



MEMORANDUM

TO: Asheville-Buncombe Air Quality Agency Board of Directors

FROM: Ashley Featherstone, Director

RE: Minutes for March 9, 2023

DATE: May 4, 2023

Enclosed, please find the Minutes for the Asheville-Buncombe Air Quality Agency Board meeting held on **Thursday, March 9, 2023**. The next meeting of the AB Air Quality Board is scheduled for **Thursday, May 11, 2023 at 4:00 pm** in the meeting room located at the Buncombe County Permit Office at 30 Valley Street, Asheville, NC 28801.

The Asheville-Buncombe Air Quality Agency Board of Directors met on Monday, March 9, 2023, in the meeting room at the Buncombe County Permit Office located at 30 Valley Street, Asheville, N.C.

The attendance of the Board members was as follows:

Members Present:

*Joel Storrow
Karl Koon (via phone)
Evan Couzo
Garry Whisnant
Ned Guttman*

Members Absent:

Staff Present: *Ashley Featherstone, Director; Kevin Lance, Field Services Program Manager; James Raiford, Permitting Program Manager; Mike Matthews, Senior Air Quality Specialist; Betsy Brown, Air Quality Coordinator; Alex Latta, Senior Air Quality Specialist*

Others Present: *Michael Frue, County Attorney*

Mr. Storrow called the meeting of the Asheville-Buncombe Air Quality Agency Board of Directors to order on March 9, 2023, at 4:01 pm.

The order of business was as follows:

I. Public Comment Protocol Announcement

Mr. Storrow read the public comment protocol.

II. Adjustment and Approval of Agenda

Mr. Whisnant made the motion to approve the agenda. Dr. Guttman seconded the motion.

Quorum present - yes

The motion passed 3-0. (Issue with sound for Mr. Koon and Dr. Couzo not yet present)

III. Consent Agenda:

Approval of minutes from January 12, 2023

Mr. Whisnant made the motion to approve the minutes. Dr. Guttman seconded the motion.

All present - yes

The motion passed 3-0.

IV. Director's Report:

A. FY 2023 Budget Discussion

The board packet included budget related draft documents. Ms.

Featherstone pointed out several items. There is \$135,700 budgeted for the EPA 103 Grant in BCFY2023. This included one-time ARPA funds of \$75,700 for monitoring equipment.

Expenditures exceeded revenues by \$692 in BCFY2022 which reduced the fund balance by that amount.

It is possible we may draw down around \$45k from the fund balance during this fiscal year.

We have budgeted a \$125k fund draw for BCFY2024. We hope for less.

Salaries and benefits are our biggest expense. The proposed CPI increase is around 7%. That will be decided in the final approval by the Commissioners in June. We have also included extra salary funds to cover selling a week of annual leave for each employee for BCFY2024. The CPI increase and annual leave sale increased salary and benefits around \$63,000. Buncombe County determines our salary and benefits.

We propose including the salary and benefits with the supplies and other expenses in the same line item in the Budget Ordinance to allow for additional flexibility within the overall budget.

Additional 103 funding is possible.

We are not asking for any money from the city or the county. Both entities know that we may request funds in the future.

The budget will be voted on at the May board meeting.

During this discussion, James Raiford let us know we had had some Team issues and that Mr. Koon was listening to the meeting via telephone; he cannot see but he can hear. He can speak if he unmutes.

B. Permit fee update and Title V Tonnage Fee Discussion

In 2021 we opened our rules and adjusted our fees. At that time, we included an annual CPI increase for the Title V fees. This applies to the 7 facilities with federally enforceable permits. The NC Division of Air Quality has had this provision in their fees for several years. The increase takes effect at the beginning of the year. In 2022 the rates went up about 3% and for 2023 the increase is about 7.68%. We estimate the 2023 increase to result in an additional \$8,500 in Title V annual permit fees.

We have the ability to ask the board to increase the Title V tonnage fee during the budget cycle each year. The EPA currently has a presumptive minimum fee of \$59. Staff proposes that the Board raise from our Title V tonnage fee from \$53 per ton to EPA's presumptive minimum fee of \$59 per ton for an estimated additional \$6,600.

A document was provided in the board packet which shows the change in permit fees and the projected change in income. We expect greater than a \$15k increase in revenue if the tonnage fee is also increased. The tonnage fee increase is subject to board approval.

The Agency tries to keep our local program fees in line with state fees. Why not raise fees higher, raise the Title V fees to fully support the program? There is the danger of making the fees so high that we get complaints from industrial sources. Forsyth County raised their fees so

much that industry and their Chamber of Commerce complained. The County put a freeze on fees to stay the same as state; however, to offset the fee limit Forsyth supports their program with significant annual funding. Our local program is an optional program. The Title V program must pay for itself, so the fees are going up over time.

We would need to do a more in-depth analysis in order to justify a large increase. The State did an in-house staffing analysis and showed they needed more staff. They also contracted with a third party to do an analysis. We struggle to have the resources to do a staffing analysis to determine how much we actually need to fund our programs. The CPI fee and complex source fee increase for Title V fees that was adopted into our rules is helping.

There was discussion around the fund balance and future budgeting concerns. The current fund balance is healthy. We are only required to have 8% of our budget as a fund balance. For our Agency \$500k, or approximately half our annual budget, is a more comfortable amount. We do not have a capital expenditure account. Funds for large Agency purchases like new vehicles and monitors generally come from the fund balance. Recently, additional grant funding has been available to purchase new monitoring equipment, and we did not have to draw down the fund balance for those purchases as previously anticipated. Buncombe County Strategy and Innovation group might be able to help us with a staff analysis and strategizing for the future. Further discussion will be an exercise for later in the year.

C. Board SharePoint Site

The SharePoint site is updated with the current board meeting information; and board members have access. Board members are still using email attachments. Staff will continue to update the SharePoint site as well as include the attachments with the board email. Staff are hopeful that at some point in the future when board members are comfortable with the SharePoint site, the attachments will not need to be included with the email notification.

D. EPA State Implementation Plan (SIP) Call for Start Up, Shut Down, Malfunction Rules

State rules have been on the books which allow emission exceedances during start up, shut down, and malfunction (SUSDM). There was legal action; the EPA called out the states over those provisions and stated that this is not allowed under CAA and needs to be changed. There was a deadline given. North Carolina does have a provision, and 4.0535 of our rules states startup, shutdown, malfunction can justify an emissions exceedance. Our Agency and Mecklenburg were not mentioned in the original SIP call as we were not mentioned by the litigants. However, the EPA has taken a broader look at the issue, and we are mentioned in a notice in the Federal Register. The State would like the EPA to wait for the court

case to play out before moving forward with opening up our rules and addressing this. The EPA has decided to move forward. Forsyth County has decided to remove the offending provisions from their rules. We do not use the provisions in our rules; it is more of an issue if you have a coal-fired power plant or coal-fired boilers or particulate matter emission sources, as we did years ago. It is more complicated for the State who still has facilities with these sources.

Forsyth, Mecklenburg and our Agency have told the state that we do not have sources like that, and it would be easy to take out that rule. This would require a Board vote. Typically, what happens is that we would adopt it by reference from the state. If the state decides to do just that and remove the provision, we could wait and let them do it. Then we would propose to adopt that change by reference. The Board would vote on it. We would have to have a 30-day public notice and comment period. If we open our rules to make the change independent of the state it is more complicated, but doable. Depending on the court's ruling in the case, we might have to open the rules again.

Staff wanted the board members to be aware of the issue and decide how to proceed. The Board does not need to make comments. The Board decided not to open the rules to remove the provision at this time and to let the situation play out.

E. EPA Clean Air act Section 103 grant audit (February 10, 2023)
Mr. Lance said on February 10, we had a financial audit of our 103 grant. Mr. Lance, Ms. Featherstone and Ms. Brown represented the Agency. The audit went well. EPA did not have any recommendations or comments.

F. Monitoring Update
The Agency had the ozone equipment certified. It is back up and running. Ozone season started March 1. Data completeness so far this year is 98% for PM.

There is power to the new monitoring site at the Board of Education. We are preparing to move the equipment off the roof. When students and other citizens come on site, they will have to follow school board protocol.

The EPA contacted Mr. Lance last week about doing a NPAP audit at the ozone monitor at Bent Creek during the week of April 3. The EPA brings their own ozone equipment and generates concentration. We check the ozone levels with our equipment. We have to be within the permissible ranges.

G. Inflation Reduction Act (IRA) Funds Related to Air Quality and Climate.
Clean Air Act Funds under CAA Section 103.

An announcement came out March 1 for the Climate Pollution Reduction Fund (CPR). They are giving funds to the States and the largest MSA's for climate pollution reduction. The first round are for implementation grants. Our area was not chosen because they selected the largest 67 MSAs in the nation. In North Carolina only Charlotte and Raleigh MSAs are eligible to apply for these funds to do climate Pollution Reduction Fund plans. We are not eligible for that, but we are eligible to submit a plan under the implementation grant phase as long as any project that we might want to do comes under the state plan. We have had some preliminary conversations with the state of North Carolina.

They have \$3 million for the plan. By March 31st, the governor has to designate which agency of the state will be responsible for the plan in NC, the Division of Air Quality, the Energy Office, or keep it inside the governor's office. They are planning to request the funds for the Climate Pollution Reduction Grant, and they will be doing outreach. We will have an opportunity to provide input as part of the stakeholder process.

Ms. Featherstone has talked with Buncombe County's Subcommittee on Energy and the Environment; they seem to be interested in applying for implementation grants. Our advisory committee has talked about projects. There is a lot of focus on mobile sources or transportation sources, because they have surpassed power plants as the largest source of greenhouse gases. In particular they are looking at electric vehicle infrastructure and also grants for replacing the medium and heavy-duty diesels with electric engines. They are much more expensive than the diesel versions.

Another focus is big energy efficiency projects.

We have always wanted to do a wood stove changeout program. There has been interest in that here locally as well. We would like to talk to the advisory committee. There is a workshop coming up. There is an EPA residential wood stove swap out program. They are really touting the IRA money and how it could be used to either replace older, higher emitting units with those with cleaner ones or with more efficient heat pumps and mini splits.

There is also a \$25 million Clean Air Act fund to be administered under Section 103. All of the agencies can apply for these funds. They are non-competitive. It was originally intended for replacing monitoring equipment or adding monitoring equipment where needed. That is how we would like to spend the funds. We still need to buy some more ozone equipment in addition to our recent monitoring purchases. The estimated award available to us might be \$40k which would allow us to purchase a backup ozone analyzer and a backup calibrator in case the equipment goes down.

We have already purchased a PM10 monitor. The state has graciously agreed to let us use one of their extra monitors for backup if we need it. We will set that up as soon as the monitoring site is moved to the ground at the Board of Education.

H. Summer Internships and Other Student Projects

Dr. Couzo has helped us out with student projects. Ava Ingle, a UNCA student is applying for a McCullough fellowship. She is interested in the Energy Star treasure hunts for microbreweries here in Buncombe County. We are hoping to get a pilot-program set up that we can promote each year. Waste Reduction Partners has agreed to help.

Dr. Couzo also has a student that is going to help us out with environmental justice and equity. We are in the process of coming up with a policy for the agency. The student could do research on what other agencies are doing, maybe give us a menu of options for the policy and help create a draft.

We also met a student from Warren Wilson who did a project similar to Dr. Couzo's but on a larger scale. She put out PurpleAir monitors at some schools and some red line and yellow and green areas. She looked at CDC asthma data. We introduced her to Dr. Couzo, so they were able to talk. We were able to give her some input for her project that she presented as her senior project at Warren Wilson.

I. Facility Permit Renewals

Facility Name	Type of Facility	Facility Classification	Location	Changes from Existing Permit
Robin Media Group, Inc. (Charter Communications)	Cable TV, Internet, and Telephone Services Provider	Small	Hendersonville Road, Asheville	Update general conditions
Dodge Mechanical Power Transmission	Mechanical Power Transmission Equipment Mfg. Facility	Small	Reems Creek Road, Weaverville	Update general conditions and insignificant activity list
Ecolab, Inc.	Textile Manufacturing Facility	Small	Warren Wilson College Road, Swannanoa	Update general conditions
Ray and Allen Funeral Services Inc.	Crematory	Small	Sweeten Creek Road, Asheville	Update general conditions. Name and ownership change

Dr. Guttman made a motion to approve the permit renewals. Dr. Couzo seconded the motion.

All present - yes

Mr. Koon – not available

The motion passed 4-0.

V. New Business:

A. None

VI. Other Business:

A. Legal Counsel Report
None

B. Advisory Committee Report

The minutes from the two previous meetings were included.

Dr. Couzo received the intent to fund from the EPA for his grant. He plans to begin August 1. This project involves building the PM 2.5 sensors out of components of Raspberry Pi, putting them in the schools in different neighborhoods, the HLC graded neighborhoods. He wants to compare the data between traditionally red lined areas with greener and/or more affluent neighborhoods.

The second project is using PurpleAirs. This is funded through a grant from UNCA. Dr. Couzo has 15 of them. Next week, they will calibrate the sensors. He and the students are going to install them on the roof of Rhodes Robinson. They will let the sensors run for about a month and make sure that all 15 of them are within EPA's acceptable range of precision before they are deployed around the city. The deployment will take place in the fall, but testing is going to start next week.

C. Calendar

1. Next meeting is May 11, 2023

D. Announcements

We will be taking up the budget at the May meeting.

VII. Public Comment

None

VIII. Adjournment

Mr. Whisnant made the motion to adjourn the meeting. Dr. Guttman seconded the motion.

All present - yes

The motion passed 4-0.

The meeting was adjourned at 5:07 pm