

**Date:** November 10, 2010  
**To:** Board of Directors  
Puget Sound Clean Air Agency  
**Subject:** Executive Director's Report

Honorable Members;

It's the time of year when the leaves fall and the forecasting team turns their focus to inversions and to wood smoke pollution issues. As always, on that issue, we are striving to achieve both clean air overall and warm air in people's homes. You'll hear more about this work at the meeting and there is background material in your packet as well.

Listed below are some of the other things we did to clean the air and protect the climate over the last month:

### AIR QUALITY

#### Clean Air Initiatives

*Wood Smoke* –In addition to burn bans as a tool to protect the air, our proactive heat source projects are in full swing. In its first month, the Tacoma-Pierce County Wood Smoke Reduction Program received over 150 applications, with over 80 coupons issued to people living in the eligible program area, and 15 proof of work orders submitted by heating partners from people who are ready to switch to cleaner heat. Five of these customers are income qualified for the higher incentives. The agency's project team is working closely with program partners to motivate program applicants from previous years to take advantage of this year's robust incentives, as well as get the word out to other wood stove users in the community. The program is offered to residents in seven ZIP code neighborhoods in close proximity to our air quality monitor that measures violations of the federal fine particle pollution standards. These are 98404, 98408, 98409, 98444, 98445, 98446 and 98373 outside the City of Puyallup.

The Washington State wood smoke behavior change campaign, focusing on getting frequent burners to burn clean and observe burn bans, is now in its pilot stage in Pierce County's Summit-Waller community. Amy Warren is co-lead on this effort along with the project manager from the Spokane Regional Clean Air Agency. A "Burn Right" open house is planned for Saturday, November 20 at the Central Pierce Fire & Rescue station located in the heart of Summit-Waller. This event is being supplemented by direct mail materials, outdoor billboard advertising, and campaign web site. There will be pre- and post-survey testing to help measure the effectiveness of the effort and determine elements needing adjustments in order to implement state-wide. A key element of the campaign is the recruitment and training of Master Burners who can become peer influencers with family, friends, and neighbors about proper burning techniques, especially using only dry seasoned wood and obeying burn bans.

Amy Warren provided a two-hour presentation to the Solar Shoreline Project on October 20 titled *Clean Heating Choices: Alternatives for the hearth and home*. The presentation focused on the air quality impacts and alternatives from burning wood for home heat.

We recognize a challenge in running these programs. On the one hand, we are urging people to stop using wood as their fuel source. On the other hand, we are urging people who use it as a significant source to do a better job at burning it. How we manage this perceived inconsistency is a question we'll be grappling with as we work in the non-attainment area.

*Diesel Solutions Seaport Truck ScRAPs Program* – As of October 31, 232 trucks have been scrapped under the agency's regional port truck replacement program, the Seaport Truck Scrappage and Retrofits for Air in Puget Sound (ScRAPs) program. This innovative program offers financial incentives to owners of trucks with pre-1994 engines to scrap them and offers no-cost diesel exhaust retrofits to further reduce the emissions of eligible replacement trucks. Three trucks have been retrofitted with diesel multi-stage filters, providing approximately 60% diesel emission reduction, and seven trucks have been retrofitted with diesel oxidation catalysts (DOCs), providing about 25% emission reduction. Approximately 70 more trucks are scheduled for DOC installations over the next few months.

On the truck issue, we continue to see some groups urging the Ports and the agency to accelerate the timeline for getting to all 2007 and later truck engines. This is a complicated issue and we'll keep the board updated about those conversations as we go forward.

*Diesel at Berth Clean (ABC) Fuels Program* – The ABC Fuels Incentive Program encourages shipping lines to use low-sulfur fuel in their auxiliary engines while at port by providing a financial incentive. Shipping lines that meet the program requirements are reimbursed \$2,250 when they use fuels with less than 0.5% sulfur while at berth. For the third quarter of the calendar year approximately 124 calls were reimbursed for a total of \$279,000.

*Diesel Retrofits* – Staff finalized a contract with Kitsap Transit to provide funding for installing diesel exhaust retrofit devices on a new passenger-only ferry and diesel retrofit devices on a cleaner, replacement engine scheduled for installation on an existing passenger-only ferry.

Staff issued a purchase order to a contractor to install diesel oxidation catalysts on fourteen Kitsap County Public Works Department dump trucks. A third diesel emission project with Kitsap County involves the installation of anti-idling technology on a total of twenty Kitsap County transit buses.

Staff also completed an Interlocal Agreement and the Memorandum of Agreement between the Agency and Tacoma Rail to repower three locomotives to meet Tier 2 emission limits and improve fuel efficiency. This project will reduce diesel particulate emissions in the Tacoma Wapato Hills/Puyallup River Valley fine particulate non-attainment area.

Finally, staff continues to work with the Ports of Tacoma and Seattle on retrofitting cargo handling equipment (CHE) at several port terminals. Because CARB (California Air Resources Board, whose standards we use here) removed one of our originally proposed technologies (diesel multi-stage filters) from their verification list, we are reallocating the project funds to more advanced technologies, such as diesel particulate filters, and/or simpler devices, such as diesel

oxidation catalysts. Pending EPA approval, we may also allocate funds to retrofit additional drayage trucks as part of our ScRAPS program.

*Climate Protection and Clean Cities* – Leslie Stanton, Elizabeth Gilpin, Scott DeWees, and Amy Fowler attended the National Alternative Fuels Day Odyssey event at Shoreline Community College. The purpose of the Odyssey is to showcase advanced technologies and bring together academic institutions and employers to ensure that our region is training people to work on new automotive vehicles with advanced technologies. Stephanie Meyn developed an outstanding agenda with speakers from fleets, academic institutions (including WSU, Shoreline Community College, and South Seattle Community College), and employers such as World CNG (renewable fuels vehicle retrofits), Puget Sound Energy, and Clean Energy (a natural gas distributor).

As part of our strategy to integrate our fleet programs, the Clean Transportation Systems team (Leslie Stanton, Stephanie Meyn, Beth Carper, Elizabeth Gilpin, and Scott DeWees) has begun to coordinate our projects and cross-train our staff. The team will coordinate our USEPA Diesel Emission Reduction Act and USDOE Clean Cities grant applications this year so that we have a broader approach to our diesel work. The team is also exploring new CNG projects with World CNG, including diesel fleet conversion projects in the Tacoma/Pierce County non-attainment area.

Leslie and I also attended PSRC's Regional Staff Committee meeting. The Committee continues to focus on the prioritization process in an effort to rank the transportation projects in the Puget Sound region. This will be important as we move into non-attainment on ozone and need to review the long term implications of transportation choices.

Leslie, Scott, and Stephanie also finalized the model contract for the Electric Vehicle Supply Equipment (EVSE) component of the Clean Cities ARRA grant. This model contract will be used by several public fleets to develop EVSE charging stations in public areas and public fleet facilities. The project will enable these fleets to build approximately 150 to 200 EVSE stations throughout our region.

In the third full quarter of the Puget Sound Clean Cities Petroleum Reduction Project, we remained on target for vehicle orders and spending. Sub-recipient agreements are now signed with all partners, with the exception of Washington State University, who is waiting for a signed commitment from their partners at Shoreline Community College before signing our contract.

A total of 45 advanced technology and fuel efficient vehicles were received or deployed this reporting period, bringing the total number to 97. Snohomish County finalized their sub recipient agreement in this quarter and issued RFPs for the equipment and installation of one biodiesel and one ethanol station. Western Washington University continues to develop the biomethane fueling facility and will complete installation next month, with a first fueling to take place before year end.

Staff selected the marketing and design firm, PRR, to conduct the marketing contract work for the grant. A kick-off meeting will be held in December and a budget breakdown of individual tasks will be developed, with the design of the biogas bus wrap being the first priority.

### Communications

*Social Media* – The Communications team is piloting social media as a means for diversifying outreach channels and reaching new audiences. The team has set up Twitter ([twitter.com/pscleanair](http://twitter.com/pscleanair)) and Facebook ([www.pscleanair.org/facebook](http://www.pscleanair.org/facebook)) accounts for the agency and begun promotion of them as additional conduits of information about air quality issues and burn bans.

*Cool School Challenge* – The Cool School Challenge team kicked off the 2010-2011 academic year with a two-part teacher training workshop coordinated in partnership with the Seattle Aquarium and the Woodland Park Zoo. In addition to training teachers how to use the Cool School Challenge tools, the workshops also provided in-depth subject matter on the impacts of climate change on marine and land animals and habitat. The next teacher training workshop is scheduled for December 4, 2010 at the Point Defiance Zoo and Aquarium.

*Gas Station Rule Change Outreach* – Consuelo Davis coordinated with Steve Van Slyke and Mario Pedroza on the annual registration invoices that will be sent to gas stations November 22. The invoices will include a reminder of the new rule that takes effect September 1, 2011 and emphasize that the current rules are still in effect. A link to a special web page on the rule change was provided: [www.pscleanair.org/gasrulechange](http://www.pscleanair.org/gasrulechange). Planning for additional outreach is underway.

*Outdoor Burning Outreach* – Consuelo Davis is working with the Inspection Department on distributing a supply of the agency's *Outdoor Burning is Out* brochure to local fire departments in all four counties.

*Northwest Air Quality Communicators Group* – Communications staff hosted the quarterly meeting of this consortium of colleagues from local, state, federal, and provincial air quality and health agencies in Washington, Oregon, Idaho, and British Columbia. Chaired by Amy Warren, the group is currently collaborating on the Washington State wood smoke behavior change campaign being piloted in Pierce County's Summit-Waller community, as well as an air quality focused youth activity book to be used during community and school outreach efforts.

### Technical Analysis

*Fine Particle Nonattainment Planning* – Staff met with the Washington Department of Ecology and EPA Region 10 to further develop a plan for the Tacoma/Pierce County State Implementation Plan/Clean Air Performance Agreement (SIP/CAPC). Main points of discussion included the specific deliverables EPA requires in the SIP, as well as the timeline for the stakeholder process and subsequent SIP submittal.

Staff is conducting a technical analysis and recommendation for the modeling that is required for the SIP. We will use the analysis to help identify strategies that can reduce emissions on the right scale to bring the area back into attainment.

*Marine Emission Inventory* – Staff participated in the selection of a consultant to perform the 2011 update to the 2005 marine emission inventory. Other selection committee members included the Ports of Tacoma, Seattle, and Everett, and the Pacific Merchant Shipping Association. The consultant selected was Starcrest (the same consultant who performed the 2005 inventory). The Port of Tacoma is currently negotiating the contract with Starcrest. The Agency has committed \$25,000 and staff time to the project.

*Air Toxics* – Staff submitted two EPA-funded air toxics grants on October 28. As we presented at the September board meeting, the Agency conducted air toxics monitoring in Tacoma and Seattle, with support from the University of Washington. Staff presented results of the monitoring to the Pierce County Air Quality Team on November 1. We will continue to share results from these air toxics studies with various stakeholders this winter.

## **COMPLIANCE-LEGAL**

### **Compliance**

*Implementation of revised gas station rule* – The Board approved amendments to the agency’s gas station rule in July, and the changes are effective September 1, 2011. During this window of time before the effective date of the revised rule, we are working on several projects to prepare for implementing the revised rule.

The implementation and preparation work has four main parts:

1. Education and outreach
2. Certification for persons testing or installing equipment
3. Compliance testing activity report
4. Update inspection procedures, including notice of violation documents and gas station civil penalty matrix

#### 1. Education and Outreach

We are taking several approaches to inform gas station owners and operators, testers and installers of the regulation changes. On September 14, 2010, the agency sent out an e-mail message to all registered gas stations, testers, and installers informing them that the revised gas station regulation had been adopted on July 22, 2010. The e-mail explained the effective date of the revised regulation was September 1, 2011 and that more information would follow. A post card was subsequently sent to the same mailing list explaining the regulation changes.

In addition, information has been added to the annual registration invoice mailings sent to gas stations explaining the upcoming regulation changes. The registration invoices will be mailed in November.

We are in the process of contacting testers, installers, and gasoline transporters, seeking their assistance in making personal contact with all gasoline stations and providing information on the regulation changes. Hand out materials will be provided. In addition, agency inspection staff will be advising gas stations owners of this information during regular inspections.

#### 2. Certification for Persons Testing or Installing Equipment

The revised regulation requires that all equipment testers and installers be certified by the International Code Council (ICC) through an agency-approved qualifying examination. Currently, there is no such exam so one needs to be developed for our agency.

During the week of November 1, 2010, agency staff met with ICC representatives to begin formulating the exam to be used for testers and installers. It is anticipated the exam will be available for testers and installers by March 2011. This will allow approximately six months for all testers and installers to take and pass the required exam, so they are certified in compliance with the revised regulation.

### 3. Compliance Testing Activity Report

The revised regulation requires testers to submit compliance testing activity reports to the agency on approved forms through the agency's website.

### 4. Update inspection procedures, including notice of violation documents and gas station civil penalty matrix

We anticipate having all agency forms updated and ready for use well in advance of September 1, 2011. An updated civil penalty matrix used to assess monetary penalties to violators is anticipated to be presented to the Board for action at the July 2011 Board meeting.

### *Cedar Grove Composting Update*

Maple Valley facility – The agency is processing a pending notice of construction application for this facility. The application requests the incorporation of monitoring, recordkeeping, and reporting elements of a May 2008 settlement agreement between the agency and Cedar Grove into an order of approval. After evaluating the application, the agency prepared a proposed order and published it for public comment in June.

The agency received many comments on the proposed order and reviewed all the comments received. Based on its analysis of the comments, the agency decided to propose additional changes to the proposed order and hold another public comment period and hearing. The public hearing was held on October 19, 2010, and approximately 125 people attended. The agency is now reviewing the comments received during the public hearing and public comment period. The agency is likely to make a final determination on the proposed permit sometime in December.

Everett facility – Cedar Grove has submitted an application for changes to its Everett facility. The City of Everett and the agency are co-lead agencies on the State Environmental Policy Act (SEPA) review for the project. On October 29, 2010, the City of Everett convened a meeting of all the agencies involved in various permits related to this recent application, and Cedar Grove representatives also attended the meeting. We will continue to coordinate our efforts as the permit process moves forward.

### *Solid Waste Management Issues*

Regional Organics Processing Meeting – The City of Seattle and King County Solid Waste have convened a regional organics processing meeting, scheduled for November 15, 2010. The purpose of the meeting is for agencies to check in on current actions and future plans related to local organics processing challenges. The meeting is intended to provide an opportunity for relevant regional managers to confer on direction, but not replicate or detract from various ongoing multi-agency organics efforts.

We will attend the meeting and in addition to the City of Seattle and King County Solid Waste, other invited attendees include Seattle Public Utilities, Snohomish County Solid Waste, Snohomish County Health Department, Department of Ecology, and Seattle/King County Public Health Department.

Statewide Organics Management (SOM) Meeting – The next and final Statewide Organics Management meeting is scheduled for November 10, 2010. Agencies and others who are interested in solid waste management issues will likely continue to meet in various ways, but our understanding is this meeting will conclude Ecology's formal SOM efforts.

## **FINANCE, TECHNOLOGY AND ORGANIZATION DEVELOPMENT**

### Finance

*FY10 Audit* – The Finance team is preparing year-end financial statements and required schedules for filing with the Washington State auditor by the November deadline.

### Technology

*Hardware and Software Deployment* – As described in the October Board of Directors meeting, the Technology department has embarked on a project to upgrade office staff desktop computers. For the past ten years agency desktop computers standard software environment utilized Microsoft's XP operating system and Office XP (Word, Excel, Access, Outlook) product suite. Microsoft no longer provides support for these products which exposes a data security risk to the agency. The desktop upgrade will combine new small form factor, energy efficient desktop computers for roughly a third of the staff, with the Windows-7 operating system and Office 2010 product suite for all agency computers. The combination of Windows-7 and Office 2010 will provide a much more robust compute environment. The richer feature set of the new software will also enable staff efficiency. The roll out began the last week of October and will be completed by the end of November.

### Organization Development

*Recruiting: Director, Air Quality Programs (AQP)* – Dennis Karras and Marissa Karras, Karras Consulting, are leading the search for the open Director, Air Quality Programs (AQP) position. The closing date for applications was October 11 and the process netted 50+ applications. Initial screening produced a modestly-sized and highly-skilled pool of applicants. We will continue to actively seek applicants through the end of the month as we narrow the pool of applicants and move toward the in-agency interviews. The initial goal of the search to have a new Director, AQP in place by the end of November has been updated to a goal of the end of December/early January.

We are grateful for the support Mahbubul Islam has provided the AQP Division and the agency as the Interim Director, AQP. I personally want to thank him for his leadership of the division during the transition and highlight the work he did to keep our momentum on the Tacoma/Pierce non-attainment work. Mahbubul will return to his position at EPA, Region 10 at the end of November. His wisdom, insights and good humor will be missed.

## GENERAL

### Environmental Justice

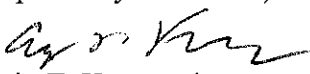
*Agency Environmental Justice Work Plan* – The Environmental Justice work group (Laurie Halvorson, Amy Fowler, Consuelo Davis, Judith White-Crow, Nailah Shami, Bob Booher, Steve Fry, Tom Henchman and Mahbubul Islam) continues to work on drafting environmental justice principles to be used as the overall framework for agency staff. We discussed the draft principles with the Advisory Council and have shared them with staff for their input. The environmental justice work group is now turning its focus to developing guidance that provides more direction about how to implement the principles.

*EPA Environmental Justice Stakeholder Meeting* – On October 28, 2010, the EPA Region 10 held an environmental justice stakeholder meeting. The purpose of the meeting was to kick off a discussion about Region 10's environmental justice priority goals and actions, as well as provide input on the region's environmental justice strategic plan. Laurie Halvorson and Consuelo Davis attended, as well as many stakeholders from Alaska, Idaho, Oregon and Washington.

The meeting was a good opportunity to learn more about Region 10's activities related to environmental justice and talk with stakeholders about their comments and perspectives. The agency will continue to stay in close contact with EPA regional staff on this effort.

We look forward to seeing you all on the 18<sup>th</sup> and as always please let me know what questions you have.

Respectfully submitted,

  
Craig T. Kenworthy  
Executive Director

Attachment

jwc