

**MINUTES**  
LANE REGIONAL AIR PROTECTION AGENCY  
BOARD OF DIRECTORS MEETING  
TUESDAY–MARCH 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; Lance Giles; Max Hueftle; Sandra Lopez; Sally Markos; Nasser Mirhosseyni; Tim Sawyer
- Other: Russ Ayers, Chair, Amy Peccia, and Gery Vander Meer–LRAPA Advisory Committee; Jim Daniels–Rosboro Lumber; Paul Nielson–Isler CPA

1. OPENING: **Carpenter** called the meeting to order at 12:15 p.m.

Two board members requested changes in the scheduled agenda items:

- A.. **MOTION: Kirkpatrick MOVED to table the advisory committee information item, in favor of taking that time to discuss the proposed Seneca Co-Generation plant. Monk SECONDED THE MOTION.**

**Kirkpatrick** asked whether the appointment of committee members could be tabled, and **Carpenter** said it could not.

Discussion of Motion

**Johnson** said he was looking for general information, similar to what was discussed by the LRAPA Advisory Committee.

**Ortiz** cautioned the board about discussing the Seneca co-generation permit, noting that two letters in the packet for this meeting, from LRAPA’s legal counsel, advised board members to be very careful about what they say in public or in private conversations with people, concerning the proposed permit. **Ortiz** said she has had experience with being part of a quasi-judicial body and said the board needs to be cognizant of what they say. She said she would not want to have a perceived bias if the permit were appealed to the board and, therefore, would not support the motion.

**Carpenter** noted that other public policy bodies have their legal counsel present at their meetings, but LRAPA does not have that. He said he would make a general statement, but stressed that his statement was not being made as counsel to the board. **Carpenter** said everyone has a First Amendment right and can speak on anything they wish; however, when a person sits on a board like this one, that has a quasi-judicial duty, if you appear to be biased through your earlier statements, then anyone who has a judicial issue before the board can claim that you should disqualify yourself from voting on the matter.

Consequently, **Carpenter** said, if there are times when a board member feels that their personal opinion should be voiced, that person must know that they would probably not be allowed to vote on a controversial issue that comes to the board, if the board member has previously raised that opinion. **Carpenter** then said he did not know if staff were ready to comment on the pending permit. He asked if staff has a permit application, and **Hough** said Seneca did submit an application in late January, at which point LRAPA had thirty days to determine whether the application was complete. In late February, LRAPA determined that the application was complete, and the agency had sixty days from that point to draft a permit. In the meantime, **Hough** said, staff has scheduled an informational meeting, separate from the permitting process, for April 2, from 7:00 p.m. to 9:00 p.m. at the American Red Cross Building at 862 Bethel Drive in Eugene.

**Hough** said staff is sensitive to **Kirkpatrick's** request for more information and hopes to provide that information, and more, by scheduling the informational meeting. In addition, staff distributed to the board members at the February meeting a one-page summary of the information in Seneca's permit application, and the entire application is available in the office for public review. He said any board member who wishes to see that information can look at it. **Hough** stressed that staff is not withholding information from the board, but he did want the board members to be aware of the possible conflict involved with being a member of this board and talking about the permit application.

**Johnson** said he wanted to see the same information as was presented to the advisory committee at its last meeting, noting that it seemed to be the primary topic of discussion at that meeting. He said he would like to have that discussion at this meeting, rather than the report of advisory committee activities, and he would support the motion with the caveat that the board members not inject their personal opinions. **Hough** responded that this was not a scheduled item on the advisory committee's agenda, but was covered during their round table discussion.

**Fortune** commented that **Kirkpatrick's** motion was to table an agenda item, and her motion had been seconded. According to Robert's Rules of Order, there is no discussion of a motion to table an item. Once the motion is made and seconded, the body votes on the motion. He added that there should have been two separate motions—one to table one agenda item, and another to substitute another topic.

**Carpenter** said it seemed to him that it might be more appropriate to have the public meeting and perhaps have staff review with the board any questions and answers from that meeting. He suggested that any board members with an interest could submit questions to **Hough** or could also attend the public meeting on April 2 and get some information that way. **Carpenter** said he was not comfortable agreeing to have this subject brought before the board for discussion at this time.

**Ortiz** said she had offered, as a councilor, to tour the site, and asked if that was available to the LRAPA board as a group. She said another reason she would not support **Kirkpatrick's** motion to substitute a discussion of the Seneca permit application for the advisory committee report at this meeting was that she did not know whether staff is prepared to discuss it. She added that the advisory committee chair was present at this meeting, prepared to report to the board on the committee's activities, and she did not feel comfortable just cutting them totally out of the meeting in order to discuss something else.

**Monk** asked **Kirkpatrick** if having the discussion after the April 2 public meeting would satisfy her interest. He said some of the information about the Seneca proposal would be very important for the board to hear, prior to getting too close to the issuance of the permit, just so that they are cognizant of what staff is contemplating. **Carpenter** asked **Monk** what he planned to do with that information.

**Monk** called attention to the memo from LRAPA legal counsel **Glenn Klein** to LRAPA Director **Don Arkell** in 1995, stating that it is clear that the board has the authority to convey to the director the policy that the board wishes staff to follow with regard to permitting in general. He said the director has discretion in some of these instances, and it would **Monk's** opinion that the director would err on the side of best pollution control technology as opposed to something less than that, if that discretion is within his power. For that reason, **Monk** said he thinks it is appropriate that the board convey that policy perspective, to make sure that the director is fully cognizant of what the expectation of the board's authority is, in regards to any permits.

**Carpenter** responded that the distinction is in an individual permit versus all permits. In all permitting, the board's role is legislative, in making rules. Regarding an individual permit, the board is no longer in a policy making mode, but is trying to apply rules to a specific situation. **Carpenter** said the rules that are in effect must be applied to a specific permit application, and the board cannot try to make new rules for every permit application that comes along.

**Carpenter** asked **Ayers** if he had any comments regarding what he planned to present under the Advisory Committee agenda item. **Ayers** said he would be brief in what he presented and would take only about two or three minutes. The bigger part of the Advisory Committee agenda item would be the committee appointments, which could take more time. **Markos** commented that the appointments needed to be done at this meeting.

**Johnson** said the reason he was interested in the Seneca project is to ask to be able to hear what rules and policies are clear and where there is discretion, so that the board is informed about its legislative role and any need to clarify policies—not pertaining specifically to this plant, but to permitting in general. He said, to him, this project provides an opportunity for the board to be educated about how LRAPA's rules and policies are being applied to these types of sources. He said he could wait on that.

**Hough** said the board had not been through specifics like this, as a group, before; but from what he understood, he was very cautionary about having a pending permit as the framework for even that more general discussion. He said it seems like there would be dangers of the board influencing a specific permit action, which is what legal counsel has cautioned the board against allowing to occur.

**VOTE ON MOTION: Three board members (Johnson/Kirkpatrick/Monk) for and six board members (Carpenter/Forge/Fortune/Ortiz/Ralston/Stewart) against. THE MOTION FAILED.**

- B. **Monk** then said he had another agenda item that he would like to discuss before starting the regular agenda. He MOVED to table Agenda Item No. 9, an overview of proposed rules for area source NESHAPS, and take that up at a future meeting, to provide more time for discussion of a proposal he had made in an e-mail to board members, to reorganize the agency's staff. **Monk** said he believes that his proposal would fit quite well in this agenda following the presentation of the 2007/08 financial audit report and prior to the continuation of discussion of the five-year budget projection. He said he wanted the discussion to determine if there is sufficient board support for his proposal, to provide some direction to **Hough** regarding development of the FY 09/10 budget for the April meeting.

**Hough** commented that it was entirely up to the board to postpone the area source NESHAPS rule discussion until a future board meeting. He said staff was trying to be responsive to the direction of the board in the past, to give them an early idea of where staff plans to go with rulemaking before it gets to the point of proposing more specifics for rule adoption. He said it was just an attempt to keep the board

as informed as possible; however, the fact that it was in the board's packet for this meeting satisfied him that staff had informed the board of its intent.

**Carpenter** commented that it appeared that the rule would take six or eight months to get passed, from now, and the next two months are generally tied up with budget and other matters. Therefore, he suggested that the rules item be kept on this agenda. He said he had thought the board would talk about **Monk's** proposal for about five minutes, or more, inside the informational item follow-up on the three-year or five-year budget projection. **Ralston** suggested it could also be discussed under New Business. **Carpenter** agreed.

**VOTE ON MOTION: Five (Forge/Johnson/Kirkpatrick/Monk/Ortiz) in favor and four (Carpenter/Fortune/Ralston/Stewart) against. THE MOTION PASSED WITH A VOTE OF FIVE TO FOUR.**

2. PUBLIC PARTICIPATION: None.

3. Minutes. **Monk** pointed out that he had not called the meeting to order, as was stated in the minutes of the February 10, 2009 meeting. **Carpenter** pointed out a typo on page 9, in the first sentence, where "once a hear update" should be "once a year update."

**ACTION: MSP (Ortiz/Monk)(Unanimous) adoption of minutes of February 10, 2009, as corrected.**

Expense Reports. There were no comments on or corrections to the expense reports through January 31, 2009.

**ACTION: MSP (Ralston/Ortiz)(Unanimous) adoption of expense reports through January 31, 2009 as presented.**

4. DIRECTOR'S REPORT: **Hough** highlighted several items from the written report.

A. Air Quality. February 28 marked the end of the 2008-09 home wood heating curtailment season. Monitoring data show some higher days during the mid-January/mid-February reporting period, but those levels should go down with improving atmospheric ventilation and with warmer temperatures resulting in less wood heating.

B. PM2.5 Standard. The court has sent the PM2.5 standard back to EPA for further deliberations. **Hough** said that will primarily affect the annual average standard which would not have much effect on Oregon. Eugene-Springfield and Oakridge would probably both meet even the new, tighter potential annual average standard.

C. Wood-Derived Fuels/ Boiler MACT. **Hough** referred to an attachment to the written director's report which looked at fuels being combusted in boilers and reviewed any historical problems and how LRAPA addressed those, in light of the interest in the proposed Seneca co-generation facility. He said it seems that, under LRAPA's current rules, the agency has the necessary ability to address and correct any such problems with fuels. **Hough** said staff is continuing to collect data, but it is continuing to confirm that there is no significant problem currently. He said if the board wants a greater assurance in the future, there are things LRAPA could do, the most effective of which would likely be to put specifics into Operation & Maintenance plans of permits at the time of permit renewal. **Hough** stressed that such

action does not appear to be a critical need, but staff is open to further discussion by the board on that issue.

**Carpenter** said it appeared to him from the report that EPA will be revamping their rules, based on a court order. He asked if LRAPA's permits currently have wording to require sources to automatically be bound by new EPA rules. **Hough** said it would need to be addressed, and those requirements would need to be met by local facilities subject to new boiler Maximum Achievable Control Technology (MACT) standards. He said it would be implemented into LRAPA's permits for affected sources, similar to what was done for the plywood MACT last year. **Hough** said that staff does not expect more than eight or nine facilities in Lane County to be affected by the boiler MACT, adding that the number won't be certain until the final federal rule gets promulgated. **Lopez** noted that an option to reopening a facility's permit and reissuing a different one would be to send out an addendum to the current permit, incorporating the requirements of the new rules.

**Monk** said it was his understanding that DEQ has offered deadline extensions to affected facilities within its jurisdiction and asked **Hough** if LRAPA has offered the same extensions. **Lopez** said DEQ has not actually issued the letters, yet, for the extensions, although they have received a legal opinion from their legal counsel that extensions can be issued. She said when an extension is issued, it starts the clock, and the permit for that facility must be issued within 18 months. **Lopez** said LRAPA has received one request for an extension, and staff is considering it. She pointed out that LRAPA does not necessarily have to do the same thing DEQ does.

**Johnson** said he would be supportive of having additional assurance that wood-based fuel quality is ensured in all permits. He said he wondered what authority LRAPA would have, without a rule, to put those assurances into permits, because there would not be an applicable requirement or rule giving the agency the authority to put those assurances into a permit. He said he thought it would be more efficient to have a rule that specifies the acceptable geometry, wood size, moisture content, and specifically prohibiting certain things like tires, asphalt shingles, or contaminated, pressure-treated wood that gets recycled. **Johnson** said if the rule were in place, a source could apply for a permit and make a case for an exception to the rule if they felt they needed it, rather than putting the burden on LRAPA.

**Lopez** said she thought a rule regarding prohibited materials would be very easy to get through, because the facilities do not currently burn those; but having it in the rules would make it stronger. She said for the size and moisture content, the agency would have to do a lot of outreach and workshops with the companies because there is a line between which a boiler is a boiler and becomes an incinerator. **Lopez** added that companies get permits for what they apply for, and the emissions are calculated based on what is in the application. She said she did not think it would be at all difficult to put those restrictions into a permit. **Johnson** agreed that would be the case if they were applying for a permit, but asked what would happen if they already had a construction approval, and if that wouldn't make it more difficult for the agency to put a condition into the permit. **Lopez** said that was a good question for which she would probably need legal advice. She said the agency can open a Title V permit for a specific purpose, and the time to do that would be when EPA makes its final decision, so that LRAPA can use the strongest legal option available.

**Hough** commented that one of the key controls over wood fuel right now is that, during source testing when the source demonstrates compliance at the facility, fuel samples are taken. What is being done at the facility at the time of the source test is documented, and that information defines required fuel

parameters during typical operation of the facility. If there is any significant deviation from that during a subsequent LRAPA source inspection, the problem can be addressed and corrected as part of that.

**Johnson** said his personal feeling is that the risk of not having a rule is greater than the benefits of not having a rule. He said he thinks the flexibility that a source has is important, but LRAPA can still have a rule that ensures a fuel standard with which everyone must comply, be it Title V or non-Title V sources. A specific rule would avoid the problem of whether or not a source is an incinerator.

MOTION Number 1: **Johnson** MOVED to direct staff to prepare a rule that has the additional assurances of fuel quality, as outlined in the bottom of the “Wood Fuel Quality Assurance in Lane County Boilers” document prepared by staff and distributed to board members at this meeting, [*“The plan would specify certain guidelines appropriate for the particular facility, including: acceptable geometry or maximum size of wood particles combusted, maximum containment levels so that the fuel is free of unwanted materials, acceptable moisture level ranges, and acceptable age of wood combusted to ensure the wood heating value is not overly degraded.”*]so that we can have assurance that wood boilers that are not incinerators don’t, by default, operate as incinerators. **Monk** SECONDED THE MOTION.

#### Discussion of Motion Number 1

**Lopez** said staff had contacted some of the operators of facilities with wood-fired boilers about that very question; and one of them mentioned that the DEQ waste division is looking into an identification of waste, and that LRAPA would also need to look into that, and that the DEQ work on this question would be a good source of that information. **Hough** said another source of information is the hogged-fuel suppliers such as Lane Forest Products and Rexius who process much of the hogged fuel used in Lane County. He said they are very careful and do not allow any asphalt roofing or treated wood, or some of the other things **Johnson** had mentioned, as part of what goes into their hogged fuel. He said any contamination of that type is either taken to a landfill or recycled.

**Johnson** said he had a conversation several years ago with a person who told him that people take treated wood out of their yards after it has started to rot, and take it to the yard waste recycling companies. The material contains arsenic and chromium and other toxic materials, and there was a question of why it couldn’t be burned. He said he was told it can be mixed with the hogged fuel. **Hough** responded that both Lane Forest Products and Rexius were very specific, that such things as railroad ties and treated wood are not allowed to go into their hogged fuel processing. Hogged fuel has been described as basically walnut-sized, to baseball-sized (under three or four inches) materials which can be uniformly fed into wood-fired boilers.

**Johnson** responded that if there were definitions of sander dust for sander-dust boilers, with a size criterion such as an ASTM standard, and a hogged-fuel definition, it would help in permitting to be able to say this is a hogged-fuel boiler or this is a sander-dust boiler. That would give some certainty to the suppliers of these fuels, as to what to call their fuels. He said the certainty value is greater than the flexibility value because of the certainties with what might wind up in these fuels and consequently in the air.

**Carpenter** asked if LRAPA knows how the EPA rule is going to define commercial and industrial waste for this system, because it would seem to be more appropriate to see what that rule looks like and then decide whether LRAPA needs to supplement that with further-refined definitions. **Lopez** agreed with

**Carpenter**, stating that it would take some time to write a rule for what Lane Forest Products or Rexius can accept or not accept to put into their hogged-fuel, to make sure it is enforceable and covers everything that needs to be covered. She said any LRAPA rulemaking should wait to see what EPA does, in order to not duplicate effort. She said EPA is having large meetings about this subject with environmental groups such as Oregon Toxics Alliance and with industry, and a lot of viewpoints will be included in whatever rule EPA ends up promulgating. **Carpenter** said it looks like July 15, 2010 is EPA's projected date to have that rule in place and that they are supposed to come up with a draft rule by July 15 of 2009. **Carpenter** suggested that LRAPA wait until the EPA's draft rule is available, and then either mimic that rule or have further discussions of whether their draft is adequate for LRAPA's purposes.

**AMENDED MOTION: Johnson amended his motion to direct staff to come back by the July board meeting with an update of what EPA is putting into its proposed rule, and an update on what DEQ is doing, and with some proposed language for a LRAPA rule, just so the board can compare how a LRAPA rule might look, against those other rulemaking actions that are happening.**

**Monk SECONDED THE AMENDED MOTION.**

Discussion of Amended Motion

**Hough** said if EPA does not have its proposed requirements out before July 15, LRAPA probably would not have that information in order to provide a report for the board's July meeting. **Lopez** agreed, stating that due to other things staff is working on, and the availability of EPA and DEQ rulemaking information, the quality of such a report to the board in July probably would not be as good as it would be in the fall or winter, when a more thorough job could be done. **Johnson** said it wouldn't matter if the EPA information is not available. He said he wants to see a proposed rule for this agency by July 15, and whatever other information staff can bring to supplement that discussion.

**Monk** said when he heard what **Johnson** was proposing, he saw the value of having this rule sooner rather than later, given what some of the board members perceive to be a number of biomass projects on the horizon. He said he would appreciate having information regarding how adopting this rule by the end of the year might impact current permittees.

**Lopez** said the permit conditions would be more stringent and more enforceable for new permittees. For a new applicant coming in, staff would mirror the conditions in their application in the permit. She said, for example, Seneca already has a set of starting conditions for the type of fuel they can burn, and staff has not completed its evaluation of that. She said she did not see a new rule of this type being an issue for new or modified facilities. The impact would be on existing facilities.

**Carpenter** said he would like to see what EPA has done before putting staff to work, trying to draft something in a vacuum. Perhaps, once EPA's rule is out, staff could come back to the board as to how LRAPA's existing rules interplay with what EPA has at least proposed. If there are deficiencies, or if extra efforts would be needed for a local rule, the board would find that out at that time.

**Ortiz** said she would support the motion. She said she did not disagree that it would be nice to know what EPA's proposed rule will say; however, she is sure LRAPA would not be starting from "ground zero" and that there is information available to begin work on the rule and give the board some idea of

what LRAPA should do. She said the motion lets staff know that the board wants this worked on now, and from now until July is three or four months, which gives them some time to do what is needed.

**Lopez** asked the board to describe exactly what they want, because it is different to have a concept versus rule language, in that period of time. **Johnson** said it would be something like the wording at the bottom of the Wood Fuel Quality Assurance memo prepared by staff.

**VOTE ON AMENDED MOTION: Five (Forge/Johnson/Kirkpatrick/Monk/Ortiz) in favor and four (Carpenter/Fortune/Ralston/Stewart) opposed. THE MOTION PASSED BY A VOTE OF FIVE TO FOUR.**

**Stewart** requested a work load update from staff, as to what they are working on at the moment. He said he knows staff is working on several different rulemaking processes, and the board has just added something else. He said he is curious about how much time staff has for this, particularly in light of the fact that there will be some detailed budget discussions coming up in the next couple of months. **Stewart** said he is a little concerned that staff will not have time to do some of the things the board is throwing at them. He asked to have that information at the next board meeting.

**Carpenter** asked **Johnson** to provide further guidance to staff on what he feels the current rules are lacking. **Johnson** said at the bottom of the Wood Fuel Quality Assurance memo, it mentioned acceptable geometry and maximum wood size, particles. It should be free of unwanted materials, so it should include a list of specific prohibited materials. There should be specific definitions for different types of fuel, so that if a facility wants to burn a specific fuel, they will know what that needs to be. If the facility is to use a specific type of combustion unit, the rule should specify the type of fuel which can be used and what that fuel is.

**Lopez** said if staff is to write specific language for a rule to be adopted, there would need to be stakeholders' group meetings between now and July, for the affected facilities, to get their input for writing the rule. If the board simply wants a conceptual proposal, that would not be necessary at this point. **Carpenter** commented that a four-month deadline does not give a lot of time for the stakeholder process, and **Ralston** agreed.

**Carpenter** noted that what the board is asking for is some draft language for board discussion, prior to taking anything out for formal rulemaking. He suggested that proposed language be taken to the advisory committee for discussion, rather than taking it to a stakeholders' group at this time. **Johnson** agreed that it should come to the board in July as an information item, not an action item.

- D. Legislation to Change the Makeup of the LRAPA Board of Directors. **Monk** said **Stewart** had brought to his attention the previous week the fact that perhaps **Representative Hanna** and/or **Senator Walker** were contemplating introducing legislation that would change the way the LRAPA board is made up. He said he had called and e-mailed both legislators and had heard from **Representative Hanna's** office that they had nothing in writing and that **Senator Walker's** office was leading that effort. **Monk** said he heard from **Senator Walker** that she had talked with **Commissioner Stewart** and was trying to accommodate him by using one of her priority positions to introduce legislation at this late date. He said he had e-mailed her, conveying why he thought that was not appropriate, and he had gotten no response from her. **Monk** said he thought the board should hear about it at this meeting, and he urged both **Stewart** and **Hough** to provide what information they had regarding any proposed legislation.

**Stewart** said he had had the opportunity to meet with **Senator Walker**, intending to discuss another bill that affects county government. She had read some of the newspaper articles about LRAPA over the past year and wanted to know more about that, and in particular about **Stewart's** concerns about the makeup of the LRAPA board and wanting better representation for all of Lane County, including rural areas. **Stewart** said he told her he has gotten no support for his position, and she offered to introduce legislation if he would go out and get the support. He told her he would not be going out to get the support, and he thought the subject had died there. Subsequently, the actions of the LRAPA board in not choosing to appoint the Cottage Grove mayor to the at-large, general, position caused the mayor to be concerned about the city contributing money to LRAPA with very little representation. **Stewart** said the mayor, and he believes the city council as well, share the same concern; and the mayor directed the city manager to draft language to change the makeup of the board. **Stewart** said his understanding was that **Representative Hanna** was going to introduce the legislative proposal; however, in conversations that **Stewart** had with a number of individuals in Salem the day before the board meeting, it appears that nothing has been done on that. **Stewart** said he does not believe anything is happening. He said he had called **Monk** the previous week to let him know what he had heard was taking place, because he did not know what was going on. He said in his opinion, the whole thing has spun completely out of control, and people have gotten upset and said some things that are, also in his opinion, totally inappropriate, based on rumors.

**Ortiz** said she had heard about this from **Monk** and had tried to track what was happening, and had also gotten nowhere. She said this is concerning to her because she believes that all the board members are here for the right reasons, and she doesn't like to think that anyone is trying to subvert the mission of the agency, which is clean air. She said she lives in the Bethel neighborhood, an area which is truly polluted, and feels that her work on the LRAPA board is very important. **Ortiz** acknowledged that perhaps the representation isn't as balanced as people would like it to be; but she thinks that the people on the board feel like it is their mission to make sure that the air is as clean as possible for our community. **Ortiz** said if people think there is not representation for all of Lane County, that is a conversation this board needs to have. She said she truly resents people going behind local rule and having conversations at the state level, and having rules passed that affect local government. She said that, in her opinion, it is mal-intent. The LRAPA board members may not always agree with each other and sometimes have differences of opinion, but that's okay because that's the world we live in. She added that if the mayor of Cottage Grove is upset, that should be put on the LRAPA board's agenda and discussed. She said she doesn't see why everyone in the State of Oregon should say what we do here in Lane County.

**Carpenter** responded that LRAPA is formed by state statute, so any changes have to be made by state statute. He said he does not know how having a discussion by the board about this subject will have any positive outcome, one way or the other, since everyone has his or her own opinion, and those are pretty well known.

**Monk** said the reason he brought it up at all is because he did not know whether either **Representative Hanna** or **Senator Walker** are going to try to accommodate **Mayor Williams**. He thanked **Stewart** for clarifying the facts, and apologized for misrepresenting that. **Monk** said **Senator Walker** knows his opinion, but it is just his opinion and not that of the full board. He said that, if the majority of the board supports the current statutory configuration of the board, then the board should convey that to both **Senator Walker** and to the Legislature, in whatever appropriate way, prior to any legislation being introduced.

**Ralston** said the board has had this discussion, and the statutory makeup really is not up to the board. He said there obviously is not board consensus that the current statutory configuration is okay. He said the Springfield City Council was approached, during a counsel agenda review, and asked if the city would support going to the legislature to have the statute changed. He said that, while the city did not take any action on that, this board should know where the city would be on that. **Ralston** said he does not think the board is in agreement, and he does think the statute needs to be changed.

**Fortune** said the subject was also on the Oakridge City Council's agenda at its last meeting, and consensus of the council was that they would be in favor of looking at changing the statute.

**Stewart** said it has been his mind set from, virtually, the day he started on the LRAPA board, that there needs to be more rural representation, and that has not changed. He said he wanted to make it clear, however, that he did not go out and actively seek anything beyond this board. **Stewart** said that in a review of LRAPA last year by the Lane County Board of Commissioners, regarding whether or not the county was going to continue to support LRAPA, the commissioners asked in a letter to LRAPA that the board makeup be considered as something to change. **Stewart** said he was completely caught off-guard in his conversation with **Senator Walker**, and he wanted to make it clear to this board that he is not trying to do anything behind the scenes or to subvert anything.

Acknowledging that the cities of Cottage Grove and Oakridge have had these conversations, and that the city of Springfield has been approached by someone, **Johnson** said he was curious as to whether the city of Eugene has likewise been approached and had this discussion for the city council. He was also curious as to whether the county commissioners, under the current makeup, have weighed in on this subject. He said it seemed to him that the LRAPA board should pass a resolution as to where it stands, and take a position on it, so that they can weigh in on what they think about the legislature changing the statute. He said it is likely to cause more turmoil and less settling of the board's opportunity to have a discussion and move towards more consensus in the future.

**MOTION: Johnson MOVED that the LRAPA board take a position in opposition to any legislative action aimed at altering the statutory makeup of this board. Monk SECONDED THE MOTION.**

#### Discussion of Motion

**Ralston** noted that all this vote would do is illustrate the problem with LRAPA. There would be the same kind of split, lop-sided vote that always takes place, and it would be a clear indication that there is something wrong with LRAPA.

**Monk** asked that the motion include the fact that the LRAPA board should discuss this matter to address his concern that he sees three county residents representing their constituents on this board, four from Eugene and two from Springfield. He said he conveyed to **Senator Walker** that he thinks Lane County residents are fairly represented on the board. **Monk** said that he has promised to do everything he can to make sure that a rural Lane County resident serves in the at-large, general, position, and that all board members have agreed to do that. He said there were two applicants for the at-large, general, position, and that **Brian Forge** was the only one that is truly a rural resident. **Monk** added that he realizes that the board is different now than it has been in the past, in terms of the perspectives of the people on the

board; but in terms of geographical representation, aside from lack of success in getting someone from West Lane County, the representation is pretty balanced on this board. **Monk** said he thinks it is critically important to let all legislators know that the majority of this board supports the current statutory configuration of the board.

**Stewart** said he does not discredit the makeup of the board today; however, future boards cannot be bound by promises made by today's board members. He said that, while he appreciates **Monk's** commitment to keeping a balanced representation on the board, it is conceivable, under the current statute, that there could be a time when there is only one member on this board to represent the interests of rural Lane County residents. He explained that the Lane County Board of Commissioners could be represented on this board by a resident of either Eugene or Springfield. In addition, either of the at-large positions could be filled in the future by residents of either of those cities. That would leave only the person filling the joint Cottage Grove/Oakridge seat to represent rural areas of the county outside of the Eugene-Springfield Metropolitan Area. **Stewart** said his concern is not about the current makeup of the board. It is his perception of a potential problem with the statutory makeup of the board. The fact that the current board members are aware of the need for rural representation does not mean that future boards will be. **Stewart** said it most likely would not be possible to attract other rural communities to participate in LRAPA if they could not have representation on the board in exchange for fiscal support. He said unless the board can get past this hurdle of makeup of the board and start recognizing what the issues truly are, he does not know how LRAPA will move forward. His intent, he said, was to address potential deficiencies and make the agency better.

**Carpenter** said his sense is that the people affected should be the people with the greater representation. If you look at both the population density of the areas of the communities involved, and where the industrial sources are, there are not a lot of people, or industrial sources, out in rural Lane County. **Carpenter** said he thinks the representation on the board should be based on the areas where there is the most impact and the most industrial facilities, which would be the Eugene-Springfield Metropolitan Area.

**Ortiz** agreed with **Carpenter**. She said she thinks discussion of this issue should happen within LRAPA, rather than outside the agency, and suggested that perhaps, as a first step, the board should ask the advisory committee to look at this issue and give the board its opinions and/or recommendations.

**Fortune** said his observation, over a period of time, is that there is more industry in Eugene and Springfield; however, the direction the majority of the board has been going over the past couple of years has been toward ever stricter rules—stricter than DEQ and EPA rules—to basically eliminate industry in the City of Eugene or discourage new industry from coming in. When stricter rules are adopted, it also affects Cottage Grove and Oakridge, even though those cities do not share Eugene's desire to place heavier restrictions on industry. **Fortune** said his concern with the current makeup of this board is that there are four members from the City of Eugene and, if they pull one more board member in to vote with them, they control what this agency does.

**Monk** suggested a **FRIENDLY AMENDMENT** to the motion, to reflect **Ortiz's** point, to say that the board is committed to addressing the issue internally and to giving it to the LRAPA Advisory Committee, within some time frame that works with the board's schedule. **Monk** said he was looking

for language to assure legislators that the LRAPA board is going to look at this issue at some future date. **Johnson** said he would accept the friendly amendment.

**Stewart** said, to add some historical perspective, if you looked at LRAPA in 70's, the major polluters were probably timber industry companies, and those were not located in the cities. So that has changed.

**AMENDED MOTION: (Johnson/Monk) that the LRAPA board take a position in opposition to any legislative action aimed at altering the statutory makeup of this board, with assurance that the LRAPA Board of Directors will look at this issue internally at some future date.**

**VOTE ON AMENDED MOTION: The motion PASSED, with SIX (Carpenter/Forge/Johnson/Kirkpatrick/Monk/Ortiz) IN FAVOR and THREE (Fortune/Ralston/Stewart) IN OPPOSITION.**

5. ADVISORY COMMITTEE:

- A. Committee Activity Report. Committee Chair **Russ Ayers** reported that the committee talked about the asbestos rule at its last meeting and had decided to see a full draft of the proposed changes before handing it back to the board. He said he did not think there was much controversy in the proposed changes, which are simple and not numerous. **Ayers** said most of the committee's discussion of the rules centered around educational outreach, much as the board has discussed. He said as the committee started getting into the things staff is already doing, he was impressed with what he heard. He added that **Markos** will prepare a list of the educational projects and outreach related to asbestos, and the committee will discuss those and make suggestions to pass along to the board.

**Ortiz** said she is concerned about asbestos, because as she read through the minutes of the last board meeting regarding her noticing that some of the people who had gotten fined had Latino names, she became more concerned that there are a lot of Latino people who work as day laborers. She is concerned about their health because they are willing to work and will do things that might not be legal, without knowing it, thus putting their health at risk. That is why she is hoping LRAPA is looking at making sure the information about asbestos is available in Spanish. **Ayers** noted **Ortiz's** concern.

**Ayers** reported that the committee also were given a fact sheet regarding the proposed Seneca co-generation plant and discussed that briefly. **Ayers** agreed that, with the push to look into alternative sources of energy such as biomass renewables, rather than fossil fuels, there could be more co-generation projects down the road. He said the advisory committee talked about a follow-up, to look at the biomass energy generation process and what needs to be done in order to protect air quality in Lane County, if the board would find that helpful. **Kirkpatrick** and **Monk** both agreed they would like the committee to do that.

**Hough** noted that the information given to the advisory committee, regarding the proposed Seneca facility, included not just the one-page document given to the board at its last meeting, but also an e-mail that he had sent to Lane County Commissioner **Peter Sorenson** in response to a request for information. That communication also included some information which was sent to **Representative Nancy Nathanson** when she asked LRAPA about the Seneca project. In addition, the committee received an emission inventory summary of other permitted sources within Lane County. He said if all board

members had not yet seen that information, he would send it to them following this meeting. Board members said they would like to have that information. *[E-mailed at 2:46 p.m. on 03/11/09.]*

**Kirkpatrick** asked whether the committee would particularly address carbon monoxide and nitrogen oxides, and **Ayers** said they would be looking at all pollutants, in their evaluation of the process to protect air quality and not restrict it to any particular pollutants. **Kirkpatrick** asked if they would look at particular processes that might be used to remove nitrogen oxides or carbon monoxide, and **Ayers** said the process the committee would go through would be even more general than that. They would look at what process LRAPA would use to protect air quality, if there were several co-generation projects being proposed for location in Lane County. **Ayers** said he did not want to take up the committee's time with this subject unless the board wanted them to take on the assignment, and **Carpenter** said his opinion is that it is an important enough subject that he believes the committee should look at it as soon as possible.

**Hough** noted that there was a comment during the board's previous discussion about the statutory makeup of the board, about having the committee also look at that subject. **Hough** said this would be a good time, if the board wanted the committee to look at that question. He added that he has information which he has gathered from other local air agency directors about their governance models, and he would be happy to get that information to the board if they wanted to have it.

**Monk** said he would like to have that information. He added that it might be a good idea for the committee to discuss the subject and bring back their comments and suggestions to the board; however, he thought that discussion should come after the committee's discussion of co-generation projects and air quality protection.

**Johnson** said he would like the committee to look at the different kinds of co-generation processes, compared to LRAPA's rules, and see where a balance can be struck between maximizing air quality benefits and facilitating these types of projects where they are appropriate. He said that he is not against industry and is not trying to run people out of town and thinks that the Seneca project, if done with state-of-the-art controls, can be a really good thing.

As a general policy, **Ortiz** said she would like to receive copies of any e-mails sent to other board members so that she knows what is happening. She requested that, when **Hough** sends an e-mail to one board member, it be sent to all of the others as well. She said she can just delete anything that is not of particular interest to her. **Hough** said he would be glad to do that now that he knows board members would like to receive that information.

As a last comment, **Ayers** said he thought it would be very helpful to the board to have an overview session on rulemaking, to help the board understand the rulemaking process. He noted that there are a number of parallel activities going on now, such as federal boiler MACT and CISWI (Commercial and Industrial Solid Waste Incinerator) rules, to define what is wood fuel versus what is waste. He said the industry is watching it very closely because it will have a significant effect on existing boilers as well as new ones.

- B. Committee Appointments. **Markos** stated that five seats needed action by the board to reappoint existing members or appoint new members. **Brian Forge**'s general public seat needed to be filled after

he was appointed to the board last month. In addition, four other members' terms had expired, including **Paul Engelking** (general public–environment), **Rick Rogers** (fire suppression), **John Tamulonis** (public planning) and **Gery Vander Meer** (general public). **Engelking**, **Tamulonis** and **Vander Meer** had all applied for reappointment, but **Rick Rogers** had not. In addition to those applications, three people who applied during the last round of appointments, but were not appointed at that time, had asked to be considered again at this time. They were **Cheryl Baugh** (public health/general public), **Diana Bollenbaugh** (Industry), **Donald Holkestad** (industry/planning/general public). **Markos** added that she was still looking for a person to fill the mandated agricultural representation position on the committee. She said she had advertised that at the same time she advertised for the at-large, general, board position, but had gotten no response.

**MOTION NUMBER 1: Ralston MOVED to reappoint Paul Engelking, John Tamulonis and Gery Vander Meer to new three-year terms on the LRAPA Advisory Committee. Monk SECONDED THE MOTION.**

Discussion of Motion Number 1. **Carpenter** said it is good to have experience, but it looked like **Tamulonis** had served on the committee for a very long time, and he thought it might be nice to have someone new on the committee. That would allow two open positions for appointment of new applicants. He said he wanted to know how long **Tamulonis** had been on the committee. He added that **Tamulonis** had done very good work for LRAPA, and he didn't want to slight that. **Dinteman** reminded **Carpenter** that **Tamulonis** fills the statutorily mandated public planning spot on the committee, and none of the other applicants had that qualification. **Johnson** noted that **Holkestad** had checked planning on his application, but he did not know whether that was public planning. **Carpenter** acknowledged the need for that expertise, and withdrew his question of reappointing **Tamulonis**.

**VOTE ON MOTION NUMBER 1: The motion PASSED BY UNANIMOUS VOTE.**

**MOTION NUMBER 2: Ralston said two of the new applicants clearly stood out for him. He MOVED to appoint Diana Bollenbaugh because of her in-depth knowledge of air quality issues, and Donald Holkestad because of his overall knowledge and experience. Fortune SECONDED THE MOTION.**

Discussion of Motion Number 2. **Stewart** asked if the board were going to look for someone to fill the fire suppression representation requirement since **Rick Rogers** had not applied for reappointment. **Markos** said if **Ralston's** motion passed, the fire suppression position would still be open.

**Carpenter** noted that **Bollenbaugh**, as the environmental coordinator for Forrest Paint Company, would be turning in reports to LRAPA. He wondered if she would be an appropriate appointment to a general public position, or if she would more appropriately represent industry. **Dinteman** asked staff if Forrest Paint Company is a Title V source or an ACDP source, and **Hueftle** said it is an ACDP source. **Dinteman** noted that, with Country Coach possibly going out of business, and **Jim Leary** not attending meetings regularly recently, the committee might need another member representing industry. **Bollenbaugh** could represent ACDP sources. **Ralston** suggested re-advertising for that position after it is known whether he will be continuing with the committee or not. **Monk** supported **Ralston's** suggestion. **Monk** said that **Donald Holkestad's** industrial experience and the fact that he is now a consultant could be a big asset for the committee, and he would support his appointment. He said he

thought that perhaps **Bollenbaugh**'s appointment would not be appropriate for a general public position, and he would not support her appointment. He suggested appointing **Cheryl Baugh** to that position, instead.

**Carpenter** suggested taking the appointments one at a time. **Ralston** amended his motion, to appoint just **Donald Holkestad** to the committee.

**AMENDED MOTION NUMBER 2: to appoint Donald Holkestad to the committee, PASSED BY UNANIMOUS VOTE.**

**MOTION NUMBER 3: Monk MOVED to appoint Cheryl Baugh to the committee. Forge SECONDED THE MOTION.**

Discussion of Motion Number 3. **Ortiz** said she thought **Bollenbaugh** would bring a lot to the committee but said she understood that the board was looking to appoint people to specific categories of representation. She said she would encourage the board to find a position for **Bollenbaugh** on the committee, because she thinks that having someone who works in industry is a good thing for the committee.

**Fortune** said his only hesitation in supporting **Baugh**'s appointment was her response to the last question on the application, regarding availability at the time of the committee's regular meetings. He noted that she had said, "Yes, I would try to make time," and in his experience people who "try" to do something never seem to get it done. **Kirkpatrick** agreed. **Fortune** pointed out that **Bollenbaugh** had answered that question by saying, "Yes, I will be there."

**Ralston** suggested leaving the position open until the March meeting, to give time to talk to **Rogers** to see if he intends to apply for reappointment and to see if there would be another applicant for a general public position. **MONK AGREED AND RESCINDED HIS MOTION (NUMBER 3).** He said he would like to find out if **Cheryl Baugh** could be more definite about her ability to attend the regular committee meetings. He also said staff should check with **Jim Leary** to see if he intends to continue with the committee. If **Leary** does not want to continue, that position could be opened up to **Bollenbaugh**.

**MOTION NUMBER 4: Ralston made his comment an official motion, to postpone further appointments until the next meeting and get some direction from staff to revisit these applications. Monk SECONDED THE MOTION, WHICH PASSED BY UNANIMOUS VOTE.**

6. APPOINTMENT OF BUDGET OFFICER FOR 2009:

**MOTION: Stewart MOVED to appoint Nasser Mirhosseyni to serve as LRAPA's budget officer for 2009. Ortiz SECONDED THE MOTION.**

Discussion of Motion. **Monk** said he would prefer that **Hough** serve as budget officer, given that there will be some far-ranging budget discussions over the next three months. **Monk** said **Hough** is the person whom the board directs, and then **Hough**, in turn, directs the rest of the staff. He asked **Hough** to describe precisely what it would mean for **Mirhosseyni** to be the budget officer, as opposed to serving in that capacity himself.

**Carpenter** asked **Hough** what the duties of the budget officer are, and **Hough** deferred to **Mirhosseyeni** because of his greater expertise with budgeting and Oregon budget law.

**Mirhosseyeni** said the budget officer introduces the budget and defends it before the budget committee and the board. He said the position could be held by the finance manager or by the agency director. **Paul Nielson**, who was at this meeting to present the agency's financial audit for FY 2007-08, said he had recently taught a class on budget law and had covered this question. He said that, according to state statute, the budget officer has final authority and responsibility for the budget. He does not have to actually prepare the budget but is responsible for seeing that it does get prepared and presented to the board.

**Ralston** said it was clear that the board would be having deeper discussions about the structure of the agency; however, for this topic, he said he would be more comfortable having the finance manager in charge of the budget. He added that **Hough** has enough responsibilities, already, and he thought this responsibility should go to **Mirhosseyeni**.

**Monk** responded that **Hough** answers to the board in all other things, and he thinks **Hough** should also answer to the board for the budget. He said it was clear that **Mirhosseyeni** would prepare and present the budget, but he thinks it would be more appropriate to appoint the director as budget officer. For that reason, **Monk** said, he would not support the motion.

**Carpenter** commented that **Mirhosseyeni** has served as budget officer for the last few years and has presented a quality budget each year. He said he does not see any reason to put the extra burden on **Hough** at this time because he would be involved as necessary, anyway.

**VOTE ON MOTION: The MOTION PASSED, with a vote of 7 (Carpenter/Forge/Fortune/Johnson/Kirkpatrick/Ralston/Stewart) IN FAVOR and 2 (Monk/Ortiz) IN OPPOSITION.**

7. APPOINTMENT OF BUDGET COMMITTEE MEMBERS: As a matter of process, **Carpenter** asked the board members who had nominations to make those nominations at this time, so that the appointments could be done in one motion.

#### Nominations

**Carpenter** nominated **Robert Houston** to serve a second three-year term representing the at-large, Springfield position.

**Johnson** nominated **John Ahlen** to serve a second three-year term representing the City of Eugene.

**Fortune** nominated **Don Hampton** to serve a second three-year term representing the cities of Oakridge and Cottage Grove.

**Kirkpatrick** said the current appointee for her position, **Suzanne Pearce**, was not willing to serve another term on the committee, and she had not yet been successful in finding a person willing to serve. She said she had one lead to follow up after this meeting.

**ACTION: MSP(Ralston/Monk)(UNANIMOUS) reappointment of Robert Houston, John Ahlen and Don Hampton to new three-year terms on the LRAPA Budget Committee.**

**Stewart** asked if he was to nominate someone to represent Lane County, and **Dinteman** told him there was already someone appointed to that position. [*Note: In checking the records after the meeting, it was found that the Lane County appointee had resigned; and it was, after all, necessary for Stewart to nominate an appointee to represent Lane County.*]

8. REPORT OF FINANCIAL AUDIT, FY 2007-08, BY **PAUL NIELSON** OF ISLER CPA: **Nielson** distributed copies of the draft audit report for FY 2007-08 and presented the auditors' findings. In the SAS-114 letter, **Nielson** described the auditors' responsibilities, and stated that there were no significant findings in this audit. He said no difficulties were encountered in performing the audit. Under "corrected and uncorrected misstatements," **Nielson** said two items were found under audit testing and were resolved. They involved removing from Accounts Payable transactions that actually did not occur until July 1, and recording the purchase of a piece of equipment in the correct year. **Nielson** said there were no disagreements with management and that management signed a representation letter, as required, dated March 2.

**Nielson** then reviewed the General Fund revenues and expenditures, showing that both have dropped in recent years, nearly to the levels of 2005. The Days In Fund Balance at the end of 2007-08 was about ten days, compared to two days in the previous year. **Nielson** stressed that he advises all of his clients to work toward a three- to six-month Days In Fund Balance to allow them to continue operating during a period of no cash inflow.

The Airmetrics Fund was lower during the last fiscal year than it was during its high years of 2005 and 2006.

For the Everybody Wins Fund, **Nielson** explained that 2006 and 2007 were the big years, and that the program is now collecting the receivables from sales of the equipment in previous years. In prior years the receivables and inventory were higher than the debt for that program; however, this year the debt is higher than the receivables and inventory. There are cash and other assets sufficient to make up the gap, but this is the first time the receivables and inventory have dropped below the debt. **Mirhosseyni** commented that the cash balance is from the Business Energy Tax Credit (BETC) program and that there are still two more of those payments which will be coming in.

Everybody Wins has included, from the beginning, an estimated number of uncollectible accounts for the leases of equipment. **Nielson** said that, given the current economic environment, the auditor believes the number of uncollectible leases will go up from where it has been. He said he also does the audit for Cascade Sierra Solutions, which is seeing the same accelerated rate of uncollectible accounts. **Carpenter** asked if the figures in the audit report for Everybody Wins reflects discounted lease payments, and **Nielson** confirmed that was the case. He said the face amounts of the leases are discounted for the estimated allowance for bad debt.

**Nielson** said there used to be a "Management Letter," but it is now called the SAS-112 Letter which includes the term "Significant Deficiencies," which used to be called, "Reportable Conditions." **Nielson** said things which he never used to bring before the board are now required to be brought before the board. The first thing he brought to the board's attention was the close of the financial records. He explained that the auditors always compare the ending fund balance in the audited financial reports with the beginning fund balance, and there were some small differences which required adjustments to correct them. That is being called a

significant deficiency; however **Nielson** said he had spoken with **Mirhosseyeni**, and they were working on those. He did not consider it to be a big issue. He said he has been doing this audit for a long time and LRAPA has always kept its accounting records in a sort of hybrid that is neither modified accrual nor full accrual accounting, which is not Generally Accepted Accounting Principles. The auditors have always just made adjustments to get the audit reports to come out. By mandate that is a significant deficiency; however, **Nielson** said he and **Mirhosseyeni** will work together to adjust LRAPA's method so that it is done by Generally Accepted Accounting Principles. **Nielson** said he had some suggestions for how **Mirhosseyeni** can keep the books and still get the information the agency needs.

In closing, **Nielson** thanked **Mirhosseyeni** and said it is a pleasure to work with him. He said his only concern is that there is still only ten days of cash on hand.

Questions and Answers. **Monk** asked how long **Nielson** has been doing the LRAPA audit, and **Nielson** said it has been about eight years. **Monk** referred to the rule that a client cannot "shop around" by asking a question of the auditor and then asking the same question of another auditor to get a different answer. He asked if that is a refinement made in the law at some point. **Nielson** said it is in the auditing standards. SAS-114 was issued about two years ago and became effective for the first time, for municipalities, in this audit.

**Johnson** said he was confused about the statement, "are recorded as government funds." He asked what LRAPA has that are not government funds. **Nielson** said that LRAPA does its accounting on a budgetary basis, which is like a governmental fund. He said he recommends that the agency do cash basis all year long, to get the monthly budget reports. That is not an issue. He said most of the municipalities he deals with do that; but for GAAP reporting purposes, there is a distinction between a governmental fund and a business-type activity. Everybody Wins and Airmetrics are business-type activities (enterprise funds), and for the GAAP reporting purposes, they are accounted for on a full accrual basis. Governmental accounting standards do not require the budget-to-actual reports for Everybody Wins and Airmetrics; but state statute does require it. It is not a nationwide requirements, and if LRAPA were in a state that didn't have a statute requiring the reports, it would not be necessary; but Oregon state statute says that every fund you adopt a budget for must have budget-to-actual reports in the audited financial statements.

**Monk** asked about fund transfers, so that if one fund is doing well and another is not, funds can be transferred from one to the other. He asked if that is commonly done. **Nielson** said you can transfer money from fund to fund, unless you are dealing with a restricted fund. He noted that Title V is a restricted fund; however, it is budgeted to be able to transfer funds if necessary. **Nielson** said if LRAPA had a debt service fund to pay off a bond and tried to make a transfer from that debt service fund, that would not be allowed. He said there are no restrictions on the money from Everybody Wins except that there has to be money to pay the debt from that program. **Mirhosseyeni** said that fund transfers are budgeted. The costs are not allocated on a monthly basis; however, at the end of the year, transfers are made to divide administrative and other shared costs among the various funds.

**Carpenter** asked under what circumstances **Nielson** might alert the board of an issue with paying back the Everybody Wins debt, or if that is something the auditor would do at all. **Nielson** said the fund has enough cash and he has no great concern about it; however, it is something to keep an eye on. If that cash were to get used for something else, and all that was left was the inventory and receivables to pay off the debt, that would not work. **Mirhosseyeni** said that money is not available for expenditures.

There were no further questions from board members. The board thanked **Nielson** for his report.

9. OVERVIEW OF PROPOSED AREA SOURCE AIR TOXICS RULES: This item was postponed to an unspecified future board meeting, to leave more time to discuss **Monk's** proposed reorganization of the agency.
10. FOLLOW-UP FROM FEBRUARY MEETING—MULTI-YEAR BUDGET PROJECTIONS: **Monk** stated that, given the financial constraints the agency faces, he thinks this is the appropriate time to determine whether reorganization of the agency is appropriate. He said if the majority of the board agreed with that, he thinks the board should be giving direction to **Hough** and **Mirhosseyeni** to develop a budget, by April, that reflects that reorganization. If the board did not agree, **Monk** said he would leave it to **Hough** to describe what might or might not unfold.

**Monk** said he had looked at the Olympia Regional Clean Air Agency (ORCAA) in Washington which is pretty comparable in size to LRAPA. He had sent information regarding ORCAA and LRAPA organizational charts and operations to board members via e-mail and pointed out that the ORCAA organizational chart and budget are both very simplified and readable. **Monk** said he was very happy that **Mirhosseyeni** and **Nielson** would be working together and encouraged **Mirhosseyeni** to look at the ORCAA model to see if LRAPA's budget numbers can be provided in that fashion.

**Monk** stated that, for whatever reason, the operations manager position has been problematic for LRAPA, and when you look at other comparable-sized agencies, they do not have that position. They have departments and department heads, who all answer to the director. He said it seems appropriate to him that the department heads should sit down with the director and finance manager and give them the funding needs and staffing needs for each department in preparing the budget; rather than having an operations manager who then goes to multiple department heads with that directive. **Monk** said **Hough** could probably speak better to the specifics of how that is done at LRAPA; however, the organizational chart implies that that is how it is done, and he does not think that is an effective way. **Monk's** proposal also included reducing staff salaries.

**Monk** said he thinks the organizational structure of LRAPA has created problems in the past and that LRAPA is under-staffed with technical people. He said LRAPA has a large number of ACD permits and Title V permits and has essentially only the operations manager and one permit writer, and there is a clear need for more staff. He noted that a permit writer position was left open last cycle, perhaps because a qualified person did not apply for it.

**Monk** noted that LRAPA does considerably more air monitoring than ORCAA does, and so he would propose to leave the monitoring staff pretty much as it is. LRAPA does its own rulemaking, whereas the Department of Ecology does rulemaking for ORCAA. **Monk** said it is his estimation that LRAPA needs some improvement with regard to rulemaking, and he proposed having a staff person who is in charge of planning and rulemaking. He noted that a person in that position could be solely focused on such matters as biomass and biofuels usage changing in the makeup of LRAPA permittees, and could bring to **Hough** the kind of rulemaking that is needed.

**Monk's** proposed organizational chart did not include Airmetrics. **Monk** said he sees a decline in Airmetrics' value to the agency, financially, and he does not think it is going to benefit the agency as it has in the past. He said, if LRAPA keeps Airmetrics, it will be a drain on the agency.

**Monk** asked the board to discuss his proposal and decide whether they believe it is a reasonable model to approach. If not, he asked the board to discuss what they would propose to staff so that the proposed budget that comes to the board in April satisfies what the majority of the board is looking for in a budget.

#### Discussion

**Ralston** asked how many FTEs LRAPA currently has, and **Hough** said there are 18. **Ralston** noted that **Monk's** proposal would raise the total to 19. He said that, for the most part, he agreed with **Monk**, because, for example, Far West Steel has laid off one-third of its employees, and they were told this month that their pay is being cut 10 percent and may be 20 percent. **Ralston** said at some point, LRAPA needs to either increase its revenues or cut costs as much as possible and decrease services. **Ralston** agreed that, at some point, LRAPA might seriously need to look at salary ranges. He disagreed, however, with **Monk's** recommendation that Airmetrics be dropped. He pointed out that, according to the budget information which was provided to the board by staff, Airmetrics made \$57,000 during the last fiscal year, after expenses, which is a full position. He said he believes Airmetrics helps to support the goals of LRAPA. He said the board can discuss that later, but that is what he believes. He also disagreed with **Monk's** recommendation regarding rulemaking. He said it warrants further discussion; however, he believes that rulemaking is covered in the current organizational structure. He agreed that staff might be a little heavy in certain areas, and the board should look at that in order to achieve the agency's goals. He also agreed that the salaries may need to be adjusted for the market.

**Johnson** said he generally supports **Monk's** proposal, but what troubles him is that he knows that Title V has statutory sideboards on how that money can be used, and that the money should be dedicated to certain specific activities, with some indirect costs covered by the Title V program. He said he does not have a good enough understanding of budgeting and finance, but he would like to look at **Monk's** proposal and line up the organizational structure with certain revenue streams. He said the revenues and expenditures are so intermingled in the current budget structure that he is not clear on what costs are covered by which revenue streams, and which programs are paying for themselves and fulfilling their mandates. **Johnson** said when he looks at the federal 105 grant work plan and then looks at the organizational chart, he cannot connect the dots. When he looks at the ORCAA budget and organizational chart, the revenue streams seem to match up with certain positions and with certain requirements or agreements with EPA on how the air quality program is to be implemented. **Johnson** said he thinks the board could make better decisions about where cuts, or possibly increased revenues, are needed, based on which programs are paying for themselves or losing money, or maintaining, and where the agency can grow and change. **Johnson** said his concern is that the budget could be simplified significantly, while at the same time the organization matches the revenues so costs and benefits can be tracked.

**Mirhosseyni** responded that the current staffing plan, which was sent to **Monk** and forwarded by him to other board members, is the layout of how the staff allocations are made. Because LRAPA is a small agency, staff members must do multiple tasks, and no one can be assigned to do just one thing. That is why it is important to allocate their costs based on the time they spend on different tasks. The staffing plan is the road map used in budgeting and planning the agency's programs. The budget is based on the staffing plan, and the payroll is done according to the allocations in the staffing plan. The staffing plan is also used when LRAPA presents its case to EPA or other funding agencies. The 105 grant workplan which **Johnson** mentioned has budgetary aspects which also match the staffing plan. He asked if that answered **Johnson's** concerns, and

**Johnson** said it did in some respects; however, he thinks that the “road map” should be the agency’s objectives in terms of implementing programs, and then have a staffing plan match up with air quality objectives that the agency is trying to accomplish, rather than having the staffing plan and then matching up the objectives to the staff.

**Mirhosseyni** explained that the work plan that is submitted to EPA for the 105 grant is the genesis of the staffing plan, because those commitments must be met first, before staff can be assigned to other projects. **Carpenter** said he did not think this is an appropriate time to discuss a whole reorganization of the agency or any department of the agency. He likened this discussion to a city councilor telling a police chief to reassign all of his policemen the way the councilor thinks they should be assigned. If the council wants to hire a new police chief, they can do that under existing policies; however, a policy board does not micro-manage into employment positions. He said if **Monk** wanted to take the time to prepare an alternative budget document, the board could discuss that within the constraints of the budget process. **Carpenter** said that, if **Hough** and staff do not think there are budget issues, yet, he questioned whether that discussion should be held in an executive session rather than a public debate. He said the fact that **Monk** wanted to talk about individual people’s jobs made this an employment issue which is appropriate for executive session. He also commented that the board’s having a discussion about downsizing doesn’t do any good for the morale of the agency. **Carpenter** said he would like to hear what staff has to say and how they believe they need to address the revenue problems, with their expertise. If at some point in the future the board needs to talk about a whole restructuring of the agency, **Carpenter** said they would need some help from experts who do that for a living. He said **Monk**’s thoughts about this would be constructive if that discussion needs to happen at some point, but he thinks it is premature at this time.

**Ortiz** said since the budget is being developed for the next fiscal year, this is the appropriate time to talk about this, to direct **Hough** regarding what the board’s expectations are from him, as far as what the board wants to see reflected in the agency’s staff. She said she does not want to cut the morale of the agency, because she is very glad LRAPA exists. But she thinks there is a reality check the board needs to have, because she was astonished when, at the February meeting, staff presented budget projections that included a 3.5 percent Cost of Living Adjustment. **Ortiz** said the council is asking the city to look at another \$2-million in reductions. In her own job, 70 people just had to be laid off, and she is waiting for the other shoe to drop. **Ortiz** said the board is trying to say to staff that there is a new fiscal reality—there is not the money that there once was, but there is still the expectation that the job will get done. She said she didn’t know if she would want to go so far as to look at the individual job descriptions, but she would like to see a cleaner organizational chart and would also like to see a market analysis of the jobs at LRAPA. She said she gets that every year on her job and would have to take a pay cut if that is what her employer has to do.

**Hough** said he appreciates the time **Monk** took in preparing his proposal, and ORCAA certainly is one of the examples that he would use as a reality check for LRAPA. He said LRAPA does compare notes with other local agencies, primarily in Washington, and ORCAA is one of three or four similar-sized agencies in Washington State. Regarding salary structures, **Hough** said LRAPA is in the low-middle range of these agencies. **Hough** added that LRAPA also compares notes with those agencies, on similar issues, as agencies in the Pacific Northwest. LRAPA has to remain competitive with these other agencies, regarding salary ranges, because the agency has to compete with them to attract qualified people to work here. **Hough** said he disagreed, fundamentally, with every major conclusion that **Monk** put into his memo, and that he had spoken with **Monk** about that. He said he is very concerned about the internal tensions mentioned by **Monk** and believes that those things have improved markedly; however, he believes **Monk** has missed the mark as

far as what is causing those. **Hough** added that he thinks some of the things being discussed at this board meeting are contributing much more to those internal tensions than the things **Monk** lists in his document. In addition, by the end of his proposal, **Monk** recommends that everyone at LRAPA be laid off, and **Hough** said he thinks that would considerably increase internal tensions.

**Hough** agreed that ORCAA, and other Washington agencies, are good reference checks. He pointed out that the Washington Department of Ecology does a lot of the air monitoring for ORCAA, as well as a lot of the rulemaking and airshed planning. He noted that ORCAA does not have any non-attainment areas, whereas LRAPA has two. LRAPA has been successful in doing much more rulemaking than ORCAA has done. When you adjust for those differences, **Hough** said, ORCAA and LRAPA look more similar than different. **Hough** said the ORCAA director, **Rich Stedman**, was at ORCAA for a little over eight years, during which time the organizational plan for the agency changed. When **Stedman** first got to ORCAA in 2001, everyone on staff reported directly to him as director. He organized it into the current organizational chart, based on the skills of the people who were working there at that time. Over time, when there were vacancies and employees were replaced, **Stedman** changed the organization. There was one section which **Stedman** would like to have made a separate division; however, he had an outstanding administrative person who was very good at what she did but was not comfortable managing a division. He left it the way it was because she was more valuable to him working the way it was than to try to force people into a particular organizational chart. **Hough** said he has also been through several reorganizations throughout his career at DEQ, whenever there was a new director. He said new directors imposed the organizational scheme they were comfortable with, from which they had come. During those changes from one director another, **Hough** said he noticed a significant inefficiency and loss of productivity during the transition from one model to another. He said one director waited about eight years before doing a major reorganization and, when he did, it was because the agency had gone from new program development to program implementation, and the changes worked well because of the shift in focus. During the first eight years, the director and other staff were fine-tuning, as necessary, to make budgets balance and make sure program needs were being met. When major changes were made, there were financial and strategic reasons for making those changes.

#### LRAPA Staff Worst-Case Budget Scenario

**Kirkpatrick** asked if **Hough** has a plan, should the worst-case financial scenario develop. **Hough** said he and **Mirhosseyni** have prepared a worst-case scenario, in response to the board's direction at the February meeting; however, they are not expecting that scenario to come to pass.

**Hough** said the new worse-case scenario assumes 100 percent reduction in the state General Fund contribution to LRAPA, and he does not see any possibility of that happening in the next biennium. **Hough** said air quality programs, including LRAPA, were proposed for an 18 percent reduction in DEQ's first phase of the state's budget balancing plan. In the next phase of the state agency cuts, reductions were expanded to 20 percent; but the air quality cut remained at 18 percent, including LRAPA. **Hough** said he believes the actual reduction will be closer to the 18 percent than to 100 percent.

In late-breaking news, **Hough** had provided for the board copies of developments which have taken place since the packets for this meeting were prepared the previous week. There are some successes that have happened and some other possibilities that seem hopeful. **Hough** said staff has not given up, yet, and, rather than to panic, he feels this is the time for a steady hand. **Hough** said staff recognizes that there will be no Cost of Living Adjustment in the FY 2009/20 budget and that the main reason for including the COLA in the

previous worst-case projection was to get a worst-case effect of what that would do to calculated FTEs. In looking at how many people the agency can afford to have, **Hough** and **Mirhosseyni** felt they needed to be consistent with what was done the year before. **Hough** wanted to be sure the board knows that staff is not expecting to get a COLA. He said one of the things the State of Oregon, and surrounding states, are considering is furloughs. He said LRAPA certainly needs to be prepared to identify which positions are the least critical if the agency cannot afford to fund all of the present positions, But he does not want to do that prematurely. Not filling vacant positions is certainly the first step. If the shortfall is just a few percent, when everything else is taken into account, **Hough** said furlough days could be enough to make up the difference. If the shortfall turns out to be larger, then he and **Mirhosseyni** certainly will need to look at reducing positions. **Hough** said they are currently working systematically through and answering questions for different scenarios, and that will continue as the funding picture becomes clearer.

**Hough** said there are several federal sources of funding, and LRAPA is expecting that there will actually be a slight increase (7 percent) under the new Administration's proposal. **Kirkpatrick** asked if that is from the bail-out program or if it is something that can be counted year-to-year. **Hough** said state and local agencies have identified what the increase in need has been over the last decade, and the administration had included the 7 percent increase separate from any stimulus packages. **Hough** said staff is also working with the public works departments of the county and Lane County cities, regarding funding related to the federal stimulus package under the Diesel Emissions Reduction Act. He said every city has been contacted, and there is some level of interest among them.

**Carpenter** said it would be worthwhile for him to see how much of the budget goes for the 105 grant from EPA and for the Title V permitting program, as well as whether the mandated tasks are being completed. He would also like to see how much of the budget goes for asbestos outreach and other voluntary programs. He said this is the time to get rid of all the voluntary programs and concentrate on completing the mandated portions of the agency's programs, until the agency has further resources. **Carpenter** noted that perhaps **Hough** does not think it is time to begin thinking about cutting any programs, and he said he sees that as something more appropriate for the board to be directing staff to do, rather than telling **Hough** what positions to fill or eliminate. As an example, he said the board could tell Hough that they think he should cut mandated programs by 10 percent, however you decide to do that, and cut the voluntary program budget by 20 or 30 percent. He said that is the kind of direction the board should give the director. **Carpenter** said the board should not be going in and telling the director how to manage the agency.

**Hough** said the closest staff has gotten to putting a specific dollar amount on activities is in the letter that went to DEQ, when the county told LRAPA that they were not able to contribute the whole \$118,000 to LRAPA, resulting in a \$73,000 shortfall. The options looked at were to shrink the reserve or to lay off staff, and LRAPA did not want to do that. Fortunately, DEQ agreed to waive the amount they charge to do the analysis for LRAPA's air toxics monitoring site, which made up nearly all of the shortfall. The air toxics monitoring is the single most expensive thing LRAPA does, which is not specifically mandated. The agreement with DEQ made it possible to continue that effort this year.

**Carpenter** said his sense is that discussion of this type of planning is more productive than a more detailed discussion about reorganizing the agency at this time.

**Johnson** said that one thing that makes it even harder to compare LRAPA to other government agencies is the amount of entrepreneurial activity that LRAPA has chosen to engage in, such as Airmetrics and

Everybody Wins. As long as the budgeting and accounting of costs and revenues are so intermingled, he does not think the board can get to that question very effectively, of what is mandated and what the agency is covering in terms of mandated activities, and what should be cut. He said his own feeling is that the first things to cut would be those entrepreneurial activities, to the extent that is possible, because those seem to have tied the agency's hands, and he is not sure how to untangle that.

**Carpenter** responded that LRAPA may have gotten some grants on the Everybody Wins program that require the agency to finish some commitments. He said, in his mind, Everybody Wins is a mandated program, regardless of whether it brings money into the agency or takes it away. If the agency has signed a contract with EPA or somebody, those duties must be completed, and you really cannot cut people on those programs. **Carpenter** said he thinks that is something the board needs to find out about.

**Hough** said Everybody Wins is a commitment, and it really is not part of the budget challenges LRAPA is dealing with. He said if Airmetrics were ever to get to the point where it was causing LRAPA to lose funds, LRAPA would sever that, sell the inventory, and close up shop. **Hough** added, however, that at this point, as the budget and the audit report show, Airmetrics continues to be a net positive for the agency. **Hough** said it not only contributes cash, but it also benefits the agency by offsetting some of several employees' time. **Hough** said Airmetrics is kept separate in the budget and in the audit, and the monthly financial reports that come to the board also keep the enterprise funds separate and distinct from LRAPA's Title V and General Funds. **Mirhosseyani** added that the staffing plan shows what percentage of each person's time is subsidized by Airmetrics and, even after subsidizing those positions, it still shows a net profit. He said it is a good operation at this point.

**Johnson** said that what he has observed is that the amount of money left over in Title V has never significantly increased, proportional to the amount of staff reductions in permit writing. The agency is currently operating with one permit writer, and the permit writers are budgeted at 25 percent of Title V. He said Title V and ACDP seem to be carrying the load of the entire agency. He said everyone's salary is, to some extent, paid by permitting programs. He wondered if that is accurate in terms of the amount of work that people do, or if the money is covering other things. **Mirhosseyani** explained the procedure staff follows in going through the budget process. He said the section managers meet and discuss the staffing plan, to see what percentage of time people are spending on each of those tasks. Permit fees are a significant part of LRAPA's operations, and they should be, because the agency's function is basically to permit and monitor. **Mirhosseyani** said the amounts may not be a hundred percent correct, but they are based on those activities, and the staff plan is discussed with each of the section manager and the percentages are adjusted based on the time individuals are spending on those tasks.

**Carpenter** interrupted and told **Monk** the discussion needed to be cut off. He said if there were further questions, they should be e-mailed to **Mirhosseyani**, or board members should talk to him directly. He said the board would also want answers to **Johnson**'s questions.

**Monk** said he disagrees with **Hough**'s characterization that LRAPA's organizational structure is more similar than different from ORCAA's. **Monk** said if you look at the 1995 letter from **Glenn Klein** to **Don Arkell**, which was included with the director's report in the packet for this board meeting, the board's first oversight role involved the board's ability to oversee the action of the director and other LRAPA employees, generally. He said for him, as a board member, to come and recommend that the board evaluate this approach is wholly appropriate in his estimation. He said he did not suggest that the director hire or fire, although he did suggest

that **Hough** hire more technical people. He said **Hough** has committed to EPA that 22 employees will work on mandated tasks for EPA, and there are only 18 employees. He said there is only one permit writer, and LRAPA is not fulfilling its basic obligations to the federal government.

**Carpenter** said **Hough** should address that, whether he believes LRAPA is fulfilling those obligations or not. **Monk** said **Hough** has, for whatever reasons, not addressed these issues that the board has talked about. He said he was very pleased to hear **Hough**'s update about the worst case and he thinks, clearly, in the minutes he heard the expected \$20,000 reduction in Title V fees from International Paper will not have much effect on the fee revenues. **Monk** said he thinks LRAPA is facing even more severe cuts in certain areas than even the worst-case scenario suggests. He said he had heard from **Ralston** and **Fortune** that their city councils are not wholly supportive of LRAPA, and he would anticipate that they would significantly reduce their contributions. He said the Eugene City Council may well do the same. **Monk** said he thinks staff's anticipated revenue shortfall is too conservative. He said he thinks it is critically important, if LRAPA is going to fulfill its mandatory requirements, that the board look at how the agency can be structured in a way to do that. At present, he said, LRAPA is not staffed in a way that allows it to fulfill its mandates. He said **Hough** had told him that contract employees have been hired to help with the permitting, and he thinks that is good in the short term, but that it is not sustainable. **Monk** said he thinks the agency needs those technical people. He agreed with **Johnson**'s statements regarding a lot of the money that comes into LRAPA being for permitting, and that those responsibilities need to be done, and done well. He said he does not think LRAPA is doing all that it should be doing.

**Carpenter** asked **Monk** if he planned to submit a revised budget for board consideration. **Monk** said he realizes this is a very large issue for the board to discuss, and for the staff to come back to the board with information. He said he was prepared to make a motion that would say the board supports the idea that agency staff should evaluate a reorganization, in light of the worst-case scenario funding, and come back to the board with a budget that will reflect that, and that will recognize that LRAPA needs more technical staff. He acknowledged that technical people require larger salaries in order for the agency to draw them, and he asked how LRAPA would do that.

**Carpenter** said **Monk** was assuming that the mandated activities are not being done, and he would like to hear more from **Hough** about that before jumping to the conclusion that the agency needs to be reorganized. **Monk** said he respected that.

**Ralston** said this is a wake-up call and, while he is not willing to restructure the agency at this time, he does want more information. He agreed that cutting FTEs to 15 to balance the budget is not acceptable, and also agreed that more employees are needed. He said the only ways to get there are to increase revenues or reduce the cost of the existing staff. **Ralston** said he was not willing to make a motion or pass anything at this time but did want to state that he agreed this is a wake-up call that LRAPA needs to address.

**Johnson** said he is a little skeptical about the agency being able to meet its mandates. He said there are so many different types of mandates, including Everybody Wins and Title V, and other EPA grant mandates, and it is pretty difficult to sort that out. **Johnson** said Washington has a Title V audit program that specifically looks at if the Title V revenues are being collected and spent appropriately, and he thinks that rule was put into their statutes as much by industry as by public interest people, to make sure that agencies are not over-charging and mis-using the Title V funds.

**Carpenter** said EPA sends deficient agencies a letter when they are not completing their mandates, and that is who the final arbitrator is on whether the mandates are being met. **Johnson** said EPA has punted on that and is not doing oversight on Title V.

**Fortune** said he wanted to correct **Monk's** statement that the City of Oakridge does not entirely support LRAPA. He said Oakridge is not unhappy with LRAPA, but consensus on the council is that the LRAPA board is weighted incorrectly. **Fortune** said the Oakridge City Council has never discussed cutting any of the dues for LRAPA, but he has heard that the City of Eugene had said that they are talking about cutting their dues.

**Monk** said he would hate to put a motion of this significance on the table without all board members being present (**Stewart** had left a little earlier to get to another meeting), so he would not make a motion at this time. He asked if the board could just agree that they need to direct staff to recognize that, if the current staffing plans comes to the board in the next budget, the result will be too few technical people. He said that a look at any other comparable agency would bear that out.

**Carpenter** said he does not agree with that because he has not looked at any other agencies, and **Monk** has only looked at one. **Carpenter** said he trusts that, if **Hough** believes he needs more technical people, he will tell the board that; but it is up to **Hough** to determine that.

**Hough** asked **Monk** to define the term "technical staff," and asked if **Monk** was referring to permit writers. **Monk** said he was referring to permit writers.

**Carpenter** said he did not know that the board has ever told the director not to fill a position that he thought was needed. He said **Hough** runs the agency, and the board provides general direction. He said, in his mind, the direction from the board is getting too technical. **Carpenter** added that he had heard board members saying that they want to see some contingency plans, as the budget picture develops, in case things go poorly; and he thinks that is what will be brought to the board in the budget presentation. **Hough** agreed that information will be provided.

**Monk** asked if the board could expect to see a recognition of what positions would be cut in the worst-case scenario, and how that pertains to permit writing needs and other staffing needs. He said most agencies who have financial shortfalls cut their least experienced, cheapest staff, because they can afford to lose those people. **Monk** said he wanted to know if that is what is planned for LRAPA. He said, for the morale of the agency, everybody wants to feel that they have an opportunity to move up in the agency, and that was why he had proposed a staffing/salary range that shows those entry levels positions coming in at a lesser salary and then moving up to where they are earning salaries comparable to what they are making now. He said he hoped the board would agree to at least have some discussion in the budget meetings. He said he will be asking what LRAPA will do if revenues do not meet staff's forecast, and which staff positions will be cut.

**Hough** said some of the content of **Monk's** e-mail would be more appropriate for an executive session than for public session. He said staff has brought the board a balanced budget for the three years that he has been director, and the intent is to bring a balanced budget this year, as well. **Hough** said staff is committed to having a balanced budget and is developing contingencies in case anticipated revenues are not realized. He cautioned against going too far down that path and unnecessarily disrupting staff, when it is at this point only contingency planning.

**Johnson** said he totally agreed that a discussion of which positions would be cut should be held in executive session, and he asked how the board is to know when it can convene an executive session. He said he would like to have an executive session at the beginning of the April board meeting. **Ralston** said the discussion must rise to a level where it is a major concern, that the board does not feel that obligations are being met, and he does not think that situation exists because the board has not even seen the draft budget, yet. **Johnson** said **Hough** had just said the discussion was more appropriate for executive session, and **Carpenter** said he thought **Hough** meant if the issues continue to present themselves. **Johnson** said **Hough** had said that what **Monk** raised in his e-mail should be discussed in executive session.

**Monk** suggested that the board convene an executive session prior to the budget meeting on April 14, or after the budget meeting prior to the board meeting, depending on what the schedule will be for the two meetings on that day. **Dinteman** reminded the board that, in recent years, the budget meeting has been held at 11:00 a.m., followed by the board meeting, close to its usual time of 12:15 p.m..

**Mirhosseyni** said staff will present the draft budget to the budget committee, and the committee can decide whether the staff's best estimate included in that draft budget is good enough. Changes can be made by the budget committee before it is passed along for public hearing and board adoption. **Monk** responded that it has been painful for staff to work hard on a rulemaking proposal, only to have the board ask them to go back and re-work it. That is why he brought his alternative budget proposals up at this time. He said he recognized that everyone was getting tired and did not want to discuss this further at this time. He said staff should be prepared to get the same kinds of questions during the budget process that came up last year, and he would hope that staff's draft budget would reflect the worst worst-case scenario or something comparable. He added that he thinks some of staff's assumptions are far too conservative.

**Johnson** suggested, again, that the board start the next meeting with an executive session, before the budget committee meeting and before the board meeting. He said he agreed with **Hough** that this is a sensitive subject, and the board should be thoughtful and should have a very frank discussion and reach agreement. He said he did not think that type of discussion would be appropriate for a public session.

**MOTION: Monk said he assumed that was a motion, and he seconded it.**

Discussion of Motion. **Carpenter** said he thinks it is premature to have such a discussion because the board has not yet seen the draft budget document. He said he does not want to have a meeting in April on something the board has only seen for a few hours and on which the budget committee, whose members have been appointed by the board to provide input, have not yet had a chance to provide their input. He said he thinks April is too soon for that discussion.

**Kirkpatrick** said she would like to hear what **Hough** had to say.

**Hough** agreed that it would be premature to do that at this point.

**Kirkpatrick** asked if he would like to discuss specific staffing issues in executive session rather than public session, and **Hough** confirmed that he would if the board wanted to talk about specific positions that would be eliminated if revenues would not support the current staffing level. He said in the open session the board should talk about staff's best estimates, and staff's plan of what would be necessary to have a balanced budget.

**Ortiz** said she would support the motion because she hoped the budget document would be available before the meeting, and she thinks the board will have to have the staffing discussion. She said she has held her tongue because the board is in public session, and she thinks it would be beneficial to have in executive session.

**VOTE ON MOTION: The MOTION PASSED BY A VOTE OF FIVE (Forge/Johnson/Kirkpatrick/Monk/Ortiz) to THREE (Carpenter/Fortune/Ralston).**

11. NEW BUSINESS: None.
12. ADJOURNMENT: The meeting adjourned at 3:04 p.m. The next regular meeting of the LRAPA Board of Directors is scheduled for Tuesday, April 14, 2009, 12:15 p.m., in the Library Meeting Room of the Springfield City Hall, at 225 5<sup>th</sup> Street, Springfield, Oregon.

Respectfully submitted,

**Merrie Dinteman**  
Recording Secretary