



# **Yakima Regional Clean Air Agency**

## **Fiscal Year 2024-25 Budget**

**Final**

June 6, 2024

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## YRCAA Final FY 2024-25 Budget

The Yakima Regional Clean Air Agency (YRCAA) is required to have an annual budget that “contain[s] adequate funding and provide[s] for staff sufficient to carry out the provisions of all applicable ordinances, resolutions, and local regulations related to the reduction, prevention, and control of air pollution” pursuant to RCW 70A.15.1590. The following budget meets these requirements, aligns all expenditures with their appropriate revenue sources, and contains an itemized accounting of both with respect to the Agency’s base, grant, and enterprise operations.

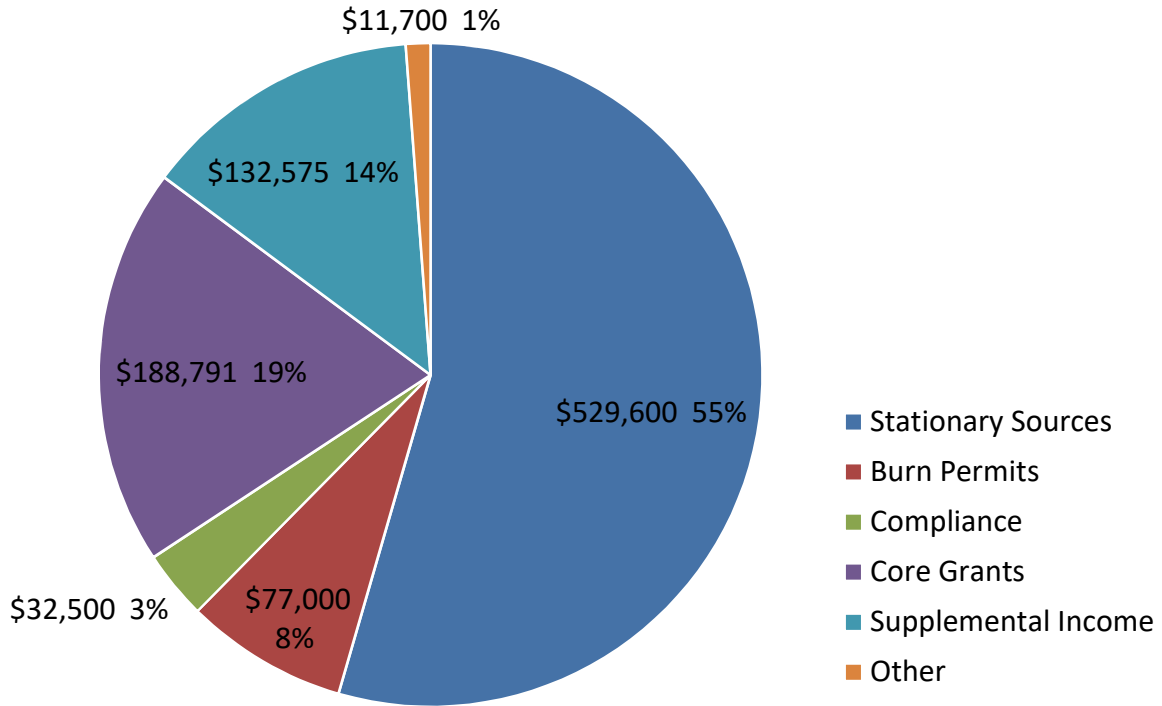
| YRCAA Comparative Budget<br>FY 2024-25  | Adopted Budget<br>FY 2023-24 | Projected Actual<br>FY 2023-24 | Final Budget FY<br>FY 2024-25 |
|---|------------------------------|--------------------------------|-------------------------------|
| <b>REVENUE – Base Operations</b>        |                              |                                |                               |
| <b>Stationary Sources</b>               |                              |                                |                               |
| 32199001 Minor Sources                  | \$ 251,097                   | \$ 350,161                     | \$ 357,164                    |
| 32199002 New Source Review              | 39,848                       | 35,052                         | 36,000                        |
| 32199004 Complex Minor Sources          | 44,926                       | 0                              | 0                             |
| 32199005 Synthetic Minor Sources        | 37,193                       | 34,643                         | 37,936                        |
| 32290001 Title V Sources                | <u>72,000</u>                | <u>98,460</u>                  | <u>98,500</u>                 |
| <i>Subtotal – Stationary Sources</i>    | <b>\$ 445,064</b>            | <b>\$ 518,316</b>              | <b>\$ 529,600</b>             |
| <b>Burn Permits</b>                     |                              |                                |                               |
| 32290005 Residential Burn Permits       | \$ 53,500                    | \$ 63,639                      | \$ 60,000                     |
| 32290007 Agricultural Burn Permits      | 21,128                       | 19,860                         | 15,500                        |
| 32290011 Conditional Use Burn Permits   | <u>2,150</u>                 | <u>1,720</u>                   | <u>1,500</u>                  |
| <i>Subtotal – Burn Permits</i>          | <b>\$ 76,778</b>             | <b>\$ 85,219</b>               | <b>\$ 77,000</b>              |
| <b>Compliance</b>                       |                              |                                |                               |
| 32199003 Asbestos Removal Fees          | \$ 26,229                    | \$ 27,803                      | \$ 26,000                     |
| 32199007 Construction Dust Control Fees | <u>7,632</u>                 | <u>7,625</u>                   | <u>6,500</u>                  |
| <i>Subtotal – Compliance</i>            | <b>\$ 33,861</b>             | <b>\$ 35,428</b>               | <b>\$ 32,500</b>              |
| <b>Core Grants (CAA Section 105)</b>    |                              |                                |                               |
| 33366001 EPA Core                       | \$ 106,545                   | \$ 113,275                     | \$ 113,275                    |
| 33403101 Ecology Local Partner Core     | <u>77,153</u>                | <u>75,516</u>                  | <u>75,516</u>                 |
| <i>Subtotal – Base Grants</i>           | <b>\$ 183,698</b>            | <b>\$ 188,791</b>              | <b>\$ 188,791</b>             |
| <b>Fines and Penalties</b>              |                              |                                |                               |
| 35990001 Fines and Penalties            | \$ 0                         | \$ 37,767                      | \$ 0                          |
| <i>Subtotal – Fines and Penalties</i>   | <b>\$ 0</b>                  | <b>\$ 37,767</b>               | <b>\$ 0</b>                   |
| <b>Supplemental Income</b>              |                              |                                |                               |
| 36850003 Supplemental Income            | \$ 94,597                    | \$ 94,735                      | \$ 132,575                    |
| <i>Subtotal – Supplemental Income</i>   | <b>\$ 94,597</b>             | <b>\$ 94,735</b>               | <b>\$ 132,575</b>             |
| <b>Other Income</b>                     |                              |                                |                               |
| 36111001 Interest                       | \$ 7,000                     | \$ 11,241                      | \$ 11,200                     |
| 36991011 Miscellaneous                  | <u>400</u>                   | <u>781</u>                     | <u>500</u>                    |
| <i>Subtotal – Other Income</i>          | <b>\$ 7,400</b>              | <b>\$ 12,023</b>               | <b>\$ 11,700</b>              |
| <i>Subtotal – Base Operations</i>       | <b>\$ 841,398</b>            | <b>\$ 972,278</b>              | <b>\$ 972,166</b>             |
| <b>REVENUE – Grant Operations</b>       |                              |                                |                               |
| <b>Wood Smoke Education</b>             |                              |                                |                               |
| 33403105 Wood Smoke Education           | \$ 4,906                     | \$ 5,129                       | \$ 5,129                      |
| <i>Subtotal – Wood Smoke Education</i>  | <b>\$ 4,906</b>              | <b>\$ 5,129</b>                | <b>\$ 5,129</b>               |
| <b>Wood Smoke Reduction</b>             |                              |                                |                               |
| 33403107 Wood Smoke Reduction           | \$ 687,500                   | \$ 932,778                     | \$ 317,223                    |
| <i>Subtotal – Wood Smoke Reduction</i>  | <b>\$ 687,500</b>            | <b>\$ 932,778</b>              | <b>\$ 317,223</b>             |

| <b>YRCAA Comparative Budget<br/>FY 2024-25</b>   | <b>Adopted Budget<br/>FY 2023-24</b> | <b>Projected Actual<br/>FY 2023-24</b> | <b>Final Budget FY<br/>FY 2024-25</b> |
|--|--------------------------------------|--|---------------------------------------|
| <b>Particulate Matter (CAA Section 103)</b>      |                                      |  |                                       |
| 33403108 Ecology Local Partner PM 2.5            | \$ 21,050                            | \$ 21,051                              | \$ 36,000                             |
| <i>Subtotal – Particulate Matter</i>             | <u>\$ 21,050</u>                     | <u>\$ 21,051</u>                       | <u>\$ 36,000</u>                      |
| <i>Subtotal – Grant Operations</i>               | \$ 713,456                           | \$ 958,957                             | \$ 358,352                            |
| <b>REVENUE – Enterprise Operations</b>           |                                      |  |                                       |
| <b>Visible Emission Certification</b>            |                                      |  |                                       |
| 34517001 Visible Emission Certification          | \$ 75,000                            | \$ 42,040                              | \$ 73,200                             |
| <i>Subtotal – Visible Emission Certification</i> | <u>\$ 75,000</u>                     | <u>\$ 42,040</u>                       | <u>\$ 73,200</u>                      |
| <i>Subtotal – Enterprise Operations</i>          | \$ 75,000                            | \$ 42,040                              | \$ 80,000                             |
| <b>Total Revenue</b>                             | <b>\$ 1,629,854</b>                  | <b>\$ 2,018,615</b>                    | <b>\$ 1,410,517</b>                   |
| <b>EXPENSES – Base Operations</b>                |                                      |  |                                       |
| <b>Wages and Benefits</b>                        |                                      |  |                                       |
| 553701001 Wages and Salaries                     | \$ 462,031                           | \$ 417,893                             | \$ 680,822                            |
| 553702001 Benefits                               | 182,880                              | \$ 143,462                             | \$ 330,945                            |
| 553703001 Overtime                               | <u>2,000</u>                         | <u>\$ 0</u>                            | <u>\$ 2,000</u>                       |
| <i>Subtotal – Wages and Benefits</i>             | <u>\$ 646,911</u>                    | <u>\$ 561,355</u>                      | <u>\$ 1,013,767</u>                   |
| <b>Supplies</b>                                  |                                      |  |                                       |
| 533703101 Office Supplies                        | \$ 7,000                             | \$ 5,425                               | \$ 7,000                              |
| 533703102 Safety Equipment                       | 1,000                                | 0                                      | 1,000                                 |
| 533703201 Vehicles                               | 5,500                                | 2,680                                  | 4,000                                 |
| 533703501 Small Tools and Equipment              | 4,500                                | 0                                      | 3,000                                 |
| 533703502 Technology Systems                     | 5,000                                | 5,102                                  | 5,000                                 |
| 533703503 Office Furnishings                     | <u>750</u>                           | <u>2,513</u>                           | <u>750</u>                            |
| <i>Subtotal – Supplies</i>                       | <u>\$ 23,750</u>                     | <u>\$ 15,720</u>                       | <u>\$ 20,750</u>                      |
| <b>Services</b>                                  |                                      |  |                                       |
| 553704101 Professional Services                  | \$ 46,000                            | \$ 50,032                              | \$ 40,000                             |
| 553704102 Laboratory Analyses                    | 500                                  | 236                                    | 500                                   |
| 553704192 Yakima County Services                 | 1,000                                | 0                                      | 0                                     |
| 553704201 Communications and Technology          | 9,800                                | 10,020                                 | 10,500                                |
| 553704202 Postage and Freight                    | 1,800                                | 1,947                                  | 2,000                                 |
| 553704301 Travel and Related                     | 5,000                                | 435                                    | 5,000                                 |
| 553704401 Public Notices and Education           | 8,000                                | 1,512                                  | 6,000                                 |
| 553704501 Rents and Leases                       | 62,000                               | 62,057                                 | 64,000                                |
| 553704601 Insurance                              | 16,000                               | 16,184                                 | 17,500                                |
| 553704701 Utilities                              | 6,000                                | 4,800                                  | 6,200                                 |
| 553704801 Maintenance – Vehicles/Equipment       | 2,000                                | 2,239                                  | 2,700                                 |
| 553704802 Maintenance – Building                 | 4,700                                | 2,835                                  | 1,200                                 |
| 553704901 Miscellaneous                          | 17,200                               | 11,695                                 | 15,000                                |
| 553704902 Ecology Oversight and Admin. Fee       | <u>2,700</u>                         | <u>3,148</u>                           | <u>3,500</u>                          |
| <i>Subtotal – Services</i>                       | <u>\$ 182,700</u>                    | <u>\$ 167,140</u>                      | <u>\$ 179,100</u>                     |
| <b>Capital Projects/Fixed Assets</b>             |                                      |  |                                       |
| 594536401 Capital Projects/Fixed Assets          | \$ 0                                 | \$ 0                                   | \$ 0                                  |
| <i>Subtotal – Base Operations</i>                | <u>\$ 853,361</u>                    | <u>\$ 744,215</u>                      | <u>\$ 1,213,617</u>                   |
| <b>EXPENSES – Grant Operations</b>               |                                      |  |                                       |
| <b>Wood Smoke Education</b>                      |                                      |  |                                       |
| <b>Wages and Benefits</b>                        |                                      |  |                                       |
| 553701002 Wages and Salaries                     | \$ 3,186                             | \$ 3,106                               | \$ 3,106                              |
| 553702002 Benefits                               | 1,120                                | 1,375                                  | 1,375                                 |
| 553703002 Overtime                               | <u>0</u>                             | <u>0</u>                               | <u>0</u>                              |
| <i>Subtotal – Wages and Benefits</i>             | <u>\$ 4,306</u>                      | <u>\$ 4,481</u>                        | <u>\$ 4,481</u>                       |

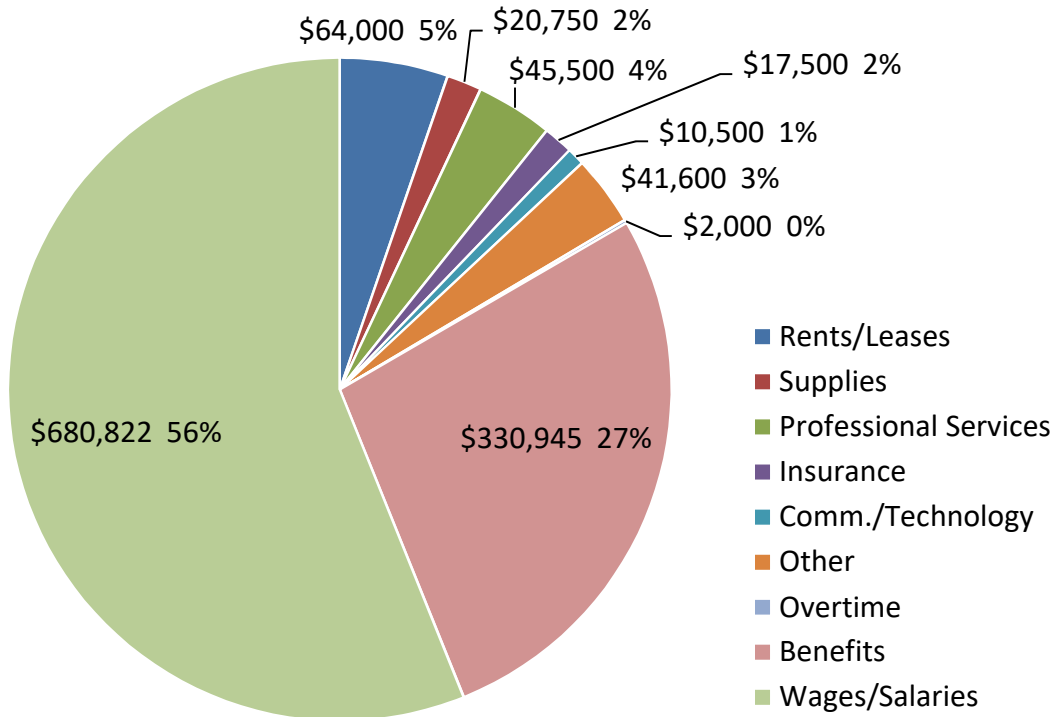
| <b>YRCAA Comparative Budget<br/>FY 2024-25</b> |  | <b>Adopted Budget<br/>FY 2023-24</b> | <b>Projected Actual<br/>FY 2023-24</b> | <b>Final Budget FY<br/>FY 2024-25</b> |
|--|--|--------------------------------------|--|---------------------------------------|
| <b>Supplies</b>                                |  |                                      |  |                                       |
| 553703103                                      | Office Supplies                        | \$ 0                                 | \$ 0                                   | \$ 0                                  |
|  | <i>Subtotal – Supplies</i>             | \$ 0                                 | \$ 0                                   | \$ 0                                  |
| <b>Services</b>                                |  |                                      |  |                                       |
| 553704139                                      | Professional Services                  | \$ 600                               | \$ 750                                 | \$ 750                                |
| 553704203                                      | Postage                                | 0                                    | 0                                      | 0                                     |
|  | <i>Subtotal – Services</i>             | \$ 600                               | \$ 750                                 | \$ 750                                |
|  | <i>Subtotal – Wood Smoke Education</i> | \$ 4,906                             | \$ 5,231                               | \$ 5,231                              |
| <b>Particulate Matter</b>                      |  |                                      |  |                                       |
| <b>Wages and Benefits</b>                      |  |                                      |  |                                       |
| 553701003                                      | Wages and Salaries                     | \$ 15,577                            | \$ 35,000                              | \$ 17,970                             |
| 553702003                                      | Benefits                               | 5,473                                | 7,100                                  | 8,421                                 |
| 553703003                                      | Overtime                               | 0                                    | 0                                      | 0                                     |
|  | <i>Subtotal – Wages and Benefits</i>   | \$ 21,050                            | \$ 42,100                              | \$ 26,391                             |
| <b>Supplies</b>                                |  |                                      |  |                                       |
| 553703104                                      | Office Supplies                        | \$ 0                                 | \$ 0                                   | \$ 0                                  |
|  | <i>Subtotal – Supplies</i>             | \$ 0                                 | \$ 0                                   | \$ 0                                  |
| <b>Services</b>                                |  |                                      |  |                                       |
| 553704104                                      | Professional Services                  | \$ 0                                 | \$ 0                                   | \$ 0                                  |
|  | <i>Subtotal – Services</i>             | \$ 0                                 | \$ 0                                   | \$ 0                                  |
|  | <i>Subtotal – PM 2.5</i>               | \$ 21,050                            | \$ 42,100                              | \$ 26,391                             |
| <b>Wood Smoke Reduction</b>                    |  |                                      |  |                                       |
| <b>Wages and Benefits</b>                      |  |                                      |  |                                       |
| 553701004                                      | Wages and Salaries                     | \$ 127,188                           | \$ 133,127                             | \$ 45,274                             |
| 553702004                                      | Benefits                               | 44,688                               | 53,429                                 | 18,170                                |
| 553703004                                      | Overtime                               | 0                                    | 0                                      | 0                                     |
|  | <i>Subtotal – Wages and Benefits</i>   | \$ 171,876                           | \$ 186,556                             | \$ 63,445                             |
| <b>Supplies</b>                                |  |                                      |  |                                       |
| 553703105                                      | Office Supplies                        | \$ 0                                 | \$ 0                                   | \$ 0                                  |
|  | <i>Subtotal – Supplies</i>             | \$ 0                                 | \$ 0                                   | \$ 0                                  |
| <b>Services</b>                                |  |                                      |  |                                       |
| 553704105                                      | Professional Services                  | \$ 515,625                           | \$ 746,222                             | \$ 253,778                            |
|  | <i>Subtotal – Services</i>             | \$ 515,625                           | \$ 746,222                             | \$ 253,778                            |
|  | <i>Subtotal – Wood Smoke Reduction</i> | \$ 687,501                           | \$ 932,778                             | \$ 317,223                            |
|  | <i>Subtotal – Grant Operations</i>     | \$ 713,457                           | \$ 980,109                             | \$ 348,845                            |
| <b>EXPENSES – Enterprise Operations</b>        |  |                                      |  |                                       |
| <b>Visible Emission Certification</b>          |  |                                      |  |                                       |
| <b>Wages and Benefits</b>                      |  |                                      |  |                                       |
| 553701005                                      | Wages and Salaries                     | \$ 13,320                            | \$ 52,100                              | \$ 17,087                             |
| 553702005                                      | Benefits                               | 4,680                                | 8,290                                  | 7,109                                 |
| 553703005                                      | Overtime                               | 0                                    | 0                                      | 0                                     |
|  | <i>Subtotal – Wages and Benefits</i>   | \$ 18,000                            | \$ 60,390                              | \$ 24,195                             |
| <b>Supplies</b>                                |  |                                      |  |                                       |
| 553703106                                      | Office Supplies                        | \$ 100                               | \$ 850                                 | \$ 925                                |
| 553703206                                      | Vehicles                               | 1,200                                | 937                                    | 1,400                                 |
| 553703506                                      | Small Tools and Equipment              | 50                                   | 0                                      | 50                                    |
|  | <i>Subtotal – Supplies</i>             | \$ 1,350                             | \$ 1,787                               | \$ 2,375                              |

| <b>YRCAA Comparative Budget<br/>FY 2024-25</b>       | <b>Adopted Budget<br/>FY 2023-24</b> | <b>Projected Actual<br/>FY 2023-24</b> | <b>Final Budget FY<br/>FY 2024-25</b> |
|--|--------------------------------------|--|---------------------------------------|
| <b>Services</b>                                      |                                      |  |                                       |
| 553704106 Professional Services                      | \$ 1,000                             | \$ 296                                 | \$ 325                                |
| 553704206 Postage                                    | 100                                  | 0                                      | 100                                   |
| 553704306 Travel and Transportation                  | 8,500                                | 4,500                                  | 6,500                                 |
| 553704506 Rents and Leases                           | 4,000                                | 2,501                                  | 3,500                                 |
| 553704806 Maintenance – Vehicles/Equipment           | 800                                  | 170                                    | 800                                   |
| 553704906 Miscellaneous                              | 0                                    | 0                                      | 0                                     |
| <b>Subtotal – Services</b>                           | <b>\$ 14,400</b>                     | <b>\$ 7,467</b>                        | <b>\$ 11,225</b>                      |
| <b>Capital Projects/Fixed Assets</b>                 |                                      |  |                                       |
| 553706406 Capital Projects/Fixed Assets              | \$ 0                                 | \$ 0                                   | \$ 0                                  |
| <b>Subtotal – Capital Projects/Fixed Assets</b>      | <b>\$ 0</b>                          | <b>\$ 0</b>                            | <b>\$ 0</b>                           |
| <b>Subtotal – Enterprise Operations</b>              | <b>\$ 33,750</b>                     | <b>\$ 69,644</b>                       | <b>\$ 37,795</b>                      |
| <b>Total Expenses</b>                                | <b>\$ 1,600,568</b>                  | <b>\$ 1,793,968</b>                    | <b>\$ 1,600,257</b>                   |
| <b>Summary</b>                                       |                                      |  |                                       |
| Total Revenue  | \$ 1,629,854                         | \$ 2,018,615                           | \$ 1,410,517                          |
| Total Expenses                                       | 1,600,568                            | 1,793,968                              | 1,600,257                             |
| <b>Contribution to Reserves</b>                      | <b>\$ 29,286</b>                     | <b>\$ 224,648</b>                      | <b>\$ (189,740)</b>                   |
| Beginning Reserve Balance                            | \$ 1,020,617                         | \$ 1,208,748                           | \$ 1,433,396                          |
| Contribution to Reserves                             | 29,286                               | 224,648                                | (189,740)                             |
| <b>Ending Reserve Balance</b>                        | <b>\$ 1,049,903</b>                  | <b>\$ 1,433,396</b>                    | <b>\$ 1,243,655</b>                   |
| <b>Reserve Fund Allocation</b>                       |                                      |  |                                       |
| Operating Reserve (min. 25% of base operating exp.)  | \$ 225,000                           | \$ 225,000                             | \$ 303,404                            |
| Legal Reserve (min. \$200,000)                       | 250,000                              | 250,000                                | 250,000                               |
| Capital Reserve (min. 10% of asset replacement cost) | 30,000                               | 30,000                                 | 30,000                                |
| Vehicle Replacement                                  | 65,000                               | 65,000                                 | 120,000                               |
| Major Vehicle Repairs                                | 0                                    | 0                                      | 0                                     |
| Equipment Acquisition                                | 0                                    | 0                                      | 5,000                                 |
| Building Acquisition                                 | 450,000                              | 450,000                                | 500,000                               |
| Employee Cash-out Liability                          | 0                                    | 0                                      | 7,000                                 |
| Grant Balancing                                      | 0                                    | 300,000                                | 0                                     |
| <b>Unallocated</b>                                   | <b>\$ 29,903</b>                     | <b>\$ 113,396</b>                      | <b>\$ 28,251</b>                      |

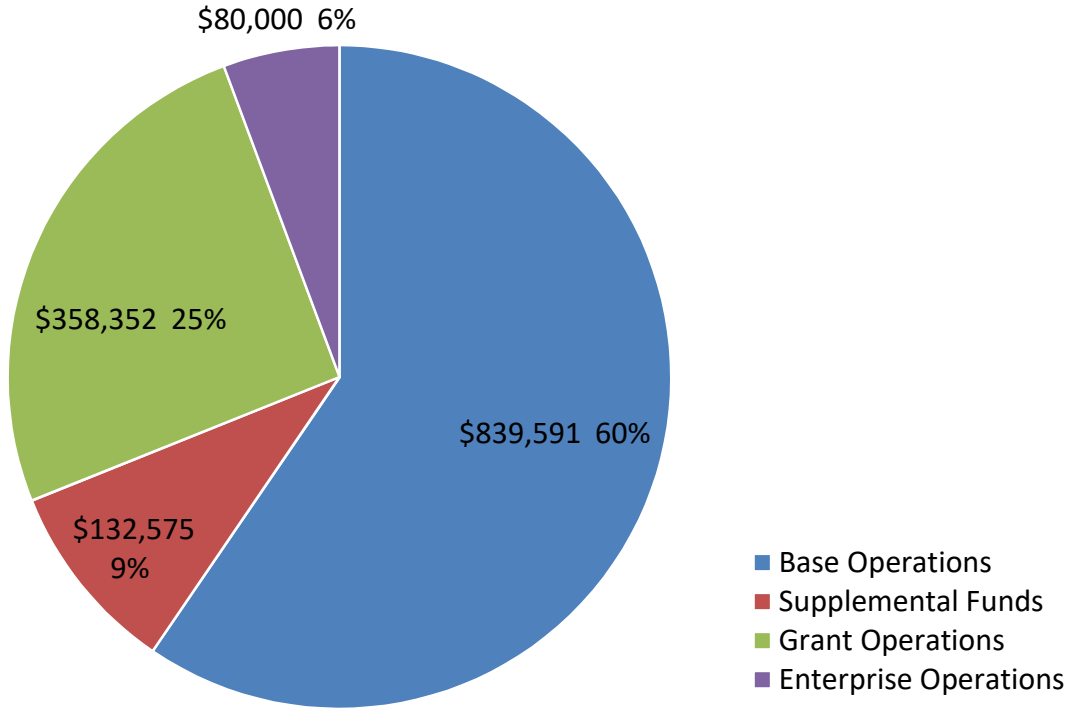
## Revenue - Base Operations



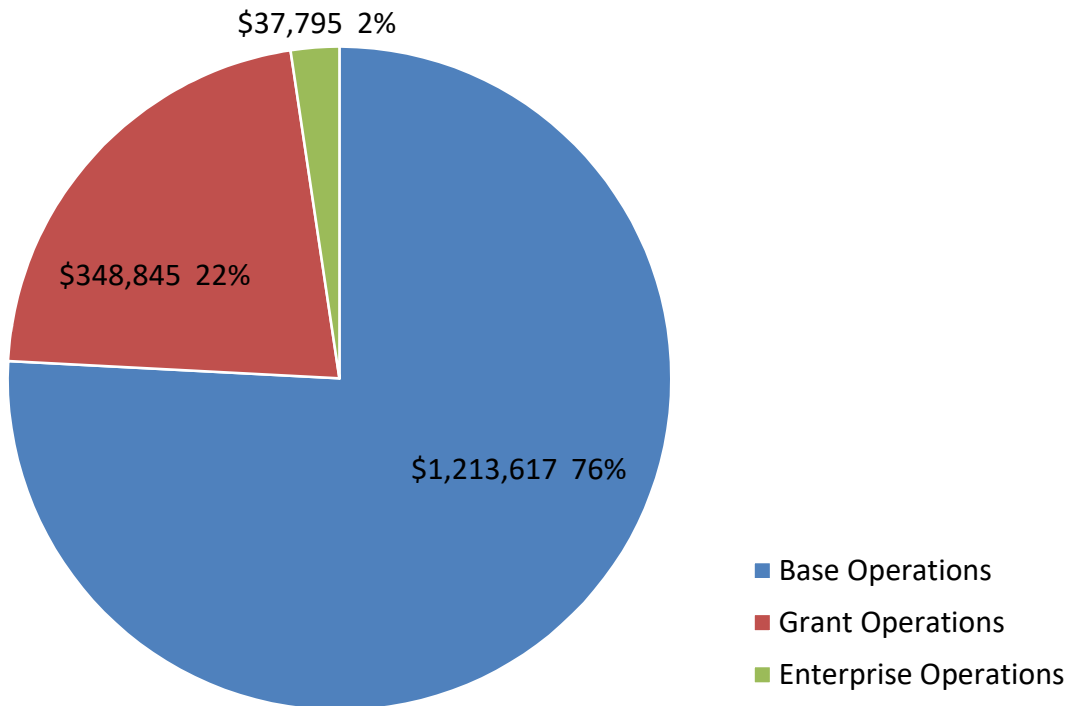
## Expenses - Base Operations



## Revenue - Total



## Expenses - Total





## ***Budget Notes***

The following notes describe the accounts used by the Agency, the revenues and expenses they represent, and any significant factors affecting, or expected to affect, them during the budget year. The reader should understand the Projected Actual FY 2023-24 figures provided are comprised of actual amounts for the first nine months of the fiscal year (July 1 through March 31) plus a projected amount for the remaining three months (April 1 through June 30). The projected amount may be based on an actual amount if the future revenue/expense is known and not subject to change, a percentage of the prior nine months revenue/expense equal to that of the previous fiscal year if the revenue/expense is seasonal, an estimate if the future revenue/expense is largely known but subject to change, another reasonable basis upon which to anticipate the final revenue/expense for special circumstances, or simply one third of the prior nine months revenue/expense if no other basis for calculation exists.

### **Revenue – Base Operations**

#### **Stationary Sources**

Because minor, complex minor, and synthetic minor source fees are billed on a calendar year basis and due in the first half of the calendar year, this revenue will be realized in the second half of fiscal year (FY) 2024-25. A two-phase registration fee increase was planned in CY 2022 with the first phase implemented in CY 2023 (the latter half of FY 2022-23) and the second in CY 2024 (the latter half of FY 2023-24). This accounts for the difference between the adopted budget and projected actual figures for FY 2023-24.

The implementation of an annual fee adjustment will help prevent future large increases (such as those in FY 2022-23 and FY 2023-24) made necessary by multiple years in which no change is made. The modest increase in revenue budgeted for FY 2024-25 is based on an anticipated annual adjustment of two percent (2%) which is expected to be slightly less than the rate of inflation. A new minor source classification system was also adopted and implemented in late CY 2023 and while this change affected the allocation of fees amongst individual registrants, it did not substantially alter the total revenue received by the Agency from these sources.

#### 32199001 — Minor Sources

Revenue from sources not otherwise classified as Synthetic Minor and collected pursuant to Revised Code of Washington (RCW) 70A.15.2200, Washington Administrative Code (WAC) 173-400-099, and Yakima Regional Clean Air Agency (YRCAA) Regulation 1 Section 4.01. The amount shown reflects a substantial increase resulting from the inclusion of revenues previously reported separately as complex minor sources as a result of the adoption and implementation of a new minor source classification system at the end of CY 2023 as well as the annual fee increases noted above.

#### 32199002 — New Source Reviews

Revenue from stationary sources subject to a New Source Review (NSR) pursuant to Chapter 173-400 WAC, Chapter 173-460 WAC, 40 Code of Federal Regulations (CFR) Part 60, and 40 CFR Part 61.

#### 32199004 — Complex Minor Sources

No projected actual or proposed budget amount is allocated to complex minor sources due to the adoption and implementation of a new minor source classification system at the end of CY 2023. Under this system, complex minor sources are included with all other minor sources—typically with a higher classification—and no longer exist as a separate revenue category.

### 32199005 — Synthetic Minor Sources

Revenue from sources that have chosen to avoid classification as a major (aka Title V) source by accepting restrictive operating and permit conditions that limit emissions.

### 32290001 — Title V Sources

Revenue from major sources that directly emit, or have the potential to emit, 100 tons per year (TPY) or more of any air pollutant as defined in 40 CFR Part 70. The Agency currently has three (3) major sources and does not anticipate any change in FY 2024-25.

## **Burn Permits**

### 32290005 — Residential Burn Permits

Revenue from residential burn permits pursuant to RCW 70A.15.5070, Chapter 173-425 WAC, and YRCAA Regulation 1 Section 3.03.

### 32290007 — Agricultural Burn Permits

Revenue from agricultural burn permits pursuant to RCW 70A.15.5090, Chapter 173-430 WAC, and YRCAA Regulation 1 Section 3.03. Rates are established by the Agricultural Burning Practices and Research Task Force pursuant to RCW 70A.15.5090(6) and have not been adjusted for several years. Agricultural burn permit revenue has declined over several years from a high of approx. \$47,000 in FY 2019-20. Following this trend, the figure shown includes a small reduction in revenue. It should be noted the prevalence of agricultural burning from year to year is significantly influenced by the availability and financial feasibility of alternatives and market demand for chipped vegetative material.

### 32290011 — Conditional Use Burn Permits

Revenue from conditional use burn permits issued for burning that is not residential or agricultural in nature (e.g. firefighter training and land clearing).

## **Compliance**

### 32199003 — Asbestos Removal

Revenue from fees required pursuant to the National Emission Standards for Hazardous Air Pollutants (NESHAP) and YRCAA Regulation 1, Section 3.07 used to process notifications and conduct inspections of demolition and renovation activity with the potential to release asbestos fibers.

### 32199007 — Construction Dust Control Plans

Revenue from dust control plans (including master and site plans) pursuant to WAC 173-400-040 and YRCAA Regulation 1 Section 3.08.

## **Core Grants**

### 33366001 — EPA Core

Funds awarded through the federal Performance Partnership Grant (PPG) program pursuant to federal Clean Air Act Section 105. These funds support the Agency's core air quality programs and are distributed through the Wash. Dept. of Ecology on behalf of the U.S. Environmental Protection Agency. This grant is biennial and the figure shown is one-half the amount awarded for the two-year period.

### 33403101 — Ecology Local Partner Core

Funds awarded through the federal Performance Partnership Grant (PPG) program pursuant to federal Clean Air Act Section 105. These funds are a portion of the monies granted to the State of Washington by the U.S. Environmental Protection Agency.

**Fines and Penalties**

35990001 — Civil Penalties

Civil penalties assessed for violations of air pollution regulations with amounts determined on a case-by-case basis depending upon various factors including the type and severity of the violation, culpability of the source, and the potential impact on human health. Although most years see receipts for penalties, the Agency objective is for full compliance resulting in zero civil penalties. As a result, no amount is budgeted for this item. When received, penalties are used to provide additional financial support for compliance, education, outreach, and other one-time expenses.

**Supplemental Income**

36850003 — Supplemental Income

Assessments paid to YRCAA by cities, towns, and Yakima County pursuant to RCW 70A.15.1590 and RCW 70A.15.1600. The proportionate share of supplemental income for each entity is shown in the appendix. In December 2022, the Board adopted a 20% increase to be implemented over two years with the first half effective for CY 2024. The amount shown reflects a second part increase to \$0.54 per capita population to be effective for CY 2025. State law directs the Agency to bill on a quarterly basis so it can only project the receipt of one half the revenue anticipated in CY 2025 (which will be billed in the last half of FY 2024-25).

However, some entities pay the entire annual amount in the first half of the calendar year (rather than spread out over four quarters). As a result, a portion of this revenue that would otherwise be budgeted for receipt in the second half of CY 2025 (in next budget year or FY 2025-26) will actually be received in the first half of CY 2025 (in this budget year or FY 2024-25). This results in what appears to be a discrepancy as the Agency budgets only half the anticipated CY revenue in the second half of a FY, but cannot fully budget the remaining half in the first half of the following FY where payment has already been made in full. In the example above, the excess revenue received in the second half of FY 2024-25 over the budgeted amount should equal the shortfall in revenue received in the first half of FY 2025-26.

**YRCAA CY 2025 Supplemental Income Assessments**

| <b>City / Town</b>           | <b>Population</b> | <b>Assessment</b>    | <b>% of Total</b> |
|------------------------------|-------------------|----------------------|-------------------|
| Grandview                    | 11,020            | \$ 5,950.80          | 4.24%             |
| Granger                      | 3,740             | 2,019.60             | 1.44%             |
| Harrah                       | 580               | 313.20               | 0.22%             |
| Mabton                       | 1,975             | 1,066.50             | 0.76%             |
| Moxee                        | 4,665             | 2,519.10             | 1.79%             |
| Naches                       | 1,125             | 607.50               | 0.43%             |
| Selah                        | 8,365             | 4,517.10             | 3.22%             |
| Sunnyside                    | 16,500            | 8,910.00             | 6.35%             |
| Tieton                       | 1,505             | 812.70               | 0.58%             |
| Toppenish                    | 8,870             | 4,789.80             | 3.41%             |
| Union Gap                    | 6,640             | 3,585.60             | 2.55%             |
| Wapato                       | 4,615             | 2,492.10             | 1.78%             |
| Yakima (city)                | 98,200            | 53,028.00            | 37.78%            |
| Zillah                       | 3,195             | 1,725.30             | 1.23%             |
| Unincorporated Yakima County | 88,955            | 48,035.70            | 34.22%            |
| <b>Total</b>                 | <b>259,950</b>    | <b>\$ 140,373.00</b> | <b>100%</b>       |

Based on \$0.54 per capita rate

**Other Income**

36111001 — Interest

Interest income earned on funds (primarily reserve funds) held by the Agency. The amount shown reflects high interest rates that are expected to remain relatively stable through the fiscal year in tandem with more active investment management of the Agency’s reserve funds.

36991011 — Miscellaneous

Revenue not otherwise allocated such as tax-deductible donations or fees related to public records requests.

**Revenue – Grant Operations**

33403105 — Wood Smoke Education

Grant funds provided by the Wash. Dept. of Ecology supporting the Agency’s wood smoke education program including advertising and public service announcements concerning the dangers of smoke, fine particulate matter, and alternatives to burning.

33403107 — Wood Smoke Reduction

Grant funds provided by the Wash. Dept. of Ecology to support the Agency’s Wood Stove Replacement program. The program provides rebates for, or fully funds for low-income persons, replacement of older, polluting wood-burning stoves with new EPA-certified wood stoves or other heating devices. Despite the Agency having received a substantial increase in the amount awarded the Agency in the FY 2023-25 biennium (versus the FY 2021-23 biennium), the figure shown appears to be smaller. This is due to the Agency having performed an unusually high number of device replacements in FY 2023-24 so that a greater percentage of the amount awarded was received/used in the first half of the biennium. As a result, a smaller amount (the unspent balance) will be available for FY 2024-25.

33403108 — Ecology Local Partner PM 2.5

Funds awarded through the Wash. Dept. of Ecology pursuant to federal Clean Air Act Section 103 and used to operate and maintain two air quality monitor systems (located in the cities of Yakima and Sunnyside) that measure fine particulate matter equal to or smaller than 2.5 microns (PM<sub>2.5</sub>). The figure shown includes an increase resulting from the Agency taking on responsibility for the monitor in Sunnyside) as well as a short-term increase that will be in effect for four years ending April 2028.

**Revenue – Enterprise Operations**

34517001 — Visible Emissions Certification

Revenue from training and registration fees paid by persons participating in the Agency’s Northwest Opacity Certification (NOC) program. The NOC program provides training, testing, and certification for participants who must be certified to conduct Visible Emission Evaluations in accordance with Method 9 and Method 22 as described in 40 CFR 60. Certification must be renewed every six months.

34517002 — Other Revenue

Revenue from any other enterprise operation.

**Expenses – Base Operations**

**Wages and Benefits**

553701001 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency. The amount shown assumes all ten (10) positions within the Agency are filled with employees fully qualified for the position held and, therefore, making the target wage for that position. In practice, employees change so that, in any given year, one or more positions may be vacant for a period of time. Furthermore, new

employees may not be fully qualified at the time of hire—reaching that point only after completing training and gaining experience.

When, and to the extent, one or both of these circumstances conditions exist, the actual wages and benefits expense in any given fiscal year will be lower than the budgeted amount. However, as positions are filled and/or qualifications are gained, the total expense for wages and benefits will grow until it reaches the budgeted amount. If the budget were based only on the actual wages and benefits expenses at the beginning of the fiscal year and projected forward, there would be insufficient funds available when, during the budget period, replacement personnel are hired or pay is adjusted for advancement in the training program.

The amount shown also incorporates the second, planned wage and salary increase for all positions (except that of executive director) resulting from a market compensation analysis completed in September 2022 and tentatively approved by the Board in December 2022. This increase was to be implemented over two years with the second portion expected to occur in FY 2024-25. No increase in wages and benefits for the position of executive director is contemplated in the proposed budget (beyond the cost-of-living-adjustment noted below).

The budget also includes an estimated four and one-half percent (4.5%) annual cost-of-living-adjustment (COLA) for all positions. The purpose of a COLA is to help ensure wages remain competitive with the general labor market during the period between compensation analyses and to help prevent wages from falling behind over time resulting in the need for substantial future increases.

The median wages determined by the September 2022 analysis serve as the basis for the proposed wages and benefits implemented in FY 2023-24 and anticipated in FY 2024-25. At the time the analysis was completed, the Consumer Price Index (CPI) as calculated by the U.S. Bureau of Labor Statistics was 296.808. However, during the intervening months through February 2024 (the most recent month with stable data) the CPI grew to 310.326—an increase of four and thirty-five hundredths percent (4.35%). It is estimated this percentage will have increased slightly by the end of the current fiscal year.

533702001 — Benefits

Expenses for employment benefits including employer contributions for medical and dental insurance, unemployment insurance, Medicare, Social Security or similar program, industrial insurance (aka Workers’ Compensation), and Public Employees Retirement System (PERS). CY 2024 health insurance costs rose seven percent (7%) over CY 2023 costs. The amounts shown include an estimated five percent (5%) increase in health insurance premiums expected to be effective January 1, 2025 (for the last half of FY 2024-25). Calendar year 2023 and 2024 premiums are shown below:

| Plan / Monthly Premium       | Employee Only |            | Employee +Spouse |            | Employee +Children |            | Full Family |            |
|------------------------------|---------------|------------|------------------|------------|--------------------|------------|-------------|------------|
|                              | 2023          | 2024       | 2023             | 2024       | 2023               | 2024       | 2023        | 2024       |
| Kaiser Permanente WA Classic | \$1,001.31    | \$1,096.70 | \$1,844.94       | \$2,036.30 | \$1,634.03         | \$1,801.40 | \$2,477.66  | \$2,741.00 |
| Kaiser Permanente WA Value   | 928.83        | 1,082.51   | 1,699.98         | 2,007.91   | 1,507.19           | 1,776.56   | 2,278.34    | 2,701.97   |
| Kaiser Permanente WA CDHP    | 864.62        | 902.12     | 1,569.78         | 1,645.77   | 1,408.07           | 1,474.44   | 2,054.90    | 2,159.77   |
| Uniform Medical Plan Classic | 970.10        | 994.82     | 1,782.52         | 1,832.54   | 1,579.42           | 1,623.11   | 2,391.84    | 2,460.83   |
| Uniform Medical Plan Select  | 893.87        | 929.75     | 1,630.06         | 1,702.41   | 1,446.01           | 1,509.24   | 2,182.20    | 2,281.90   |
| Uniform Medical Plan Plus    | 931.69        | 979.64     | 1,705.70         | 1,802.18   | 1,512.20           | 1,596.55   | 2,286.21    | 2,419.09   |
| Uniform Medical Plan CDHP    | 869.16        | 910.93     | 1,578.86         | 1,663.40   | 1,416.02           | 1,489.87   | 2,067.39    | 2,184.01   |
| Maximum                      | \$1,001.31    | \$1,096.70 | \$1,844.94       | \$2,036.30 | \$1,634.03         | \$1,801.40 | \$2,477.66  | \$2,741.00 |
| Average                      | \$922.80      | \$985.21   | \$1,687.41       | \$1,812.93 | \$1,500.42         | \$1,610.17 | \$2,248.36  | \$2,421.22 |

The amount paid by the Agency is shown below:

| Enrolled Employees | Maximum Premium | Agency Percentage | Agency Contribution |
|--------------------|-----------------|-------------------|---------------------|
|--------------------|-----------------|-------------------|---------------------|

|                            |   |            |     |                     |
|----------------------------|---|------------|-----|---------------------|
| Employee (only)            | 8 | \$1,096.70 | 95% | \$1,041.87          |
| Employee and spouse        | 1 | \$2,036.30 | 65% | \$1,323.60          |
| Employee and child(ren)    | 1 | \$1,801.40 | 70% | \$1,260.98          |
| Employee full family       | 0 | \$2,741.00 | 55% | \$1,507.55          |
| <i>Agency Monthly Cost</i> |   |            |     | <i>\$10,919.54</i>  |
| <i>Agency Annual Cost</i>  |   |            |     | <i>\$131,034.48</i> |

### 533703001 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week). The Agency typically limits overtime to urgent and special situations. The amount shown reflects potential overtime costs resulting from unexpected events (e.g. compliance, enforcement, and complaint response) occurring during non-working hours.

## **Supplies**

### 533703101 — Office Supplies

Expenses for consumables and other supplies valued at less than \$5,000 and not otherwise allocated to the capital asset account including toilet paper, light bulbs, toner, writing instruments, paper, etc. The amount shown reflects a minor increase resulting from a continuing need for organizing supplies (e.g. hanging files, file folders, labels, etc.).

### 533703102 — Safety Equipment

Expenses for safety equipment such as boots, eye protection, safety vests, etc. used for compliance inspections and other field work.

### 533703201 — Vehicles

Expenses for consumables related to vehicle operation such as gasoline, wiper blades, wiper fluid, etc.

### 533703501 — Small Tools and Equipment

Expenses for small tools and equipment not otherwise allocated to another account. The amount shown reflects costs for the potential acquisition of equipment that may be needed to support the Agency's compliance, inspection, and enforcement efforts.

### 533703502 — Technology Systems

Expenses for computer software (such as applications, upgrades, user licenses, etc.), computer hardware (such as computers, monitors, keyboards, network, devices, printers, etc.), printers, scanners, phone system equipment (such as desksets, software, blades, etc.), and other similar equipment. The amount shown reflects the need to replace several workstations—some of which have been in service for over a decade.

### 533703503 — Office Furnishings

Expenses for office and conference room furnishings (such as task chairs, desks, file cabinets, chair mats, guest seating, tables, white boards, projection screens, etc.). It is expected additional funding will be required in future years to acquire needed furnishings—particularly with respect to planned improvements to paper file management and needed repair/replacement of some conference room chairs.

## **Services**

### 553704101 — Professional Services

Expenses for all professional services including legal services, technical support, janitorial services, engineering review, and other similar services. A majority of the expenses incurred in the prior year

were related to legal costs associated with two state court cases involving all local clean air agencies in Washington. One of these cases remains active to date. In addition, the Agency has an Order of Approval that has been appealed to the Pollution Control Hearings Board and a handful of pending Orders of Approval, all of which may result in increased attorney's fees during the fiscal year.

553704102 — Laboratory Analyses

Expenses for laboratory analyses of various samples as needed. Costs have typically involved analysis of potential asbestos containing materials (PACM).

553704192 — Yakima County Services

Expenses for any service provided to the Agency by Yakima County, typically through an intergovernmental agreement. No need for such services is anticipated at this time.

553704201 — Communications and Technology

Expenses (typically recurring) for communications services including telephone service, Internet service, web site hosting, e-mail hosting, anti-virus, consulting, and other similar services.

553704202 — Postage and Freight

Expenses for stamps, postage, express mail, freight carrier (UPS, FedEx) services, etc.

553704301 — Travel and Related

Expenses for transportation including travel costs (e.g. meals and lodging), private vehicle use reimbursement, and other travel costs except where they are more appropriately included as part of another charge allocated elsewhere.

553704401 — Public Notices and Education

Expenses for required publication of notices, announcements, or reports (including public notices concerning board and administrative meetings as well as public hearings) and public education (such as print, radio, and television advertisements).

533704501 — Rents and Leases

Expenses related to the rent or lease of (primarily office) equipment not otherwise allocated to another account (e.g. copiers, binding machines, postage machines, etc.) and office space including fire insurance, property taxes, and common area and certain landscape maintenance costs.

533704601 — Insurance

Expenses for public liability, property and casualty, errors and omissions, and money insurance policies. Coverage protects and Agency from loss due to accident, fire, theft, burglary, vandalism, auto accident, theft of funds, mistakes, and negligence. The amount shown reflects a modest increase consistent with the trend for annual insurance rates.

553704701 — Utilities

Expenses for utilities including water, sewer, electric power, natural gas, and garbage disposal. The amount shown reflects a modest increase consistent with expected rate increases for these services.

553704801 — Maintenance – Vehicles/Equipment

Expenses for maintaining and repairing vehicles, field equipment, technology systems, and other office equipment not allocated to another maintenance account (e.g, office furnishings, copy machines, etc.).

553704802 — Maintenance – Building

Expenses for carpet cleaning, electrical, mechanical, and other maintenance and repair work on the office building.

533704901 — Miscellaneous

Expenses for Agency membership in regulatory, professional, and other associations and organizations; staff education, training, seminars, and other professional development; bank service charges, interest charges, etc.; and other miscellaneous expenses. The amount shown reflects the expectation of additional training expenses related to (relatively) new staff and continuing inspection efforts.

533704902 — Ecology Oversight and Admin. Fee

Expenses for the Ecology oversight and administration fee for Air Operating Permit (aka Title V) sources.

**Capital Projects/Fixed Assets**

594536401 — Capital Projects/Fixed Assets

Expenses for the acquisition of tangible property valued at \$5,000 or more with a useful life of at least two years. Assets are depreciated over the useful life of the asset.

|                                    |
|------------------------------------|
| <b>Expenses – Grant Operations</b> |
|------------------------------------|

**Wood Smoke Education**

553701002 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency as permitted under the terms of the grant.

553702002 — Benefits

Expenses for employment benefits including employer contributions for employee health insurance, unemployment insurance, Medicare, Social Security or other supplemental retirement savings, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS) as permitted under the terms of the grant.

553703002 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week) as permitted under the terms of the grant.

553703103 — Office Supplies

Expenses for office supplies. These are typically used in such small quantities as to make tracking and cost allocation impractical.

553704139 — Professional Services

Expenses for various professional or special services as permitted under the terms of the grant.

553704203 — Postage

Expenses for stamps, postage, and similar delivery costs as permitted under the terms of the grant.



## **PM 2.5**

### 553701003 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency as permitted under the terms of the grant.

### 553702003 — Benefits

Expenses for employment benefits including employer contributions for employee health insurance, unemployment insurance, Medicare, Social Security or other supplemental retirement savings, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS) as permitted under the terms of the grant.

### 553703003 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week) as permitted under the terms of the grant.

### 553703104 — Office Supplies

Expenses for office supplies. These are typically used in such small quantities as to make tracking and cost allocation impractical.

### 553704104 — Professional Services

Expenses for various professional or special services as permitted under the terms of the grant.

## **Wood Smoke Reduction**

### 553701004 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency as permitted under the terms of the grant.

### 553702004 — Benefits

Expenses for employment benefits including employer contributions for employee health insurance, unemployment insurance, Medicare, Social Security or other supplemental retirement savings, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS) as permitted under the terms of the grant.

### 553703004 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week) as permitted under the terms of the grant.

### 553703105 — Office Supplies

Expenses for office supplies. These are typically used in such small quantities as to make tracking and cost allocation impractical.

### 553704105 — Professional Services

Expenses for various professional or special services as permitted under the terms of the grant. This is comprised primarily of payments to third-party vendors for the replacement or conversion of older wood burning devices (including acquisition, permitting, and installation) under the low-income wood stove change-out program.

## **Expenses – Enterprise Operations**

### **Visible Emission Certification**

#### 553701005 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency.

#### 553702005 — Benefits

Expenses for employment benefits including employer contributions for employee health insurance, unemployment insurance, Medicare, Social Security or other supplemental retirement savings, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS).

#### 553703005 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week).

#### 553703106 — Office Supplies

Expenses for office supplies.

#### 533703206 — Vehicles

Expenses for consumables related to vehicle operation such as gasoline, wiper blades, wiper fluid, etc.

#### 533703506 — Small Tools and Equipment

Expenses for small tools and equipment needed to operate the mobile testing facility.

#### 553704106 — Professional Services

Expenses for various professional or special services.

#### 553704206 — Postage

Expenses for stamps, postage, and similar delivery costs.

#### 553704306 — Travel and Transportation

Expenses for travel (e.g. meals and lodging) incurred as a result of providing training and testing.

#### 533704506 — Rents and Leases

Expenses related to the rent or lease of space to conduct training and testing in various locations throughout Washington and Oregon as well as storage space for the mobile testing equipment.

#### 553704806 — Maintenance – Vehicles/Equipment

Expenses for maintaining and repairing vehicles and equipment related to, and used in, the Visible Emissions Certification program.

#### 533704906 — Miscellaneous

Expenses for other various expenses related to the Visible Emissions Certification program and not otherwise allocated.

### **Capital Projects/Fixed Assets**

#### 553706406 — Capital Projects/Fixed Assets

Expenses for the acquisition of tangible property valued at \$5,000 or more with a useful life of at least two years. Assets are depreciated over the useful life of the asset.

## **Contribution to Reserves**

In years with higher revenues, this amount increases the reserves held by the Agency while in years with higher expenses, this amount is drawn from reserves.

## **Reserve Fund Allocation**

### Operating Reserve

The Board has set a minimum operating reserve equal to 25% of the Agency's base operating expenses. The amount shown meets this requirement. These funds are used to cover Agency operating expenses during periods of significant, unanticipated economic impact such as the loss of grant funds or reduced revenues.

### Legal Reserve

These funds are held to pay unanticipated legal service fees such as those related to an appeal regarding an order of approval, a lawsuit regarding an enforcement action, or to compel compliance with Agency regulations. Staff recommends a \$250,000 balance with a minimum of \$200,000.

### Capital Reserve

The Board has set a minimum capital reserve equal to 10% of the Agency's asset replacement cost. The amount shown meets that requirement and adds approximately \$19,000. These funds are used to replace capital items (e.g. desks, file cabinets, and other capitalized assets) lost or destroyed and not otherwise covered by insurance or at the end of their useful life.

### Vehicle Replacement

Plans call for replacement of the Agency's aging vehicles in the near future. It is expected these new vehicles will be fuel-efficient, plug-in hybrid models that meet the statutory requirements pertaining to public agency vehicles and are better able to operate in areas without paved roads and (particularly) in winter weather conditions. These funds are held to pay for acquisition of these vehicles and any related items (such as markings, safety equipment, charging infrastructure, etc.).

### Major Vehicle Repairs

These funds are held to pay for major vehicle repairs. With pending replacement of the Agency fleet, funds will not be required until the vehicles have aged.

### Equipment Acquisition

These funds are held to acquire specialized equipment necessary to carry out the mission of the Agency.

### Building Acquisition

These funds are held to acquire the building the agency occupies or another building in the event the Board elects to do so (at a future date).

### Employee Cash-out Liability

Under Agency policy, departing employees may be entitled to cash-out a defined portion of the unused sick and vacation leave they have accrued. Employee departures are not typically planned sufficiently in advance to allow for inclusion in the budget and these funds assist in meeting what can be a sudden and unexpected demand for funds to meet the Agency's obligation.

### Grant Balancing

Because many grants are awarded over a period of time (typically two to four years) and funded activities do not necessarily occur equally throughout the grant period, excess funds received early in the grant period are stored here so they may be used to cover a later shortfall.

Unallocated

Any funds held in reserve and not otherwise allocated for a specific purpose. These funds may be used in tandem with other allocated reserve funds to, take advantage of unique opportunities, provide match funds in support of grant applications, address emergency circumstances (such as theft or vandalism), or provide additional monies to other budget line items or for any other purpose approved by the Board.