,598</i>	<i>78.6%</i>

Capital Out-Lay & Fixed Assets

614-6401	Capital Out-Lay/Fixed Assets	\$ -	\$ -	\$ -	0.0%
<i>Total YRCAA Base Operations Expenses</i>		<i>\$ 793,301</i>	<i>\$ 59,445</i>	<i>\$ 730,725</i>	<i>92.1%</i>

EXPENSES 614 YRCAA Grant Operations

614-33403105 Wood Stove Ed and Enforcement

Salaries

614-1001	Salaries	\$ 3,500	\$ -	\$ 1,555	44.4%
614-2002	Benefits	\$ 910	\$ -	\$ 546	60.0%
614-1003	Overtime	\$ -	\$ -	\$ -	0.0%
<i>Subtotal, Salaries</i>		<i>\$ 4,410</i>	<i>\$ -</i>	<i>\$ 2,102</i>	<i>47.7%</i>

Supplies

614-3101	Office Supplies	\$ 346	\$ -	\$ -	0.0%
<i>Subtotal, Supplies</i>		<i>\$ 346</i>	<i>\$ -</i>	<i>\$ -</i>	<i>0.0%</i>

FY 2023 Monthly BVA

June 2023 Report Date: July 13, 2023		Budget	Actual Current	Actual Year to Date	Year to Date % of Budget
Services					
614-4139	Professional Services	\$ 150	\$ -	\$ 2,060	1373.3%
614-4202	Postage	\$ -	\$ -	\$ -	0.0%
	<i>Subtotal, Services</i>	<i>\$ 150</i>	<i>\$ -</i>	<i>\$ 2,060</i>	<i>1373.3%</i>
	<i>Subtotal, Woodstove Grant Expenses</i>	<i>\$ 4,906</i>	<i>\$ -</i>	<i>\$ 4,162</i>	<i>84.8%</i>
614-33403108 PM2.5					
Salaries					
614-1001	Salaries	\$ 15,577	\$ 1,632	\$ 11,923	76.5%
614-2002	Benefits	\$ 5,473	\$ 573	\$ 4,189	76.5%
614-1003	Overtime	\$ -	\$ -	\$ -	0.0%
	<i>Subtotal, Salaries</i>	<i>\$ 21,050</i>	<i>\$ 2,206</i>	<i>\$ 16,113</i>	<i>76.5%</i>
Supplies					
614-3101	Office Supplies	\$ -	\$ -	\$ -	0.0%
	<i>Subtotal, Supplies</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>0.0%</i>
Services					
614-4101	Professional Services	\$ -	\$ -	\$ -	0.0%
	<i>Subtotal, Services</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>0.0%</i>
Capital Out-Lay & Fixed Assets					
614-6401	Capital Out-Lay/Fixed Assets	\$ -	\$ -	\$ -	0.0%
	<i>Subtotal, PM 2.5 Grant Expenses</i>	<i>\$ 21,050</i>	<i>\$ 2,206</i>	<i>\$ 16,113</i>	<i>76.5%</i>
614-33403107 Woodstove Change-out					
Salaries					
614-1001	Salaries	\$ 103,600	\$ 8,843	\$ 99,360	95.9%
614-2002	Benefits	\$ 36,400	\$ 3,107	\$ 34,910	95.9%
614-1003	Overtime	\$ -	\$ -	\$ -	0.0%
	<i>Subtotal, Salaries</i>	<i>\$ 140,000</i>	<i>\$ 11,950</i>	<i>\$ 134,270</i>	<i>95.9%</i>
Supplies					
614-3101	Office Supplies	\$ -	\$ -	\$ -	#DIV/0!
	<i>Subtotal, Supplies</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>#DIV/0!</i>
Services					
614-4101	Professional Services	\$ 379,000	\$ 18,650	\$ 400,725	105.7%
	<i>Subtotal, Services</i>	<i>\$ 379,000</i>	<i>\$ 18,650</i>	<i>\$ 400,725</i>	<i>105.7%</i>
Capital Out-Lay & Fixed Assets					
614-6401	Capital Out-Lay/Fixed Assets	\$ -	\$ -	\$ -	0.0%
	<i>Subtotal, Woodstove Change-out Grant Expenses</i>	<i>\$ 519,000</i>	<i>\$ 30,600</i>	<i>\$ 534,995</i>	<i>103.1%</i>
	<i>Total, Grant Operations Expenses</i>	<i>\$ 544,956</i>	<i>\$ 32,805</i>	<i>\$ 555,269</i>	<i>101.9%</i>
EXPENSES 141 Enterprise Operations					
Salaries					
141-1001	Salaries	\$ 13,320	\$ -	\$ 11,689	87.8%
141-2002	Benefits	\$ 4,680	\$ -	\$ 4,107	87.8%
141-1003	Overtime	\$ -	\$ -	\$ -	0.0%
	<i>Subtotal, Salaries</i>	<i>\$ 18,000</i>	<i>\$ -</i>	<i>\$ 15,796</i>	<i>87.8%</i>

FY 2023 Monthly BVA

June 2023		Budget	Actual Current	Actual Year to Date	Year to Date % of Budget
Report Date: July 13, 2023					
Supplies					
141-3101	Office Supplies	\$ 100	\$ -	\$ -	0.0%
141-3201	Vehicles, Gas	\$ 1,000	\$ -	\$ 1,120	112.0%
141-3501	Small Tools/Equipment	\$ 50	\$ -	\$ -	0.0%
	<i>Subtotal, Supplies</i>	<i>\$ 1,150</i>	<i>\$ -</i>	<i>\$ 1,120</i>	<i>97.4%</i>
Services					
141-4101	Professional Services	\$ 2,500	\$ -	\$ 530	0.0%
141-4202	Postage	\$ 250	\$ -	\$ 49	0.0%
141-4301	Travel & Transportation	\$ 7,500	\$ -	\$ 7,244	96.6%
141-4501	Rents & Leases, Space	\$ 2,500	\$ 175	\$ 3,820	152.8%
141-4801	Maintenance, Motor Vehicles	\$ 200	\$ -	\$ 94	47.1%
141-4801	Maintenance, Equipment	\$ 1,000	\$ -	\$ 295	29.5%
141-4901	Miscellaneous Services	\$ 100	\$ -	\$ -	0.0%
	<i>Subtotal, Services</i>	<i>\$ 14,050</i>	<i>\$ 175</i>	<i>\$ 12,032</i>	<i>85.6%</i>
Capital Out-Lay & Fixed Assets					
141-4500	Capital Out-Lay/Fixed Assets	\$ -	\$ -	\$ -	0.0%
	<i>Total Enterprise Operations Expenses</i>	<i>\$ 33,200</i>	<i>\$ 175</i>	<i>\$ 28,948</i>	<i>87.2%</i>
Summary of Revenue vs Expenses:					
	<i>Prior-Year Carry Over Funds</i>	<i>\$ 337,170</i>	<i>\$ -</i>	<i>\$ 337,170</i>	
	<i>Total Revenue, Base, Grants & Enterprise</i>	<i>\$ 1,756,401</i>	<i>\$ 96,415</i>	<i>\$ 2,157,935</i>	<i>122.9%</i>
	<i>Total Expenses, Base, Grants & Enterprise</i>	<i>\$ 1,371,457</i>	<i>\$ 92,425</i>	<i>\$ 1,314,942</i>	<i>95.9%</i>
	<i>Fund Balance</i>	<i>\$ 384,944</i>	<i>\$ 3,989</i>	<i>\$ 842,993</i>	
	<i>Operating Reserves</i>	<i>\$ 47,774</i>		<i>\$ -</i>	
	<i>Estimated Available Fund Balance</i>	<i>\$ 337,170</i>		<i>\$ 842,993</i>	

YAKIMA REGIONAL CLEAN AIR AGENCY
SUPPLEMENTAL INCOME STATUS for CY 2023 on May 31, 2023
CY 2023 \$.40 PER CAPITA (Rounded Amounts)

City/Town	Past Due	Assessment Amount	Total Amt Due	Date Received	Amount Received	Balance Due	Responses
Grandview	\$ -	\$ 4,384	\$ 4,384	3/17/2023; 5/2/2023	\$ 2,192	\$ 2,192	Pd 1/2
Granger	\$ -	\$ 1,476	\$ 1,476	3/22/2023; 5/22/2023	\$ 738	\$ 738	Pd 1/2
Harrah	\$ -	\$ 232	\$ 232	3/6/2023	\$ 232	\$ -	Pd in full
Mabton	\$ -	\$ 790	\$ 790	3/22/2023; 5/2/2023	\$ 395	\$ 395	Pd 1/2
Moxee	\$ -	\$ 1,762	\$ 1,762	3/17/2023	\$ 441	\$ 1,322	Pd 1/4
Naches	\$ -	\$ 444	\$ 444	3/17/2023; 5/15/2023	\$ 222	\$ 222	Pd 1/2
Selah	\$ -	\$ 3,294	\$ 3,294	3/17/2023	\$ 3,294	\$ -	Pd in full
Sunnyside	\$ -	\$ 6,560	\$ 6,560	4/3/2023; 5/22/2023	\$ 3,280	\$ 3,280	Pd 1/2
Tieton	\$ -	\$ 572	\$ 572	3/22/2023; 5/15/2023	\$ 286	\$ 286	Pd 1/2
Toppenish	\$ -	\$ 3,548	\$ 3,548	3/31/2023; 5/15/2023	\$ 1,774	\$ 1,774	Pd 1/2
Union Gap	\$ -	\$ 2,638	\$ 2,638	3/17/2023; 5/15/2023	\$ 1,319	\$ 1,319	Pd 1/2
Wapato	\$ 1,011	\$ 1,844	\$ 2,855	2/27/2023; 5/8/2023	\$ 1,933	\$ 922	Pd 1/2
City of Yakima	\$ -	\$ 39,124	\$ 39,124	1/26/2023; 5/8/2023	\$ 19,562	\$ 19,562	Pd 1/2
Zillah	\$ -	\$ 1,276	\$ 1,276	3/13/2023; 5/8/2023	\$ 638	\$ 638	Pd 1/2
Yakima Co.	\$ -	\$ 35,296	\$ 35,296	3/17/2023	\$ 35,296	\$ -	Pd in full
Totals:	\$ 1,011	\$ 103,240	\$ 104,251		\$ 71,602	\$ 32,650	

Yakima Regional Clean Air Agency
RESOLUTION NO. 2023-07

A Resolution of the Board of Directors
Updating the Method for Determining AOP Fee Assessments

WHEREAS, the Yakima Regional Clean Air Agency is an air pollution control authority established pursuant to Revised Code of Washington (RCW) 70A.15.1500; and

WHEREAS, commercial and industrial businesses that annually emit over 100 tons of any pollutant, over 10 tons of any hazardous air pollutant, or over 25 tons of any combination of hazardous air pollutants and those subject to certain special circumstances are required to obtain an operating permit (commonly known as an air operating permit or AOP) under Title V of the federal Clean Air Act; and

WHEREAS, the Washington Department of Ecology may accept the delegation of programs as provided for in the federal Clean Air Act and, subject to federal approval, may, in turn, delegate such programs to the local authority with jurisdiction in a given area pursuant to RCW 70A.15.6240; and

WHEREAS, the Agency's Board of Directors applied to, and received from, Ecology a delegation order authorizing the Agency to administer the operating permit program for sources under its jurisdiction pursuant to RCW 70A.15.2260; and

WHEREAS, the federal Environmental Protection Agency (EPA) approved the Ecology and Agency operating permits programs effective September 12, 2001 as set forth in 40 Code of Federal Regulations (CFR) Part 70; and

WHEREAS, the Agency is required to establish a process for developing, assessing, and collecting fees from permit program sources under its jurisdiction and said fees must be sufficient to cover its permit administration costs and its share of Ecology's development and oversight costs pursuant to WAC 173-401-905; and

WHEREAS, Ecology's development and oversight costs are those it incurs developing and administering the state operating permit program and in overseeing the administration of the program by the delegated local permitting authorities pursuant to RCW 70A.15.2270(2)(b); and

WHEREAS, Ecology charges its development and oversight (D&O) costs across all permitting authorities in proportion to the number of permit program sources under the jurisdiction of each authority pursuant to RCW 70A.15.2270(3)(c); and

WHEREAS, the Washington State Auditor's Office (SAO) conducts a biennial fiscal audit of the Agency's air operating permit program pursuant to WAC 173-401-920(3)(a); and

WHEREAS, the SAO recommends the Agency adopt a method for determining AOP fee assessments as needed, but no less than every three to five years; and

WHEREAS, the Agency last adopted a method for determining said fee assessments in 2009;

NOW THEREFORE, BE IT RESOLVED, that the Board does hereby supersede Resolution No. 2009-03 and establish the following methodology for determining AOP fee assessments:

1. Hourly Billing Rate

During the development of its annual budget, and upon any change in the costs comprising it, the Agency shall calculate an Hourly Billing Rate for each employee equal to one hundred twenty-five percent (125%) of the annual cost to the Agency of wages and benefits for the employee divided by the number of hours to be worked by the employee during the year (typically 2,080 for a full-time position). For example, the Hourly Billing Rate for a full-time employee receiving \$50,000 in wages and \$30,000 in benefits would be \$48.08 $((50,000 + 30,000) \times 1.25) \div 2,080$. The twenty-five percent (25%) surcharge covers the estimated portion of overhead costs (e.g. office lease, Internet access, electric power, janitorial, supplies, etc.).
2. Annual AOP Program Costs

The AOP fees assessed and collected are required to be sufficient to cover all direct and indirect costs of administering the AOP program annually. These annual costs are divided into an Internal Cost and an External Cost as set forth below.

 - a. The Internal Cost shall be equal to the (estimated or actual) hours used by Agency employees to administer the AOP program and engage in other eligible activities, as set forth in WAC 173-401-900 through 940, multiplied by the Hourly Billing Rate applicable for each employee and in effect at the time the work was performed. For example, the Internal Cost for two employees spending 1,083 hours and 649 hours administering the program with Hourly Billing Rates of \$76.29 and \$48.08, respectively, would be \$113,825.99 $((1,083 \times \$76.29) + (649 \times \$48.08))$.
 - b. The External Cost shall be equal to the (estimated or actual) Ecology development and oversight fee plus the SAO audit fee, if applicable. For example, the External Cost for a year in which the Ecology D&O fee was \$52,000 and an audit was performed resulting in an SAO audit fee of \$7,500 would be \$59,500 $(\$52,000 + \$7,500)$.
3. Projection of Annual AOP Source Fees

During the development of its annual budget, the Agency shall project an annual cost for each AOP source based on an estimated Internal Cost and an estimated External Cost with said costs allocated and billed to each AOP source as set forth below.
4. Reconciliation of Annual AOP Source Fees

At the beginning of each fiscal year, the Agency shall calculate the actual cost of administering the AOP program incurred during the previous fiscal year for each AOP source based on the actual Internal Cost and the actual External Cost with said costs allocated to each AOP source as set forth below. Any difference between the projected cost billed to an AOP source for the previous fiscal year (as set forth in the prior section) and the actual cost incurred by the Agency to administer the AOP program for that source in the same period (as set forth in this section) shall be charged or credited, as appropriate, to said AOP source in the billing for the new fiscal year. For example, the amount credited to an AOP source with a projected cost of \$135,849 and an actual cost of \$127,335 would be \$8,514 $(\$135,849 - \$127,335)$. If the projected cost for the new fiscal year were \$133,658, the AOP source would owe a net balance of \$125,144 $(\$133,658 - \$8,514)$.
5. Program Cost Allocation

The cost allocated to each AOP source shall be the total of the following three components:

 - a. *Fixed Component*

An amount equal to forty-five percent (45%) of the Internal Cost plus the entire External Cost, the sum of which shall be divided by the total number of AOP sources. For example, the fixed component amount for an AOP source where the Internal Cost equals \$210,000, the External Cost equals \$59,500, and the total number of AOP sources is three (3) would be \$51,333.33 $((210,000 \times 0.45) + 59,500) \div 3$.

b. *Complexity Component*

An amount equal to thirty percent (30%) of the Internal Cost divided by the total complexity rating of all AOP sources, the quotient of which shall be multiplied by the complexity rating for each AOP source. For example, the complexity component amount for an AOP source with a complexity rating of 2 where the total complexity rating of all AOP sources equals 8, and the Internal Cost equals \$210,000 would be \$15,750.00 $((210,000 * 0.30) \div 8) \times 2$. For the purposes of this sub-section, the complexity rating shall be a number from 1 (least complex) to 3 (most complex) based on the estimated time required to review, permit, and inspect the source and conduct other fee-eligible activities.

c. *Emissions Component*

An amount equal to twenty-five percent (25%) of the Internal Cost divided by the total annual emissions from all AOP sources, the quotient of which shall be multiplied by the annual emissions for each AOP source. For example, the emissions component amount for an AOP source emitting 18 tons of a hazardous air pollutant where the total annual emissions from all AOP sources equals 133 tons and the Internal Cost equals \$210,000 would be \$7,105.26 $((210,000 \times 0.25) \div 133) \times 18$. For the purposes of this sub-section, annual emissions shall *exclude* those regulated air pollutants set forth in 40 CFR Part 70 Section 70.9(b)(2) and WAC 173-401-200(27).

ADOPTED IN OPEN SESSION this 11th day of May, 2023.

Jon DeVaney, Chairperson

Janice Deccio, Director

Amanda McKinney, Director

Jose A. Trevino, Director

Steven Jones, Ph.D., Director

ATTEST:

Pamela Herman, Clerk of the Board

STAFF REPORT

Date: June 27, 2023
To: YRCAA Board of Directors
From: Marc Thornsbury, Executive Director
Subject: Wood Smoke Reduction Program Conditions - **UPDATE**

Summary

Grant funding for the Agency’s Wood Stove Change-out Program has expired and it must submit a new grant application to continue funding the program through the next biennium. In addition, the amount allocated for rebates and low-income installations must be adjusted to account for increases in the cost of labor and materials. At issue is the amount of these adjustments and how the rebates for non-wood devices should be calculated.

Based on increases in labor and materials costs and a review of market quotes for wood stove replacements, rebate and low-income installation costs were increased 16% to 20%.

In response to Board concerns, staff developed two options for consideration:

- Alternative #1 (see below) sets the rebate amounts for non-wood devices so the out-of-pocket expense to the homeowner is the same regardless of the non-wood fuel device selected. This would result in a slight reduction in the rebate amounts for pellet devices, a slight increase in those for natural gas/propane devices, and a corresponding adjustment in those for electric devices.
- Alternative #2 (see below) sets the rebate amounts for non-wood devices based on the difference in their estimated labor and materials costs rounded to the nearest \$50. For natural gas/propane devices, this would result in no change, a slight increase, and a substantial increase in the rebates for the replacement of pre-1988, 1988-2014, and 2015-2019 devices, respectively—creating a modest incentive to select a gas/propane device.

Recommendation

No action by the board is necessary. However, staff seek the concurrence of the board with respect to **one** of the following **alternatives** (subject to change as may be required by the final adopted conditions and requirements of the Wash. Dept. of Ecology Wood Smoke Reduction Grant). The figures shown are for FY 2023-24. An increase of 3% for inflation is anticipated for FY 2024-25.

Alternative #1 – Rebate based on same out-of-pocket cost

Removed Device	Replacement Device	Amount	Type
Pre-1988 EPA certified	2020 EPA certified wood stove/insert	\$1,550	Rebate
or uncertified wood or	2020 EPA certified pellet stove/insert	\$2,100	Rebate
pellet stove or insert or	Natural gas/propane stove/furnace/insert	\$2,300	Rebate
open fireplace	Electric heat-pump/furnace/insert/mini-split	\$3,800	Rebate

1988-2014 EPA certified wood or pellet stove or insert	2020 EPA certified wood stove/insert	\$1,050	Rebate
	2020 EPA certified pellet stove/insert	\$1,600	Rebate
	Natural gas/propane stove/furnace/insert	\$1,800	Rebate
	Electric heat-pump/mini-split/furnace/insert	\$3,300	Rebate
2015-2019 EPA certified wood or pellet stove or insert	2020 EPA certified wood stove/insert	\$0	
	2020 EPA certified pellet stove/insert	\$350	Rebate
	Natural gas/propane stove/furnace/insert	\$450	Rebate
	Electric heat-pump/mini-split/furnace/insert	\$1,950	Rebate
2020+ EPA certified wood or pellet stove or insert	Not applicable		
	No rebate available	\$0	N/A
Pre-2014 EPA certified or uncertified wood or pellet stove or insert or open fireplace	2020 EPA certified wood/pellet stove	\$7,000	Low Income
	Natural gas/propane stove/furnace	\$7,000	Low Income
	Electric heat-pump/one-zone mini-split/furnace	\$8,500	Low Income
	Electric two-zone mini-split	\$11,000	Low Income
Pre-2020 EPA certified or uncertified wood or pellet stove or insert	None (old device must be destroyed)	\$350	Bounty

Alternative #2 – Rebate based on percentage difference in cost of gas/propane vs. electric

Removed Device	Replacement Device	Amount	Type
Pre-1988 EPA certified or uncertified wood or pellet stove or insert or open fireplace	2020 EPA certified wood stove/insert	\$1,550	Rebate
	2020 EPA certified pellet stove/insert	\$2,200	Rebate
	Natural gas/propane stove/furnace/insert	\$2,850	Rebate
	Electric heat-pump/furnace/insert/mini-split	\$3,500	Rebate
1988-2014 EPA certified wood or pellet stove or insert	2020 EPA certified wood stove/insert	\$1,050	Rebate
	2020 EPA certified pellet stove/insert	\$1,700	Rebate
	Natural gas/propane stove/furnace/insert	\$2,450	Rebate
	Electric heat-pump/mini-split/furnace/insert	\$3,000	Rebate
2015-2019 EPA certified wood or pellet stove or insert	2020 EPA certified wood stove/insert	\$0	
	2020 EPA certified pellet stove/insert	\$350	Rebate
	Natural gas/propane stove/furnace/insert	\$1,100	Rebate
	Electric heat-pump/mini-split/furnace/insert	\$1,350	Rebate
2020+ EPA certified wood or pellet stove or insert	Not applicable		
	No rebate available	\$0	N/A
Pre-2014 EPA certified or uncertified wood or pellet stove or insert or open fireplace	2020 EPA certified wood/pellet stove	\$7,000	Low Income
	Natural gas/propane stove/furnace	\$7,000	Low Income
	Electric heat-pump/one-zone mini-split/furnace	\$8,500	Low Income
	Electric two-zone mini-split	\$11,000	Low Income
Pre-2020 EPA certified or uncertified wood or pellet stove or insert	None (old device must be destroyed)	\$350	Bounty

Background

For many years, the Agency has operated a wood smoke reduction program (commonly referred to as the “wood stove change-out program” that provides rebates to individuals replacing solid fuel burning devices that do not meet current emissions standards with Environmental Protection Agency (EPA) certified devices (e.g. wood stoves, pellet stoves, fireplace inserts/retrofits, and furnaces), natural gas or propane devices (e.g. stoves, furnaces, and inserts/retrofits), and electric devices (e.g. heat pumps, mini-split systems, furnaces, and inserts/retrofits).

The program also funds the replacement of solid fuel burning devices that do not meet current emissions standards with EPA certified devices, natural gas or propane devices, and electric devices for low income households. In addition, it pays a modest “bounty” for the permanent destruction of solid fuel burning devices that do not meet current emissions standards.

In the current (2021-23) biennium, the Agency issued 149 rebates, performed 104 low-income device replacements, and issued 27 wood stove “bounties”.

The Agency’s program is funded through the biennial Wood Smoke Reduction Grant provided by the Wash. Dept. of Ecology. This competitive grant program funds projects that “protect people from breathing harmful smoke.” Ecology notes “wood smoke is one of the main sources of air pollution in Washington” and “wood stoves, fireplaces, and other wood-burning devices put out hundreds of times more air pollution than other sources of heat, such as natural gas or electricity.” In addition, wood smoke is a substantial contributor to fine particulate matter (PM_{2.5}) which is an EPA criteria pollutant of concern in the Yakima Valley.

For the coming biennium, \$4.14 million (statewide) has been allocated to the wood smoke reduction program with a minimum \$100,000 earmarked for wood-to-wood upgrades. It is expected the amount awarded to the Agency will be similar to that of the current biennium.

Older solid fuel burning devices typically release fifteen to thirty grams of particulate matter per hour (15g/h to 30g/h). The New Source Performance Standards for residential wood heaters established in 1988 required such devices to emit a maximum of seven and one-half grams of particulate matter per hour (7.5g/h). In 2015, the standard was lowered to four and one-half grams of particulate matter per hour (4.5g/h) with a future adjustment scheduled to take effect five years later (known as “Step II”). In 2020, the standard became two and one-half grams of particulate matter per hour (2.5g/h). However, these anticipated emissions reductions can only be realized if the wood stove is properly operated and, unfortunately, that is often not the case.

Concerns regarding the production of greenhouse gasses prompted limitations on the use of Wood Smoke Reduction Grant funds for natural gas devices during the current biennium. However, this had a negative effect on efforts to reduce PM_{2.5} and similar limitations have not been implemented for the coming biennium.

During FY2021-22 and FY2022-23, the Agency’s program provided the following:

Type	Replacement Appliance	Amount
Rebate	Wood or pellet stove	\$2,000
Rebate	Gas stove or furnace	\$1,500

Rebate	Electric heat pump or furnace	\$2,500
Low-income	Wood, pellet, or gas stove or gas furnace	\$6,000
Low-income	Electric heat pump or furnace	\$7,000
Bounty	Non-certified appliance	\$250

Analysis

Inflation has affected costs for heating equipment and installation with current estimates suggesting an increase of **sixteen to twenty percent (16% to 20%)** in FY 2023-24. As the state funding available for the coming biennium will remain largely unchanged, the Agency will likely request \$1.35 million with the expectation it will receive \$1.25 to \$1.30 million. However, any modest increase in funding will likely be inadequate to accommodate the higher program costs anticipated. As a result, a reduction in the number of program participants will be necessary. Based on current performance data and expected cost increases, staff estimates the Agency will be able to deliver approximately 120 rebates, 85 low-income device replacements, and 20 wood stove “bounties” in FY 2023-24 and FY 2024-25 (combined).

In evaluating how best to structure the program for the next two fiscal years, staff considered the following factors:

- Costs are expected to be **16% to 20%** higher for the first half of the biennium with a 3% adjustment necessary for the second half of the biennium.
- Pre-1988 and uncertified wood stoves, as well as open fireplaces, emit quantities of fine particulate matter (PM_{2.5}) substantially exceeding those of certified wood burning, natural gas, propane, and electric devices.
- Pellet stoves are more efficient and emit smaller quantities of PM_{2.5} than wood stoves or open fireplaces—typically because the mechanism involved is more likely to result in consistent, proper operation of the device, over time, versus a human (www.epa.gov/burnwise/frequent-questions-about-wood-burning-appliances).
- Electric devices emit the lowest quantities of greenhouse gasses compared to gas and wood burning devices (locally—the overall impact, and the comparative impacts of gas and wood devices, are both in dispute).
- Gas devices emit substantially lower quantities of fine particulate matter than wood burning devices (www.epa.gov/burnwise/frequent-questions-about-wood-burning-appliances).
- There is an inverse correlation between the age of EPA certified wood burning devices and the effect achieved by replacing them with current (2020 standard) wood burning devices (see the fine particulate matter emissions allowed with each standards change as noted above).
- Wood burning device efficiency generally declines, and emissions increase, with age.
- On average, the Yakima Valley is subject to high levels of fine particulate matter relative to most other areas of the state.

Staff also considered concerns expressed by the Board that rebate amounts should not favor any non-wood fuel device over another, but should reflect the estimated labor and materials costs for devices using non-wood fuel. The method for achieving the neutrality desired depends on whether it is viewed from a homeowner or program perspective.

Homeowner

In the case of the former, the objective would be to adjust the rebate amounts offered so the out-of-pocket expense to the homeowner is the same regardless of the non-wood fuel device selected. To achieve this, the rebates for natural gas/propane devices would need to be reduced from the amount initially proposed (\$650 below the rebate amount for electric devices).

For example, based on the estimated costs for low-income conversions (\$7,000 for natural gas/propane devices and \$8,500 for electric devices) and the initially proposed refund amount of \$3,500 for electric devices, the proposed rebate for replacing a pre-1988 wood device with a natural gas/propane device would be reduced from \$2,850 to \$2,000 as illustrated below:

<u>Device</u>	<u>Estimated Cost</u>		<u>Neutral Rebate</u>		<u>Homeowner Out-of-pocket Cost</u>
Electric	\$8,500	-	\$3,500	=	\$5,000
Natural gas/propane	\$7,000	-	\$2,000	=	\$5,000

Likewise, the rebate for a natural gas/propane device replacing a 1988-2014 and a 2015-2019 wood device would shrink from \$2,350 to \$1,500 and from \$850 to \$0, respectively.

However, this would also result in rebates for natural gas/propane devices falling below those for wood pellet devices (\$2,200, \$1,700, and \$350 for the replacement of pre-1988, 1988-2014, and 2015-2019 devices, respectively). To adjust for this, the rebate amounts for pellet devices were slightly reduced, those for natural gas/propane devices were slightly increased, and those for electric devices were adjusted accordingly as shown in “Alternative #1” above.

Program

From a program perspective, the objective of neutrality would be to ensure a consistent basis for determining rebate amounts for non-wood devices. To achieve this, the same calculation would be used to for all such devices based on the difference in the estimated labor and materials costs and rounded to the nearest \$50.

For example, based on the estimated costs for low-income conversions (\$7,000 for natural gas/propane devices and \$8,500 for electric devices) and the initially proposed refund amount of \$3,500 for electric devices, the proposed rebate for replacing a pre-1988 wood device with a natural gas/propane device would remain \$2,850 as illustrated below:

<u>Device</u>	<u>Estimated Cost</u>		<u>Difference</u>		<u>Rebate</u>
Electric	\$8,500				\$3,500
Natural gas/propane	\$7,000	×	82%	=	\$2,870 (rounded to \$2,850)

The rebate for a natural gas/propane device replacing a 1988-2014 and a 2015-2019 wood device would increase from \$2,350 to \$2,450 and from \$850 to \$1,100, respectively, as shown in “Alternative #2” above.

It should be noted Alternative #2 does not strictly meet the stated objective of the Board as it results in a lower out-of-pocket cost to the homeowner when selecting a natural gas/propane device instead of an electric device (\$850 lower, \$950 lower, and \$1,250 lower for the replacement of pre-1988, 1988-2014, and 2015-2019 devices, respectively)

Taking the above elements into account, staff developed the two alternatives shown above so that:

- Amounts are adjusted to account for inflation so as to ensure future financial incentives are commensurate with costs (for rebates) and allow for a reasonable profit for retailers and installers to ensure continued participation in the program (for low income installations);
- Funds continue to be provided for wood-to-wood upgrades while offering a greater financial incentive to utilize other devices that deliver the greatest reduction in fine particulate matter emissions;
- Program funds and efficacy are preserved by reducing incentives to upgrade recent (2015 standard) devices that deliver limited fine particulate matter emissions benefits;
- Amounts are substantially increased for pre-1988 standard and uncertified devices and open fireplaces where the installation of new (2020 standard) devices would eliminate devices emitting high levels of fine particulate matter; and
- Rebate amounts for non-wood devices are calculated on the same basis and maintain a degree of neutrality (the extent of which is dependent upon the alternative selected).

MEMORANDUM

Date: July 8, 2023
To: Honorable YRCAA Board of Directors and Alternates
From: Office of Compliance, Engineering and Planning Division
Subject: June's Compliance, Engineering and Planning Division Report

Issue:

Monthly activities report to the Board of Directors of YRCAA.

Discussion:

The following summarizes some of the activities for the month of June including some additional related information:

- Registered 6 sources;
- Working on New Source Reviews (NSR) permits;
- Issued one NSR Order of Approvals;
- Reviewed/responded to 28 SEPA's projects;
- Issued 71 residential burn permits;
- Working on Title V renewals;
- Issued 2 Dust Control Plans (DCP);
- Reviewed/approved 4 Notifications of Demolition / Renovation (NODR);
- Inspected 26 sources;
- Issued one Agricultural burn permit;
- Worked on the daily weather forecasts for the burn status and agricultural burn allocation;
- No burn ban called for the month of June;
- We expect no exceedances during the month of June as shown in the graphs; and
- Collected and shipped for analysis approximately 15 Air Monitoring Samples and completed 6 Quality Control (QC) checks on 5 Air Monitors. Investigated 11 complaints, Issued 8 NOP's and 5 NOV's for the month of June;

The following Table itemizes, by type, the number of complaints received and the number of NOV's issued, for the month June 2023:

Type of Complaint	Number of Complains	Number of NOV's*	Number of AOD's**
Residential Burning	6		
Agricultural Burning	1		
Other Burning and SFBD***			
Fugitive / Construction Dust	3	1	
Agricultural Dust			
Agricultural Odor			
Other Dust			
Surface Coating			
Odor	1		
Asbestos			
Others and NSR****			
Registration		4	
Industrial Sources			
TOTALS	11	5	0

*NOV- Notice of Violation

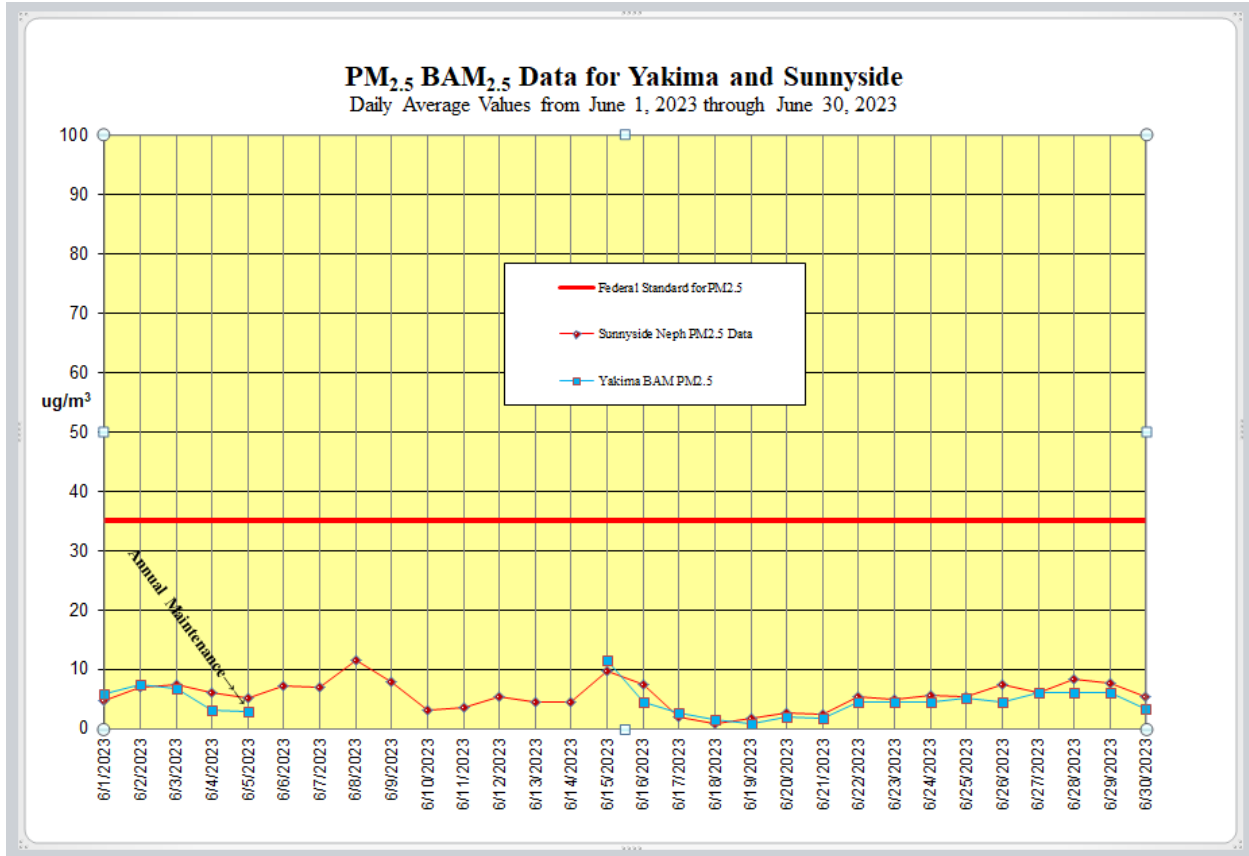
**AOD- Assurance of Discontinues

*** Solid Fuel Burning Device **** New Source Review

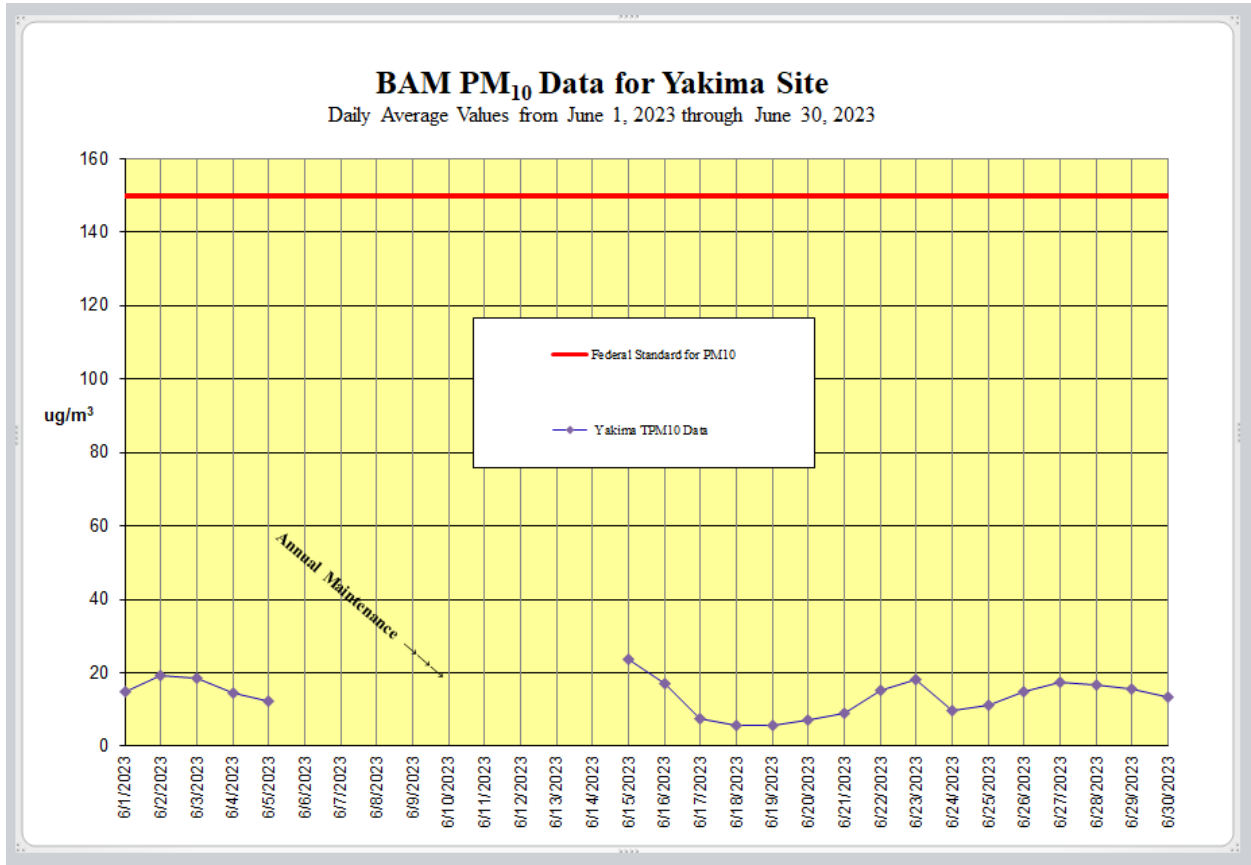
Attachments:

- ✓ *PM_{2.5} Monitor Data for the month of June 2023 and the annual graphs.*
- ✓ *PM₁₀ Monitor Data for the month of June 2023.*

- **PM_{2.5} Data**
 - We expect no PM_{2.5} exceedances for the month of June.



- **PM₁₀**
- We expect no PM₁₀ exceedance for the month of June.



- **Annual PM_{2.5} Data**

- Annual PM_{2.5} for Yakima and Sunnyside monitors for the specified periods.

