

## **MEMORANDUM**

TO: Western North Carolina Regional Air Quality Agency Board of Directors

FROM: Ashley Featherstone, Interim Director

RE: Minutes for January 13 and January 27, 2020

DATE: February 28, 2020

Enclosed, please find the Minutes from the **Monday January 13, 2020 Board Meeting** which was recessed and reconvened on **January 27, 2020**. The next meeting for the WNCRAQA Boards is scheduled for **Monday, March 9, 2020 at 3:00pm** in the meeting room located at the Buncombe County Permit Office at 30 Valley Street, Asheville, NC 28801.

The Western North Carolina Regional Air Quality Agency Board of Directors met on Monday, January 13, 2020, 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*

*Karl Koon*

*Dean Kahl*

*Vonna Cloninger*

**Members Absent:**

*Joel Storrow*

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

**Others Present:** *Michael Frue, Attorney; Sybil Tate, Assistant County Manager; Patty Beaver, CIBO; Terri Orange, Assistant Finance Director; Mary Lunsford, HR*

Mr. Lovin called the meeting of the Western North Carolina Regional Air Quality Agency Board of Directors to order on January 13, 2020 at 4:00 pm.

The order of business was as follows:

**I. Public Comment Protocol Announcement**

Mr. Lovin read the Protocol Announcement.

**II. Adjustment and approval of agenda**

Mr. Lovin said there needed to be a change in the Agenda- Mr. Storrow had to miss this meeting so we are removing item V. A. The Odor presentation will be postponed to another Board meeting.

Mr. Koon made the motion to approve the revised agenda.

Ms. Cloninger seconded the motion. The motion passed 4-0.

**III. Consent Agenda:**

**A. Approval of minutes from November 12, 2019**

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

**IV. Unfinished Business:**

**A. Recruitment Process for Permanent Air Quality Director Position**

Ms. Tate introduced Mary Lunsford from Human Resources (HR). She then presented a memo which outlined the Air Quality Director recruitment process. This memo is attached to the minutes. The memo provides a guideline for the Board. She said the County would like to post the position on January 29th. Ms. Lunsford said that she would need any changes to the job posting the day before. Mr. Frue noted that the interlocal agreement with Buncombe County and the City of Asheville does state that the personnel policies of the county apply. This process assures that there is consistency in the hiring of county employees. However, for this position, the Board hires. Every member of the Board has to be present to hire or fire a Director. HR is suggesting a guideline.

The Board or a subcommittee should approve the Director's job description. A position can be posted for two weeks and extended later; however, if the Board decides to run the advertisement for 4 weeks, it cannot be shortened. It would have to be open for 4 weeks. HR can provide screening of candidates if desired. There was discussion about the steps of screening the candidates and narrowing the field. The number of applications might influence whether they have phone or Skype interviews. Ms. Tate said that it is standard protocol to do phone interviews. There is no minimum requirement for number of candidates. There is a requirement for anonymity for the candidates. HR does a background check on the person who is offered the job. After the offer, then HR does a drug screen. After the phone interviews or narrowing down process to the top one or two candidates, then the Board does interviews and HR does background checks and verifies references. Most people need to give notice of two weeks. HR provided the most up to date job description. Mr. Frue pointed out that HR suggested a timeline, but it can be adjusted as necessary.

Mr. Lovin would like time for the Board to review the timeline over the next week or two. Mr. Frue said the Board could call a special meeting or that the Board could recess, then reconvene at a certain date to set dates, and verify the job description. Crucial dates are the job posting dates, closing dates, interview dates and offer. The hire date can vary depending on the notice the candidate might need to give, two weeks or a month, for instance.

The Board decided to recess until January 27th. Mr. Lovin will entertain the motion at the end of the meeting. Ms. Tate said someone from HR should be there to oversee the process.

**B. Discussions with Buncombe County regarding Office Space and Building on Mount Carmel Road**

Mr. Lovin, Mr. Storrow, Dr. Kahl, Ashley Featherstone, Avril Pinder and Sybil Tate met and had a meeting to talk about the building. One thing that came out of this was the issue of indirect costs.

Mr. Frue wrote a memo. The discussion was what would happen to the building if this Agency disbanded. The Board is sponsored by the City of Asheville and Buncombe County. As that program, the Board cannot own real property. If and when, for whatever reason, the Board disbands and the City or County does not choose to use the property for the 40 year life span plus two renewals, then it is the real property of Buncombe County School Board to sell or repurpose as they see fit. Any personal property or equipment on site would be sold and proceeds split between the City and the County. This is what the record reflects in terms of ownership and any assets currently used by the Board. The last Interlocal Agreement was basically in 2000 when Haywood County dropped out; and the agreement was amended in 2007 by the two entities to give the Board the ability to hire and fire the Director, that the Director serves at the pleasure of the Board. A board member asked Mr. Frue if there was discussion of the Agency moving back into the 49 Mount Carmel Road Building. Mr. Frue said that his impression of Ms. Pinder's preference would be, except for the fact this department has an independent board, that all the staff and employees of Air Quality and the department itself be treated like any other county department. That is with the exception of serving at the pleasure of the Board for the Director. Ms. Tate said that this matter came up when she first started with the County. She met with Mr. Lovin and Mr. Brigman who wanted to know if there was any way that the County would guarantee office space for Air Quality because of the changes that happened with

the building on Mount Carmel Road. This is what the memo addresses. The outcome of the discussion with the group last week, was that the County would like to treat Air Quality like any other department. The County does not provide in writing the agreement with other departments to guarantee office space. The County would provide Air Quality with space just like it would any other department.

Mr. Lovin said that when we moved out of Mount Carmel it was to help the County with space and to help lower our indirect expenses. Air Quality offices were moved a couple times in short succession which started raising red flags. What really raised a red flag was looking at what we had given up and offsetting indirect costs. A discussion took place with Mr. George Wood, the former Interim County Manager, Mr. Lovin and Mr. Brigman about getting an agreement in writing between Air Quality and the County about Air Quality (AQ) office space.

Terri Orange, the Assistant Finance Director, and the expert on indirect costs, pulled together documents to support indirect costs charges that AQ has paid since 2005. Ms. Tate said there are pros and cons to paying the full indirect costs. For instance if you pay full indirect associated with IT, it is easier for AQ to implement IT. If AQ is not paying full cost, it makes this implementation harder. In 2019 the County went back to the Interlocal Agreement and just charged for Finance, HR, Budget, and Performance Management. The amount was around \$28,000. Before that AQ was also charged for IT, building maintenance, depreciation and all the things that other County departments are charged. The Board needs to weigh the pros and cons of paying full indirect or a different amount, what services AQ wants from the County and how to pay for them. The indirect costs had gone up to a point that they seemed inflated to the Board. The County gave an offset of the indirect costs for the rent we paid after we moved out of the 49 Mount Carmel Road building and for the County's use of that location.

Ms. Orange said that a third party does the cost allocation plan for the County. They use a methodology they certify as acceptable for use in government grant reimbursements. This is the same method as the County uses for Health and Human Services and Public Health. She brought documentation of the cost allocation charges for the Agency since 2005. Mr. Lovin said moving forward, AQ would need to decide what to pay for from the County and how it would be charged. Ms. Orange pointed out that Finance, HR, and Budget were all handled for AQ through IT. She was not sure how one would tease out IT charges.

Ms. Featherstone pointed out that the cost allocation plan showed that the amount AQ would have paid for indirect in 2019 was \$120,000; AQ paid the lower rate of \$28,000 last year. The cost allocation reports are two years behind so the indirect charge is not certain moving forward. Ms. Tate said one could expect the rate to increase about 2% a year. The numbers for the Buncombe County 2020 budget year have just come out. For this budget year, the full indirect amount would be \$90,655 (\$102,834.00 minus \$12,180 credit).

Allocations are based on different things depending on the function. For instance, HR charges might be based on number of employees; Finance might be based on number of checks per year; budget's portion might be based on size of budget; building space square footage might be used for some of the general services and depreciation, etc.

Ms. Tate said that she could not promise that the County would never move the Agency again. She could not make that promise to any department right now. The County is getting ready to do a comprehensive facility study. It may show the County needs to sell certain buildings, fixup certain buildings. The County will have to consider costs and many other factors.

Ms. Tate indicated that since the County is in the budget process, we need to look at what AQ is planning moving forward. We need to look at technology needs. Not paying the indirect costs is another barrier to moving forward. Changing the way AQ pays for County services would take a lot of AQ staff time.

Ms. Featherstone mentioned that since AQ was charged the lower indirect last year, that AQ would have to start paying for services as we go. AQ has several challenges with technology. Air Quality has asked for an estimate for setting the department up in a software program called Accela. IT is not set up to give out prices for individual departments for some services. If AQ pays full indirect, it has access to IT services. Paying as AQ goes could cost more if AQ pays separately. One issue is AQ getting a new copier. If AQ got a new one, AQ would be charged for the copier. IT does not want individual departments purchasing their own technology or outsourcing due to maintenance and security issues within the County's system. With the cost allocation plan, there is an idea of costs; whereas, if usage is paid line item, AQ does not know what the costs might be. Certain things like IT AQ would have to start paying as it goes. Paying full indirect or getting charged per item is not the usual county policy. The County and AQ would have to figure out how to handle line item charges. An actuary firm performs the cost allocation.

Ms. Featherstone said that AQ was scheduled to present our budget to the County the day after this meeting. Discussion revolved around the dates that the Budget would be presented to the BC Commissioners and when the AQ budget would be approved by the Board. Ms. Pinder wanted the budget to include the AQ Budget approved by the AQ Board. The Budget will be presented to the Commissioners May 19. The Board could possibly vote on the Budget during one of the Director recruitment special meetings to have the approved budget for the April 17 pre-budget meeting with the Commissioners. Ms. Tate says it is always better to have the budget numbers in earlier.

Mr. Lovin asked if staff could come up with alternate budget scenarios reflecting the Agency paying full indirect and paying line by line to present for the Board's consideration. It was noted that staff was presenting a draft budget the next day.

Ms. Tate said that she really appreciated the open dialog with Air Quality and hopes they can continue to work through issues. She feels that the Air Quality Agency provides a valuable service to the citizens of Buncombe County and hopes that the County and Air Quality can continue to work together.

Mr. Lovin said that he is pleased with the current meetings with the County.

Copies of Mr. Frue's memo and the indirect cost documents provided by Terri Orange, as discussed above are attached to these minutes.

## **V. Director's Report:**

### **A. Duke Energy Progress Permit Update**

The permit did go to public notice on December 1 and ran through December 31. The facility had asked for facility wide emission caps. The Agency has been updating the Board on this permit application. Air Quality did get some comments that needed to be addressed. There were five comments received, four were very general in nature and the fifth comment was from the Sierra Club. This came from the same attorney in Washington, DC that had commented on the Title V permit when it was last renewed. Sierra Club wrote the comments and submitted them on the behalf of themselves and Mountain True. These were in-depth comments which require detailed responses. Staff is addressing those now. The EPA also received a PAL permit in Region 2 and has received similar comments. This could be related to national policy on the EPA level. We can consult with the EPA since they are responding to similar comments. We are also checking with the state to see if they have received similar comments. Therefore, it will be a few more months before the permit is issued. The facility had asked for the permit this winter. However, even if the comments were addressed in the next few days, the earliest issue date would be in March, effective April, since the EPA 45 review period will not start until comments are addressed and submitted. The Agency will be talking with Duke in the next few days and will come up with a revised timeline.

Mr. Lovin said that he, Mr. Storrow and Ms. Featherstone ran into Jason Walls, Duke’s spokesman, who said he was confident that by January 31, Duke would not no longer be burning coal. Units 5 and Unit 7 are the new natural gas units. Duke is still burning coal in one of the old units. They were still having issues with Unit 7. This is not uncommon to have some issues when new complicated equipment is brought online. There is a shakedown period. Whenever both units come online, according to their permit, they are required to shut down the coal-fired units. Mr. Lovin mentioned to Board members that if someone approached them about the proposed coal ash landfill, that is not something that we regulate.

**B. Budget Update**

The current Buncombe County budget runs thru June 30<sup>th</sup>. After David Brigman retired, there was a six month payout for his retirement and two months annual leave expense. He worked four months of the budget year, and this was basically 8 months of salary that was paid out. This ends up being about the same amount budgeted or a little less. Ms. Tate said that there may be additional costs to the Agency associated with this retirement. Mr. Frue said that the state sends out a bill to cover the extra requirements for the retirement system to cover the higher salary. The Agency has already received an invoice for pension spiking and sent it to HR and Budget for payment. Ms. Featherstone said that our understanding was that the Agency had been paying into a fund to cover us for the overcharges. Finance was aware of this and had planned for it.

**C. Facility Permit Modifications**

<b>Facility Name</b>	<b>Type of Facility</b>	<b>Facility Classification</b>	<b>Location</b>	<b>Changes from Existing Permit</b>
Silver-Line Plastics LLC	PVC Pipe Manufacturing Facility	Small	Riverside Drive, Asheville	Administrative update, restructure sale and name change

Ms. Cloninger moved to approve the permit modification. Mr. Koon seconded the motion. The motion passed 4-0.

**VI. New Business:**

**A. Legal Counsel Report**

Mr. Frue said he had nothing additional.

**B. Inclement Weather Policy for Agency Board Meetings**

This was discussed at the previous meeting. If schools are out, would meetings be cancelled? We could not find anything formal in older minutes. It did not sound like Commissioners had any formal policy either. It is up to the county when to close, when to stay open; then they share that information with the employees and the public. Buncombe County is almost never closed. New administrations have closed County government a few times. Employees receive text message notifications. Ms. Tate said County Management was trying to come up with some parameters which they will share with Air Quality. A new Emergency Management Director is being hired and the County hopes to have some input from that person.

**VII. Other Business:**

**A. Advisory Committee Status**

Nothing to report.

**B. Calendar**

**1. Approval of 2020 Board Meeting Schedule.**

Ms. Cloninger made a motion to accept the Board meetings schedule as presented. Mr. Koon seconded the motion. The motion passed 4-0.

**2. Next regular scheduled meeting is March 9, 2020**

**C. Announcements**

**VIII. Public Comment**

None

**IX. Executive Session**

No Executive session was held.

Ms. Cloninger made a motion to continue this meeting to Monday January 27th at 4:00 PM. in this building to continue talks regarding Item 4A on the January 13 Agenda which is the discussion of the recruitment process for the permanent Air Quality Director position.

Mr. Koon seconded the motion. The motion carried 4-0.

This meeting was recessed at 5:27 pm.

The Western North Carolina Regional Air Quality Agency Board of Directors reconvened on Monday, January 27, 2020, 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*

*Karl Koon*

*Dean Kahl*

*Vonna Cloninger*

*Joel Storrow*

**Members Absent:**

*None*

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

**Others Present:** *Attorney; Michael Frue, Attorney; Amanda Stratton, Performance Management; Patty Beaver, CIBO; Mary Lunsford, HR*

Mr. Lovin ended the recess and reconvened the meeting of the Western North Carolina Regional Air Quality Agency Board of Directors to order on January 27, 2020 at 4:00 pm.

**IV. Unfinished Business:**

**A. Recruitment Process for Permanent Air Quality Director Position**

The Board discussed the timeline for the recruitment process. Mary Lunsford from Human Resources was attending to facilitate the process of the Board coming up with a timeline for the recruitment process and a job description for posting. Amanda Stratton from Performance Management was present at Sybil Tate's request as Ms. Tate, a Buncombe County Assistant Manager, could not attend. Ms. Stratton was there to make changes to the timeline and job description.

The Board agreed upon a Recruitment TimeLine. This is included in an attachment from HR. The timeline is as follows:

- The Job will be posted January 29, 2020
- The posting will be open for three weeks, and close February 19, 2020.
- HR will screen the applications and separate out any that are unqualified.
- February 28, a week before the next Board Meeting, March 9, 2020, HR will send the applications to the Board as protected documents. If any do not meet the minimum qualifications, they will be separated into a different group. However, all applications will be sent to the Board members for their consideration.
- The next Board meeting will start an hour early, at a special meeting time, of 3pm. The Board will start with Executive Session. Mr. Frue will take minutes and HR will attend. At this time, the Board will narrow down the applicant list to a more workable number for interviews, possibly 7 or 8.
- The Board plans to meet again on March 16, 2020, at 10am, for Skype, phone interviews.
- Meet March 23, 2020, at 1pm, for on-site interviews.
- Background checks and references by HR, March 25-26, 2020
- Offer and acceptance, April 1, 2020.
- Hire date, can vary. County hires twice a month.

Ms. Cloninger motioned to accept the calendar as presented by HR. Mr. Koon seconded the motion. The motion passed 5-0.

The Board discussed the job requirements for the new Air Quality Director and came to agreement upon the Job Posting Description. The Job Posting Description agreed upon by the WNCRAQA Board is included in an attachment from HR.

Mr. Storrow motioned to approve the Job Description as amended. Mr. Koon seconded the motion. The motion passed 5-0.

Mr. Lovin confirmed with Mr. Frue that special meetings require a 48 hour public notice.

**X. Adjournment**

Mr. Storrow made a motion to adjourn. Ms. Cloninger seconded the motion. The motion passed 5-0.

The meeting was adjourned at 5:12 pm.