

**MINUTES**  
LANE REGIONAL AIR PROTECTION AGENCY  
BOARD OF DIRECTORS MEETING  
TUESDAY–FEBRUARY 10, 2009  
LRAPA MEETING ROOM  
1010 Main Street, Springfield, Oregon

ATTENDANCE

- Board: Bill Carpenter, Chair–At-Large, Springfield; Glenn fortune, Vice-Chair–Oakridge/Cottage Grove; Brian Forge–At-Large, General; Drew Johnson–Eugene; Kit Kirkpatrick–Eugene; David Monk–Eugene; Andrea Ortiz–Eugene; Dave Ralston–Springfield; Faye Stewart–Lane County  
(ABSENT: None)
- Staff: Merlyn Hough–Director; Merrie Dinteman; Tom Freeman; Max Hueftle; Sally Markos; Nasser Mirhosseyni
- Other: Russ Ayers, Chair, Maurie Denner, Vice-Chair, and Amy Peccia–LRAPA Advisory Committee; Landa Gillette–LRAPA Budget Committee; Gary Williams–Mayor, Cottage Grove

1. OPENING: **Carpenter** called the meeting to order at 12:15 p.m.
2. PUBLIC PARTICIPATION: None.
3. APPOINTMENT OF AT-LARGE, GENERAL, BOARD MEMBER: The joint Cottage Grove/Oakridge board position shifted back to Oakridge this year, and **Glenn Fortune** was again appointed by the City of Oakridge to fill that position. The at-large, general, board position requires appointment every two years, and with **Fortune** assuming the joint seat, the at-large position was open. The board decided at the end of 2008 to recruit applicants from rural areas of the county. Two applications were received. Both applicants were present at this meeting to interview with the board. The questions the board intended to ask were furnished to both applicants the week prior to this meeting, to allow them time to formulate their responses prior to the actual interview. While the first applicant was being interviewed, the second applicant was asked to leave the room, to eliminate any advantage there might be from hearing the other person's responses to the questions before having to answer them himself. **Carpenter** told both of the applicants that, although he would participate in the interviews, his position as an at-large member on the board prohibited him from voting on the appointment.
  - A. **Brian Forge.** **Forge** grew up in Springfield and attended the University of Oregon. He has been a resident of Saginaw for the past eight years and owns a design and project management company working in commercial construction. **Forge** has been a member of the LRAPA Advisory Committee for the past two years and has had an interest in the agency since it was created in the late 1960s.
  - B. **Gary Williams.** **Williams** grew up in the Willamette Valley and was a member of the Cottage Grove City council before being elected mayor of Cottage Grove. He has been they city's mayor for the past eight years. **Williams** is a licensed contractor through the State of Oregon and has been a professional house painter for the past thirty years. He also has extensive experience with home wood heating, having installed, inspected, repaired and removed woodstoves and cleaned chimneys for fifteen years.

### Discussion and Appointment

All of the board members agreed that both applicants were excellent and would make good additions to the LRAPA Board of Directors. They discussed the experience and interests each of the applicants would bring to the table as board members representing rural areas of the county.

**Ralston** said he was leaning toward **Williams** as his choice for appointment. **Ralston** said he saw **Williams**'s being from Cottage Grove, which is one of the two cities sharing a seat on the LRAPA board, as an advantage, adding that **Williams**'s understanding of smoke from various sources as a major problem is also important.

**Ortiz** noted that the two applicants have different perspectives on what LRAPA does and said that both were committed to public service and both would serve LRAPA well.

**Johnson** said he was impressed with both applicants and thought both had a good idea about what LRAPA does. He said **Williams**'s involvement in a number of committees could be an asset to LRAPA, and he also liked the fact that **Williams** had mentioned partnerships as being important. **Johnson** said he liked the fact that **Forge** has been on the LRAPA Advisory Committee, as well as the fact that **Forge** lives in a more rural area, outside of an urban growth boundary. He said he would lean more toward voting for **Forge**.

**Monk** commented that he was glad to hear both applicants stress the importance of public education and outreach to LRAPA, adding that he thinks that is one of the weaknesses of the agency and probably has been from the beginning. He noted that **Forge** had also stressed public health, which **Monk** thinks should be a priority. **Monk** said he does not think LRAPA adequately assesses the impacts of air emissions on people who, not by their own choosing, live near the rail yard or near industrial facilities. **Monk** said that, while some board members have expressed a desire to use the at-large, general, position on the board as a means to ensure that both Cottage Grove and Oakridge have full-time seats on the LRAPA board, he does not believe that is necessary. He said he believes both cities have been well served by rotating the position between the two communities. In his response to one of the board's questions, **Williams** had noted his opinion that industry will, to a great extent, police itself and that, where it does not is where someone needs to take a look at what they're doing wrong and suggest better practices or take enforcement action to protect the health of the citizens. **Monk** disagreed with **Williams**'s statement that industry will police itself, stating that most business people are in business to make a profit in a competitive environment and look for opportunities to place themselves above others, to get a competitive edge. **Monk** stressed that it is important that LRAPA have good rules which are well communicated so that everyone knows what they are, and that LRAPA is consistent with enforcement of those rules and does not anticipate that industry will police itself. He said he would be supporting appointment of **Forge**.

**Carpenter** said he felt both applicants had been pretty clear about public health being a high priority. He also appreciated the fact that both applicants had stressed that education is a very important aspect of LRAPA's activities. **Carpenter** said the only difference between the two men that he felt might make a difference at this particular time is the fact that **Williams**, as the mayor of Cottage Grove, is very active and very well respected in state organizations. **Carpenter** said **Williams** has a more open door to talk to legislators about LRAPA's financial needs. He said he expects the agency to face some very difficult times financially, and **Williams**'s ability to connect with state legislators could be very important. He also liked the fact that **Williams** is on the board of the Translator and could get PSAs for LRAPA's programs out, at no cost, over TV. **Carpenter**

said he felt that **Williams** could help to get additional finances and help to effect some changes at the legislative level that would be helpful to LRAPA, and for those reasons he believed **Williams** would be the best choice at this time.

**Kirkpatrick** said she what impressed her about **Forge** was the fact that he has been on the LRAPA Advisory Committee. She said that, having come to the LRAPA board with no prior experience with the agency, it would have been very helpful to her to have had that connection through the advisory committee. She said she was also very impressed with **Forge**'s reiteration of public health as an important issue for LRAPA. **Kirkpatrick** also had the same reservation as **Monk** with **Williams**'s statement about industry being self-regulating. She said she does not believe they will regulate themselves, and that is what LRAPA is here for.

Appointment. **Carpenter** asked for all those who wished to appoint **Brian Forge** to the vacant At-Large, General, position on the LRAPA Board of Directors to signify by show of hands. Those voting to appoint **Forge** were: **Johnson, Kirkpatrick, Monk and Ortiz.** **Carpenter** then asked those in favor of appointing **Gary Williams** to raise their hands. Those voting for **Williams** were: **Fortune, Ralston and Stewart.**

**ACTION: BRIAN FORGE WAS APPOINTED TO A TWO-YEAR TERM AS THE AT-LARGE, GENERAL, MEMBER OF THE LRAPA BOARD OF DIRECTORS, BY A VOTE OF FOUR TO THREE.** **Forge** then joined the rest of the board members at the table.

Following the vote, **Carpenter** thanked **Williams** for his interest and encouraged **Williams** to attend the monthly LRAPA board meetings, if possible. He encouraged **Williams** to bring to the board any concerns or comments he has. **Ortiz** asked if there were going to be an opening on the advisory committee, noting that she views the advisory committee as a good stepping stone to eventual appointment to the board in one of the at-large positions. **Ralston** also encouraged **Williams** to apply for appointment to the committee. **Carpenter** asked what the committee's meeting schedule is, and **Ayers** said it meets on the last Tuesday of each month at noon, for about an hour and a half.

4. CONSENT CALENDAR:

Minutes. **Ortiz** said she felt the summary of her comments on page 15 of the minutes, regarding evaluation of individual staff positions, made her sound a little harsh. She said she does feel strongly about fiscal responsibility, but also understands that these are people's jobs the board is talking about. **Ortiz** said she was not requesting a change in the minutes, but did want to be sure that people understand her meaning in that discussion. **Kirkpatrick** noted that people's names were not bolded in the minutes as they usually are, and **Carpenter** said he had also noticed that.

Expense Reports. **Carpenter** said he appreciated the fact that **Mirhosseyni** had revised the monthly expense reports to express the amounts received and used in percentages, because it allows him to compare things much better. **Carpenter** said it appeared from the report that there will be a \$20,000 variance in Title V Permit revenues this year, and **Mirhosseyni** said the Title V fees from International Paper would be about \$20,000 less this year than they were last year, because they pay their fees based on actual emissions, and emissions decreased last year.

**Carpenter** said, with 50 percent of the year over, the report shows that Airmetrics has sold only \$3,500 in parts when sales were anticipated to be \$100,000 for the year. **Mirhosseyni** suggested that Airmetrics might be selling more assembled parts, as opposed to individual parts. **Carpenter** asked if those sales are at all seasonal, and **Mirhosseyni** said he did not think so, and the figures for the first half of the year are just the

way it has turned out this year. **Carpenter** said it appeared that there will be a substantial decrease in parts sold this fiscal year, and **Mirhosseyni** said that probably will be so, but the assembled items sold could go up.

**Monk** said the figures in the report would indicate that less staff has been needed to oversee the Title V program than what were budgeted, and **Mirhosseyni** said that is not really the case, because there is a vacant permit writer position which the agency has been unable to fill. **Monk** asked who has been picking up the slack while the position has been vacant, and **Mirhosseyni** said **Max Hueftle** and **Sandra Lopez** have been doing the work. **Monk** asked how long that is expected to be the case, and **Hough** said LRAPA had recently contracted with two retired DEQ permit writers to help get the Title V permits up do date. **Monk** said he understood that one of the changes brought about by the recent permit streamlining rules was that staff would be able to expedite permit writing over a two-year period, and he assumed the two contract permit writers would help with that effort. **Hough** said they will help, indirectly, by getting the Title V permits done and leaving more time for LRAPA permit writers to work on Air Contaminant Discharge Permits.

**ACTION: MSP(Stewart/Johnson)(Unanimous) adoption of Consent Calendar, including minutes of January 16, 2009 board meeting and expense reports through December 31, 2008.**

5. DIRECTOR'S REPORT: **Hough** highlighted several items from the written report.
  - A. Air Quality. **Hough** pointed out that there was a period of air stagnation during the latter part of January, and there were several days when particulate levels approached the standard and a few on which the levels exceeded the standard. Even with those levels, **Hough** said, the data does not appear to show a violation of the standard, because that standard is a 98<sup>th</sup> percentile standard. He explained that an area can experience levels above the standard on 2 percent of days without a violation, and 2 percent of 365 days is about 7 days. The 8<sup>th</sup>-highest days for each of three years, running, are averaged for comparison to the standard, to determine an area's compliance status.

**Carpenter** commented that, if the 8<sup>th</sup>-highest day is below the standard in one of those three years, it could actually bring the average down and bring the area into compliance. **Hough** confirmed that and noted that the average for the past three years in Eugene-Springfield has dropped slightly, from slightly above 34 micrograms per cubic meter ( $\mu\text{g}/\text{m}^3$ ) to about 32  $\mu\text{g}/\text{m}^3$ . **Hough** added that the three-year average for Oakridge, while still in the 40s, has also dropped to the lowest average LRAPA has on record for Oakridge. There is still room to improve in order to fully meet the standard; however, progress is being made in that direction. **Hough** said the official three-year average numbers should be available to give to the board at its March meeting.
  - B. Plywood MACT Update, Flakeboard. **Hough** reported that Flakeboard continues to make progress on its compliance schedule. **Carpenter** commented that he is very pleased that Flakeboard is moving along as quickly as possible with its compliance schedule.
  - C. American Lung Association's Annual (ALA) "State of the Air" Report. **Hough** reported that ALA publishes an annual report rating different cities and areas of the country regarding public health, focusing on current status, as well as improvements over time. ALA's methodology takes the worst air quality in a county and reports that for the whole county. While that methodology works well for small counties in eastern states, it does not work as well for a large western county such as Lane, which has three distinct airsheds from the coast to the Valley to the Cascade foothills. Consequently, for Lane County, the report takes the higher ozone levels found downwind of Eugene-Springfield in Saginaw, and

the higher particulate levels in Oakridge, and uses those to rank the entire county. **Hough** said ALA does LRAPA the courtesy each year of sending an advance copy of what they will put in their published report; and LRAPA responds with the information that, while ALA is applying its methodology correctly, it does not accurately reflect air quality in all of Lane County. It is always awkward, and LRAPA has asked them to change the way the information is reported. Because it is a large national system, it would be very complicated for ALA to try to change its methodology and reporting; and the best they are able to do is to add a brief sentence to the report to qualify the information for Lane County. **Hough** said the report for the past year should be out in the next couple of months.

There was brief discussion by the board about the fairness issues in ALA's reporting. While board members feel the ALA should make sure its report is more accurate, they understand that LRAPA has worked with ALA to effect a change and is not likely to have much more success than it has. **Hough** stated that the bottom line with this report seems to be that, while there has been a lot of progress on air quality in recent decades, throughout the nation, there is still a lot of work to do.

- E. Enforcement Report. **Monk** asked whether the \$26,886 fine to Kingsford Co. in the enforcement action report came from LRAPA's civil penalty matrix, and **Hough** said it did. The violation of its emissions limits was a significant violation, and Kingsford acknowledged that fact. Rather than requesting a reduced fine, the company took steps to correct the problem, and paid the fine. Their first concern was getting into full compliance.

**Ortiz** said she had noticed that a number of the people involved in enforcement actions seemed to have Latino names. She asked if LRAPA's written materials are available in Spanish for people who do not speak English. **Markos** said her goal is to do most of the agency's materials in Spanish and that the wood burning campaign for radio and TV were produced in both English and Spanish. **Markos** said some people translate in more conversational Spanish and some with a more formal tone. She has been looking for the right person to translate the agency's asbestos, and other, information to Spanish. **Ortiz** said that Centro Latino Americano offers those services, and she offered to provide **Markos** with some contacts to help find the right person for that effort.

6. ADVISORY COMMITTEE: Because Committee Chair **Russ Ayers** was not present at the committee's January meeting, Vice-Chair **Maurie Denner** reported on the committee's activities. **Denner** reported that the majority of the committee's last meeting was spent on the asbestos issues that have been raised. He said that discussion was broken into three separate areas: the legal question that probably should be addressed most directly, simply because the current rule has the right language in the wrong place; how many homes and other buildings constructed before 1981 have significant possibilities of having asbestos in them; and the relative ignorance that most home and other property owners have regarding the presence of asbestos-containing materials and what should be done with those materials.

**Denner** said that when someone has a property that is forty years old and plans to fix it up and can do it themselves for less than what would probably be paid for a building permit, that person is not likely to come across LRAPA's written materials regarding asbestos. He said it is believed that standard practice in the real estate industry is to mark the box that says, "Don't Know," on the property transaction report that asks about presence of asbestos. Consequently, no inspection is required and none is performed. He said, even if the work to be done is extensive enough to require a building permit, there is no guarantee that the property owner or contractor will be completely responsible about removal of an asbestos-containing materials, which is the point at which most of the enforcement actions occur.

**Carpenter** asked if a person doing a general home inspection when a house is being sold could write on those reports whether there is likely asbestos present, or if people doing inspections for termites or dryrot could note in their reports if they suspect the presence of asbestos. **Denner** responded that a home inspector is looking for potential hazards and liabilities and violations of building code. **Kirkpatrick** noted that people inspecting for termites or dryrot would be people who do those kinds of repairs, and they would have to be educated regarding asbestos before they could comment regarding its possible presence. **Carpenter** commented further that there would be a thorough inspection required if a person were going to borrow money to purchase a house.

**Denner** said the advisory committee ran out of time in its discussion and began to ask questions about how the agency should go about getting the word out to the right people, and where the emphasis should be directed to try to protect home owners and contractors from exposure to asbestos. **Denner** said the committee anticipates additional discussion regarding asbestos, and how to get the word out about it, during at least one more meeting.

**Johnson** asked if **Denner** had a recommendation as to whether the board should take action at this meeting on the rule change that the advisory committee identified as being necessary, or hold off for a while. **Denner** said that would be between Hough and legal counsel to make a recommendation on that. **Hough** said staff's intent was to bring back a package to the board, with a request for authorization of public hearing on proposed changes to the asbestos rules. He said there may be additional things staff will wish to include in that proposal before bringing it back to the board for discussion and hearing authorization.

In other committee business, **Denner** said **John Tamulonis** also brought back to the committee his report regarding the customer service survey, which he thought **Tamulonis** has also presented to the board. Board members confirmed that **Tamulonis** had presented the report at the board's January meeting. **Denner** said the committee also plans to discuss Seneca's proposed Co-Generation plant, area source NESHAP rules, and enforcement rules.

**Denner** said when he entered the meeting room today, he had heard someone asking how many advisory committee members will be applying for reappointment. He and **Markos** indicated that there are four members whose terms are expiring, and there is one agricultural seat which is currently unfilled. In addition, **Brian Forge**'s position will need to be filled, after his appointment to the board at today's meeting. **Markos** said she was putting together a pool of applicants which will include current members whose terms have expired who wish to apply for reappointment, as well as several people who applied but were not appointed during the last recruitment and would like to be considered again.

**Denner** asked if the board had any items for him to put on the committee's agenda, besides the topics they already have in the queue. Several board members indicated they thought the committee already had a full slate of topics for discussion.

7. APPOINTMENT OF BUDGET OFFICER FOR 2009: Due to lack of sufficient time at today's meeting, this item was postponed until the March meeting.
8. APPOINTMENT OF BUDGET COMMITTEE MEMBERS: Due to lack of sufficient time at today's meeting, this item was postponed until the March meeting.
9. FIVE-YEAR BUDGET PROJECTIONS: This item was originally on the January meeting agenda but was postponed until this meeting. **Mirhosseyani** explained for the benefit of new board members that the board

requested, in 2007, that staff provide a five-year forecast each year, prior to beginning the budget development for the coming fiscal year. He distributed copies of a new five-year budget projection, which included both stable-case and a worst-case scenarios.

**Mirhosseyni** went over the revenues and expenditures in the stable-case scenario, describing the assumptions for the projections, that basically all revenue sources would remain the same as they have been, with no reductions. **Mirhosseyni** said revenues from different sources include approximately 12 percent from local partner contributions, 14 percent federal funding from EPA, 10 percent from Oregon's state general fund, 48 percent from permit fees, and 11 percent from miscellaneous sources. **Mirhosseyni** explained that the miscellaneous sources include services LRAPA provides, such as an administrative fee which LRAPA received this year from its efforts to secure funding from EPA for a city of Portland project called Sunday Parkway Project. He described the project as being transportation-related, involving some street closures and providing options for people to bike or walk instead of driving motor vehicles. Also included in the miscellaneous sources is internal fund transfers. He explained that those funds are allocated during the year, and the funds are transferred at the end of the fiscal year by taking funds from Airmetrics and Title V to pay proportionate shares of the agency's fixed costs.

**Johnson** asked if the fact that economic pressures might cause some Title V sources to shut down will have a negative impact on the Title V revenues. **Hough** responded that there are some Title V sources which are likely to shut down, such as Country Coach in Junction City; however, there are at least two sources which are now going to be Title V and will be paying Title V fees in the near future. **Hough** said he anticipates that the actual permit revenue situation might be something between the stable-case and worst-case scenarios. **Stewart** noted that the five-year projection for permit revenues indicates an increase of \$100,000 over the next five years, and he asked **Mirhosseyni** what it would take to generate that kind of additional revenue. **Mirhosseyni** and **Hough** explained that part of that is the fact that the current fiscal year is the third of a three-year increase of 8 percent per year in Title V revenues approved by the 2007 Legislature. The rest is a result of the fact that the Title V fees are indexed to the CPI and increase by that amount each year. Together with the final additional 8 percent increase this year, those increases would mean an overall increase of about 25 percent over five years.

**Mirhosseyni** also explained that the auditors have recommended for several years that LRAPA have at least three to six months' worth of cash in reserve so that it can continue to operate if revenues do not materialize in a given year as anticipated. He said that the reserves come from both the General Fund and the Title V Fund, and that at the end of the current fiscal year there should be about \$400,000 in that fund. With an operating budget of about \$2-million, **Mirhosseyni** said the targeted amount of reserves would be about \$1-million. Several board members questioned whether the agency should be actively trying to put money into a reserve fund when the financial picture for the agency is looking somewhat dire in the current economic climate. **Hough** explained that funds are not earmarked to be put into the reserve each year. The budget is balanced, and the funds that are added to reserves at the end of a fiscal year come from keeping expenditures lower than anticipated through such means as savings from a position which was budgeted but not filled, or if Airmetrics has better sales in a given year than what was anticipated at the time the budget was developed. **Hough** said when he started with LRAPA, the reserve fund had only enough money for a few days of operation. Progress is steadily being made toward the recommended level of reserves, but there is still only enough for a month or two of operations. If everything goes as planned over the next five years, it is anticipated that the reserve fund would have about \$500,000 at the end of that time.

**Mirhosseyni** said expenditures under the stable-case scenario assume an annual COLA increase taking effect in July of each year, and increases in the cafeteria amount indexed to the cost of health care. In addition, merit

increases would be awarded as they are due. Operational increases in supplies and services would be indexed to the CPI.

**Monk** asked why the board was even discussing a stable-case scenario when that does not seem likely in the current economic downturn, and even the worst-case scenario present by **Mirhosseyni** did not seem realistic. **Monk** agreed with **Stewart's** previous statements that the board needs to begin thinking of alternate means to fund LRAPA. **Hough** agreed, stating that the more pertinent discussion would probably be whether the worse-case scenario staff had prepared was truly the worst case. **Hough** said the figures presented today seemed, a year ago, to provide a pretty wide berth; however, given today's economic situation, the worst-case scenario needs to be re-evaluated to see how accurate it is now.

**Johnson** said he wanted to see the underlying assumptions used in both the stable and worst cases, so that the board can talk about whether those assumptions are reasonable, or if there are other assumptions that the board would like to consider in the analysis of the worst case. **Mirhosseyni** said he had provided some basic assumptions in the handouts for the stable case and worst case scenarios. He said staff cannot be sure whether those assumptions will be accurate, given that it is not yet known what either EPA or DEQ will do with regard to funding for LRAPA. **Mirhosseyni** said procedure for planning five-year projections is to base the assumptions on what has been the case for the past five years, and project those out over the next five years. He agreed that they do not reflect the reality of today's economy.

**Kirkpatrick** asked if LRAPA staff bases its projections on interviews with companies to see what their projections are, or if staff just makes its own assumptions. **Mirhosseyni** said there are no interviews with companies. The information regarding expected Title V and ACDP fees comes from the operations staff, based on their interactions with the permitted sources.

**Carpenter** said he wondered if five years is too long a time frame, and whether it might be better to do three-year projections during this time when things are changing so quickly and so much is unknown. He said if the projections are even a little bit off on any one of three years, they will be a lot farther off in five years. **Ralston** agreed. **Mirhosseyni** said he had tried to provide a roadmap to show what conditions would be in a given number of years if all the assumptions are correct. He said five years gives more opportunity to plan what you need to do, today, in order to be able to sustain operations at the current rate if there is a shortfall down the road; however, he can shorten the time frame to three years.

**Johnson** said he was concerned about the practice of looking back five years and then projecting based on that history, because it seems like there are a lot of external circumstances that are demanding that this agency do things differently than it has done in the last five years. He said he feels the board should be discussing what it is they want to do differently, and that should be informing their assumptions, looking forward, so that they are not relying on the past five years. He said he knows Title V will remain fairly static; however, it seems like the agency has to do things fundamentally differently with regard to greenhouse gas reporting and sustainable energy projects, than it has done things in the past. He said he would like to get to the discussion of these and other issues he raised in an e-mail which he had sent to board members prior to this board meeting.

**Stewart** noted that each board member could probably make some comments about these subjects, to set some direction; however, he recommended that staff be allowed to get through the presentation of the five-year budget projections, because it was getting late and he said he would have to leave soon. **Ralston** agreed that he would like to complete the presentation on the stable case and get to the worst-case scenario. **Carpenter** also agreed and said he would like to finish the presentation today.

**Mirhosseyni** noted that he had agreed to bring to the board once a year an update on where the agency stands with the Everybody Wins program. The figures shown in the projections assume different defaults are going to take place, and that truckers would operate as they have been and that conditions would be good. **Mirhosseyni** said the projections include the default rate recommended by the auditors.

For the worst-case scenario, **Mirhosseyni** said he assumed that federal funds would decrease by 15 percent; state funds would decrease by 18 percent; and local dues would decrease by \$100,000. Title V would increase by just the CPI, and ACDP fees would decrease by 10 percent. Airmetrics would break even and not contribute anything to LRAPA operations. No new projects are projected. Under those assumptions, the General Fund would have a deficit of \$100,000 at the end of the first year and in the remainder of the five years.

**Mirhosseyni** then showed slides of what the staffing levels would be. The current 20 FTE would be reduced to 18 in 2010 and continuing at that level, under the stable case. Under the worst case, staffing would be reduced by one FTE in 2009/10, and then another FTE in 2010/11, which would make the situation sustainable.

**Stewart** asked for a list of the current Title V permittees. He said it looks like Country Coach is closing, and there is a very good chance that Monaco Coach will also close, and he said he does not know what Marathon Coach's situation is. He said he is pretty sure that there may be two or three mill facilities which will go idle and shut down during this downturn. **Stewart** said he would like to know how that would affect LRAPA. He said it also seems quite possible to him that, not only will Lane County not be able to pay anything at all for FY 2009/10, but there is possibility that Springfield, Oakridge and Cottage Grove might also not be able to pay dues to LRAPA. He said he could not speak for Eugene, but reminded everyone that the Eugene had proposed eliminating LRAPA from its budget last year. He said he would like to see what a budget would look like with no local dues at all. He said he had spoken with three different legislators yesterday in Salem, and they are looking at potentially a \$3-billion shortfall, and the news seems to be getting worse every day. Since LRAPA receives its state general fund money through DEQ, **Stewart** said he wondered what would happen if DEQ decided it had to protect its own programs and cut off all funds to LRAPA. **Stewart** said in the current harsh economic climate, he thinks the board should know the effects if all those sources of revenue went away. He asked that staff bring that information back to the board at the next meeting.

**Carpenter** asked how many Title V permittees there are, and staff responded that 19 of the 220 industrial sources currently permitted by LRAPA are Title V sources. **Carpenter** noted that, as emissions go down, the fees for Title V sources also go down. **Hough** explained Title V fees are based either on the Plant Site Emission Limits in the issued permits or on actual emissions, and that there are rigorous national requirements for basing fees on actual emissions. He said International Paper is LRAPA's only Title V source currently paying its fees based on actual emissions. Consequently, those fees would not fluctuate much. **Hough** added that if a Title V source were to shut down completely, that could affect the fees. **Max Hueftle** explained that if a source shuts down there are no emissions; however, if they want to continue to maintain their permit instead of having to apply for a new permit and pay new fees when business picks up again, they continue to pay fees every year, based on the Plant Site Emission Limits in the permit. **Carpenter** said he would like to have staff give the board their thoughts about the various Title V sources and the likelihood of their continuing to pay emissions fees, when that list is given to the board.

**Monk** asked what staff's time line is for developing a proposed budget for FY 2009/10, and **Hough** said the two main budget meetings, with the full budget committee, will take place in April and May. **Monk** said he remembered that there were a lot of questions at the April meeting last year, and it took quite a lot of staff

time to prepare responses to those. He said he thinks that every one of the worst-case assumptions which Stewart had mentioned are too optimistic, and he thinks Airmetrics will likely lose money. He said the \$100,000 projected deficit in five years is probably not realistic. **Monk** said the agency needs to be thinking about the up-coming responsibilities that Johnson pointed out that are facing the agency. He said it looks like the agency has been structured pretty much the same way for forty years, in terms of its personnel and how the organizational charts gets laid out and how responsibilities are assigned. He said it might be time to look at that and determine whether there are places where the agency has the skill sets that it needs and places where it does not. He said the budget that gets presented to the board should reflect a dire situation because, if it doesn't, the agency will be unprepared for what the financial situation will be. **Monk** said if that is not how staff is looking at the budget, he would be happy to put together a proposed budget for the board's consideration, with the kinds of realities that he sees facing the agency, and reflecting how he thinks the agency needs to be restructured to address the financial situation. **Monk** said he thinks the agency is top-heavy, and that there are some places where it could be changed.

**Johnson** said he wondered if the board would have a chance, at the next meeting, to talk about what they see the agency looking like in the future, in terms of what they think its priorities would be and how the agency needs to be structured to meet those priorities, given the dire financial circumstances. He asked if the board members are going to make some tough choices about what kind of budget they want **Hough** and **Mirhosseyani** to bring to them, or if they will all come up with their own budget ideas and have a battle of ideas.

**Carpenter** suggested that individual board members e-mail **Hough** with ideas they may have. He said he does not think board members have the expertise to put together the forecast on what the next two years of financial resources are going to look like. He said **Mirhosseyani** does have that expertise, but everything else would just be speculation. No one knows what effect the federal stimulus package bill might have, and nothing is certain right now. **Carpenter** said individual board members are free to make suggestions to **Hough** and **Mirhosseyani**, and those things can be brought to the full board so that it can vote on what the group believes it needs to do.

**Stewart** asked **Hough** how flexible LRAPA can be with regard to sudden loss of revenues, such as if two or three Title V sources were lost, and there was suddenly an additional shortfall of \$30,00 or \$40,000 in LRAPA's budget. If more staff members had to be laid off, how much time would that take to do without violating any of the employees' rights. **Hough** responded that permit fees are on more of an annual cycle, and there would be much of a year to make those adjustments. **Stewart** said he would like the board to know what the process would be if it became necessary to lay some employees off, and how quickly that could be accomplished and still be fair to the employees. **Hough** commented that there are adjustments that staff is making, even through this year. He noted that two people resigned at different points during the past year, and their duties were reassigned to existing staff rather than hiring new people to take their places. On the other hand, there is a permit writer position which is a critical need, supported by permit fees, and is part of the mandated requirements that LRAPA, as an air agency, must fulfill. That position will be filled as soon as someone with the right qualifications is found. Staff is working to avoid being in a crisis mode. **Hough** said that Oregon and some of the surrounding states are talking about using furloughs as a means to save some money. A day a month would be into whole percents of savings. A day a week would be about 20 percent savings. **Hough** said there are a number of tools which would be on the table in a crisis mode. He added that he reflects back on one of the briefings staff did for the board during the strategic planning process a couple of years ago, when the board went through all the goals, objectives and tasks on the list, some of which are

mandated and others of which are not. It turns out that some of the things that were a high priority for the board are not specifically mandated, and much of the valuable outreach that LRAPA does may not be immediately required; for instance, some of the things the agency is doing with regard to woodstoves are critical for maintaining compliance, in the long run, but are not specifically mandated. In addition, the air toxics monitoring that the agency does is not mandated, and it is been a struggle to keep that in the budget. That could be eliminated without getting LRAPA into trouble with its commitments to EPA and DEQ. **Hough** said that is the kind of dilemma LRAPA faces. Perhaps about 80 percent, or more, of the work LRAPA does is a mandated activity, which means that there is only about 10 to 20 percent that can be either done or not done, as the agency chooses.

**Carpenter** gave each board member 20 seconds to make one more comment before moving to the next agenda item.

**Johnson** asked staff to show the board how the staffing plan and organizational chart connect to the money that's spent on personnel, and how those costs are connected to mandated and voluntary programs. He said when he looks at the agency's website, he sees that there are some activities that don't seem to be mandated, such as indirect source permitting which is done every couple of years; and he wonders how much money is spent on expertise to perform that function and other activities. **Carpenter** suggested that **Johnson** e-mail **Hough** with his specific questions.

**Monk** noted that the assumptions in the projected budget included a 3 percent COLA and 5 percent increase in cafeteria, plus merit increases where due. He questioned how LRAPA can plan for those things when the cities and the county are laying people off. **Hough** said staff would not get those increases if the agency were in crisis mode. He said there needs to be a baseline in order to calculate FTE and know where adjustments need to be made. **Monk** said whether the agency is in crisis mode or not, the fact that others are not getting those things must be taken into account. **Ralston** agreed, stating that his wages are frozen until next year.

**Mirhosseyani** reminded board members that there are several budget committee positions which need to be filled at the next board meeting, since the first committee meeting for the FY 2009/10 budget will take place in April.

10. NEW BUSINESS:

- A. Wood Waste As Fuel In Industrial Boilers. **Johnson** said he thought it would be appropriate to have the advisory committee look at a definition of "wood waste" for the rules, as well as some issues that come up around wood waste being burned in boilers. **Johnson** said recyclers take in treated wood and blend different things with a high BTU value, and then that material gets sold. **Carpenter** said the whole board should talk about that before assigning it to the advisory committee.

**Carpenter** said it might be worthwhile to have a presentation on what kinds of fuels the various wood facilities burn. He said he was tabling discussion of the proposed Seneca co-generation plant until next month. **Carpenter** said he had noticed that there are already a couple of definitions of wood waste in the rules, including one for "high moisture wood," which applies to veneer dryers, and another definition for wood waste that is less than 20 percent moisture. **Hough** commented that the key thing is not whether it is a co-gen plant, but the wood-fired boilers that generate the energy. He added that LRAPA has a lot of experience with wood-fired boilers.

- B. Having Monthly Board Meetings At Different Locations. **Carpenter** asked what would be the chances of LRAPA's board moving its monthly meetings to other cities, where the meetings might attract a different clientele on the lunch hour than it does sitting at the LRAPA office each month and making people come to Springfield. **Ralston** brought up the fact that the board had just been discussing the need to reduce spending, and having staff move everything to a different place each month would add expenses.
- C. Air Quality Expertise of LRAPA. **Johnson** said he hoped LRAPA would be more engaged in proactively involving itself in conversations that are happening, such as the county talking about a biofuels plant, and the University of Oregon talking about a syngas plant, both of which would take waste out of a waste stream, or use the same kind of fuels that might compete with a co-gen plant. **Johnson** said all of those possibilities would have air quality costs and benefits and, in order to be of value to the county, LRAPA should have a seat at the table when those conversations take place. **Johnson** said he would like to see LRAPA involved as the local air quality experts and, if requests are made for federal dollars, to request a share of those funds for LRAPA to do an air quality analysis or make any necessary rule revisions to address the air quality issues that come up with these innovative, sustainable energy projects.

**Carpenter** said the City of Springfield has what they call a pre-permit design meeting with people who are contemplating a large-scale project. The people can apply for a permit and talk to the city in advance to see what obstacles or challenges there might be. **Carpenter** said it seems to him that LRAPA becomes involved in these projects when the air permit application is made.

**Hough** said LRAPA staff is always available for those kinds of discussions and welcomes inquiries during the process. He noted that, in the case of the proposed Seneca co-gen plant, inquiries were made by consultants before LRAPA even knew that Seneca was the company involved.

**Stewart** said his opinion is that there are already federal laws and state laws that govern emissions from the types of facilities **Johnson** mentioned. He asked if **Johnson** thought there were organizations that intend to do something illegal, or if he wants LRAPA to be in a position to not allow such a development because it believes there might be negative impacts to the airshed. **Johnson** said he thinks LRAPA represents the air quality expertise of Lane County and should be involved in informing those conversations when they kick off. **Stewart** argued that they will have to come to LRAPA to get an operating permit, and LRAPA will mandatorily be at the table, and will apply its expertise to that process. **Johnson** commented that he and **Stewart** have different views of what LRAPA's role is. **Ralston** added that having someone from LRAPA present at meetings of other jurisdictions would result in extra costs at a time when emphasis is being placed on cutting costs.

- D. Use of Board Members' Time. **Monk** noted that the board has a lot on its plate, and he thinks that hearing a presentation from the advisory committee regarding its activities and having **Hough** walk the board through the director's report each month is not a good use of the board's time. He said that board members should be reading the meeting materials ahead of the meetings and bringing questions to **Hough** outside of the board meetings, so that the time at the board meetings can be devoted to action items to which the board needs to respond.

**Carpenter** responded that the oral report from the advisory committee each month provides a valuable connection between the committee and the board. He noted that only ten minutes had been allotted for that report at this meeting, and he did not think that was an unreasonable amount of time to hear their points of view. **Monk** said he thinks the meetings have probably been run the same way for 25 years, and he thinks the board's time could be better spent in some of these matters. **Ralston** commented that the board used to get through its meetings in an hour-and-a-half every month, but now it takes much longer.

11. ADJOURNMENT: The meeting adjourned at 2:52 p.m. The next regular meeting of the LRAPA Board of Directors is scheduled for Tuesday, March 10, 2009, 12:15 p.m., in the LRAPA Meeting Room at 1010 Main Street, Springfield, Oregon.

Respectfully submitted,

**Merrie Dinteman**  
Recording Secretary