

TO: Western North Carolina Regional Air Quality Agency Board of Directors
FROM: Betsy Brown, Air Quality Supervisor
SUBJECT: May 14, 2018
DATE: June 15, 2018

Please find attached a copy of the **MINUTES** from the May 14, 2018 Board Meeting. The next meeting of the WNCRAQA Board is scheduled **Tuesday, June 26, 2018**, in the meeting room at the Buncombe County Permit Office at 30 Valley Street, Asheville, N.C. 28801.

The Western North Carolina Regional Air Quality Agency Board of Directors met on Monday, May 14, 2018, 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:

Britt Lovin
Vonna Cloninger
Karl Koon
Joel Storrow
Dean Kahl (arrived during IV. A)

Members Absent:

NA

Staff Present: *David Brigman, Director; Ashley Featherstone, Air Quality Permitting Program Manager; Kevin Lance, Field Services Program Manager; Betsy Brown, AQ Supervisor; Mike Matthews, Senior AQ Specialist; James Raiford, Senior AQ Specialist*

Others Present: *Roger Edwards, Operations Manager, Metropolitan Sewerage District (MSD); Peter Weed, Director of Operation and Maintenance, MSD*

Mr. Lovin called the meeting of the Western North Carolina Regional Air Quality Agency Board of Directors to order on May 14, 2018 at 4:01 pm.

The order of business was as follows:

I. Public Comment Protocol Announcement

Mr. Lovin started the meeting by reading the announcement about the public comment protocol.

Adjustment and approval of agenda

Ms. Cloninger made a motion to adjust the agenda. She suggested the Board review the MSD permit modification after the approval of the minutes, since representatives were here from the facility. Then we would continue with agenda as presented. Mr. Koon seconded. The motion passed, 4-0.

II. Consent Agenda:

A. Approval of minutes from March 12, 2018.

Ms. Cloninger made a motion to approve the minutes as written. Mr. Koon seconded. The motion passed, 4-0.

III. D. Facility Permit Modification

Facility Name	Type of Facility	Facility Classification	Location	Changes from Existing Permit
Metropolitan Sewerage District of Buncombe Co.	Municipal Wastewater Treatment Facility	Title V	Riverside Drive, Woodfin	The facility is subject to a federal rule that requires that they obtain a Title V air permit.

There was a memo sent to the Board after the Board packet went out. This memo stated that the Title V permit for MSD had gone to public notice; the comment period ended on May 5. EPA's 45 day review period ended May 13th. We have not received any comments. Ms. Cloninger moved to approve, Mr. Koon seconded. Mr. Storrow asked for clarification concerning the permit. Ms. Featherstone stated that the Agency had always had the permit, just not the delegation for 40 CFR 62 Subpart LLL-Existing Sewage Sludge Incinerators (SSI). Those requirements were previously marked "federally enforceable only." We received our federal delegation during the last month.

MSD was required to apply for a Title V permit as part of the requirements of the SSI rule. It just happened that the permit came out around the same time that we received the delegation. Motion passed, 4-0.

IV. Unfinished Business:

A. FY19 Budget Final Update

Mr. Brigman: The County is no longer including our budget when their budget goes out for public comment. They have made changes to our budget which includes an increase for insurance and the CPI increase staff receives in April each year. We need to take the proposed amended budget in the packet to public notice for 30 days. The Board will need to approve it by the end of June, because the 2019 Buncombe County fiscal year begins July 1st. The previous budget did not go out for public review as we knew that it would be amended. Previously, our budget was included with the County's, but now it is not, so we have to post it ourselves. We have a \$16k increase (\$16,463) over the budget presented at the March meeting. If the Board approves the changes, we'll put a notice on the website that our budget is available for public comment. The Board meeting after the public comment period acts as a public meeting. We budget expense amounts over our projected income by pulling from the Agency fund balance. Generally we do not pull as much out of the fund balance as is budgeted. At the end of March, the fund balance was roughly \$450,000. It usually runs between \$300,000 and just under \$500,000. It depends on cash flow. Mr. Storrow asked if we could move the July meeting up to late June instead of having another meeting. Ms. Featherstone said we had several permit renewals in July; staff would need to have inspections and write-ups completed earlier. Mr. Lovin suggested that the board vote to change the next Board meeting date under the Calendar part of Agenda.

Mr. Storrow made a motion to put the budget as amended out for public comment for 30 days. Mr. Koon seconded. The motion passed, 5-0.

V. Director's Report:

A. Ambient Monitoring Update

We had an audit last week of our ambient monitoring program by the EPA. Kevin and James were congratulated by the state for how well the audit went. We had an audit not too long ago and we thought it was too soon for the EPA to come again. The only things noted were very minor. We give a pat on the back to James and Kevin.

B. Update on Delegation for 40 CFR 62 Subpart LLL-Existing Sewage Sludge Incinerators

Our delegation for the Sewage Sludge Incinerator Rule has been posted in the Federal Register.

C. Agency Status Update

Mr. Lovin met with Mandy Stone (Buncombe County Manager) on April 20, 2018, with a list of items he wanted to discuss; Jim Holland (Assistant County Manager) was also there. On a personal level, he felt there was a mission there with Mandy with which he was not totally satisfied. On a factual note, there were two items along the budget lines from the meeting that concerned him the most. There was internal financial data in their records that did not match ours. They gave him a spreadsheet that did not fit with what he knew. Mr. Lovin requested a second meeting to go over the numbers based on our internal financial data. Ms. Stone referred him to the Budget Director over that issue. We are working on that now. The second item that alarmed him in that meeting concerned the 49 Mt Carmel address. The county has returned indirect fees to the Agency to the total amount of \$284,000 and change; and it is Ms. Stone's understanding that due to some note or information that Ms. Greene had left her, that sum paid for the building. Obviously this comes as a shock to Mr. Lovin and the Board. Under no uncertain terms did we agree to that. The return of the indirect costs was specifically for us

moving out of the building into the address on South Lexington Street, then into the next building and finally into the building that we are in now. Mr. Lovin did not get an answer back from Ms. Stone on that. That, in itself, may be a sticky point for her as to whether that money paid for the building. Ms. Stone did not provide any information or documentation about the note or information mentioned. An agreement like “paying for the building” would have to come through the Board and Mr. Lovin asked Mr. Brigman about this. This was not discussed with either of them.

Mr. Lovin said that we are moving forward in a pleasant way with Ms. Stone and the County. The meeting lasted 1.5 hours. Mr. Lovin went by himself. Ms. Cloninger originally planned to attend, but she was unable to attend due to a family obligation. Ms. Stone stumbled a bit when he asked about the Agency going away. She said it was a learning process for her. Our budget is approved through June 2019 (same as county budget year).

Mr. Brigman said that there were two people present when the conversation about the building took place, he and Wanda Greene. There was never a predetermined amount of money mentioned. We moved into a building that the County could not use, which freed up our space. Two other departments, who needed that much space, moved into the Air Quality building. We moved into a building for about a year; then to the next space for six to seven months. We had to vacate that space in a hurry. He did not believe that there was intent to play fairly with that one. There was never a predetermined amount of money agreed upon with Air Quality, but the County may have had one in mind. In exchange the County offered an offset of our indirect costs and would provide the Agency with comparable and adequate space. The County is in the space (49 Mount Carmel Road) and we are not.

We can pull down the 105 Grant funds from EPA during the current Buncombe County budget year, but we have not needed too. If Air Quality is dissolved before the end of the federal fiscal year, we cannot pull those funds down because we would not have fulfilled the year of our federal Grant commitments. Mr. Storrow asked if we had our own CPA. Part of the Interlocal Agreement requires that we use the County’s personnel and finance services. By using their finance department, we are pretty much at their mercy unless we get an EPA audit which we have had in the past. Our indirect charges have ranged from \$90,000 to \$152,390. This includes charges for services other than personnel and finance – charges for IT, maintenance or General Services, County Manager, etc. Mr. Storrow suggested that we hire our own CPA as a watchdog over our budget. Mr. Brigman said that the Board could hire a CPA to look at what we are charged, but when we do, that could alienate the county. We are trying to discuss the situation with the County Commissioners. We think the Agency could continue on, but money wise there would probably need to be changes made.

Mr. Storrow asked about the building at Mount Carmel Road. Mr. Brigman said the Agency built the building with Agency revenues. Our Board at the time went to the Buncombe County School Board to lease the property. The Interlocal Agreement states the Agency cannot own real property. The lease for the property was written to the County for the Air Quality Agency. It is a forty year lease with 4 or 5 five year renewals to the Agency at \$1 per year. CP&L and Champion had permits with us at the time; they were each paying about \$250,000 a year in permit fees. We hired architect Keith Hargrove, and the building was built by Goforth Builders. In the year 2000, the Agency downsized when Haywood County pulled out of the agreement. We lost four employees. We lost three with the retirement incentive in 2014. At that point we had a 5,400 square foot building and only six or seven people.

Mr. Storrow asked why the money is in dispute. Mr. Brigman said this is an amount the County came up with. The County suggests paying us what we paid for the building in 1995 dollars in 2018. This does not seem equitable. Mr. Brigman guesses that the building would currently be

worth over \$700,000 as is the building across from it on Mt. Carmel Road. The problem is dealing with the County which is over this Board, so we do not want to alienate them. We are bound by the Interlocal Agreement; the idea at the time was that allowing the County to use the building in exchange for the return of the indirect saved us a lot of money. There was never any communication at that time inferring that the return of the indirect was to “buy the building.” It will be interesting to see how Ms. Stone responds. Our indirect is not being offset now. The building is not on our balance sheet; it should be on the County’s balance sheet but for some reason they transferred it to the School Board. We are not sure why. Mr. Brigman has one of the only copies of lease agreement. All fines go to the school board according to state law, but that has nothing to do with the lease agreement. That is a way for the state to fund the schools. Mr. Brigman has talked to a couple of the County Commissioners about the situation.

Mr. Lovin indicated we are continuing down the road. He stated that he would like some closure about the agency finances and the building. We need to get the indirect costs resolved.

D. Facility Permit Modifications

Facility Name	Type of Facility	Facility Classification	Location	Changes from Existing Permit
Plasticard - Locktech International, LLP dba PLI	Specialty printer of plastic and paper products	Small	Sweeten Creek Industrial Park Road, Asheville	Removal of a printing press from permit

Mr. Koon made a motion to approve Plasticard-Locktech International permit modifications. Mr. Storrow seconded. The motion passed, 5-0.

E. New Facility Operating Permit

Facility Name	Type of Facility	Facility Classification	Location	Proposed Equipment
Anthony Allega Cement Contractor, Inc.	Asphalt Manufacturing Facility	Synthetic Minor	Asheville Regional Airport, Fletcher	Portable Asphalt Plant
Jacob Holm Industries	Non-woven fiber manufacturing facility	Synthetic Minor	Sand Hill Road, Enka	Spunlace non-woven textile manufacturing process

Mr. Koon made a motion to approve the new facility permits. Ms. Cloninger seconded. The motion passed, 5-0.

VI. New Business:

A. Legal Counsel Report

Ms. Cloninger asked if we knew why legal counsel was not present. It was suggested that we might need to get our own legal counsel. This would assure us of having legal counsel present. Currently we are in disagreement with the county and the attorneys that have been attending our Board meetings are county attorneys. Ms. Cloninger mentioned Jim Siemens who used to be our attorney and understands the history of the Agency. The Agency had a lot more going on at that time. Mr. Storrow mentioned there may be some advantage to the Agency to have someone who understands the background of the Agency like Joe Connolly (former attorney for Buncombe County). For a fee of about \$15k, Mr. Siemens might do it again. He has not retired. Mr. Lovin said we may be able to move forward with the County; we should know more in June. Mr. Brigman said when we pay the County Manager portion of indirect, we pay for the county

attorneys. Much of the time, using the county attorneys are fine, but right now there is a conflict. He will explore the possibility of our own counsel before the next board meeting.

VII. Other Business:

A. Advisory Committee Report – Dean Kahl

There were no applications for the Clean Air Excellence Awards. We informed the committee. The committee has not met this year.

B. Calendar

The next regular scheduled meeting is **July 9, 2018**. (This date was incorrect on the Agenda.)The Board would like to change the meeting to **Tuesday, June 26, 2018**. If this room is not open, we can find another. Ms. Cloninger made the motion to change the Board meeting date to June 26 at 4PM; Mr. Storrow seconded. Motion passed, 5-0.

C. Announcements

Mr. Lovin spoke to staff. The budget is okay for 2019. Mr. Lovin and Mr. Brigman are working within the system. We are not taking this lying down. It has been difficult to get on Ms. Stone's calendar. Mr. Lovin and the Board are looking out for staff and want to assure staff that they are working on the situation.

Ms. Cloninger heard she would be continuing on the board. As far as she knows she will continue to serve. Dr. Kahl's term on the Board expires in 2020. If Mr. Koon and Mr. Storrow need to do something on the City side, let them know. At present, city members will stand down until further notice. Mr. Lovin and Mr. Brigman, have discussed different scenarios, and when and if to pursue other options.

VIII. Public Comment

None.

IX. Adjournment

Mr. Koon motioned to adjourn. Ms. Cloninger seconded. The motion passed 5-0. Adjournment was at 4:50 PM.