SOUTHWEST CLEAN AIR AGENCY

Board of Directors Meeting
May 1st, 2025, at 3:00 PM
Southwest Clean Air Agency
5101 NE 82nd Ave Ste 102
Vancouver, WA 98662

This meeting will be held by video conference using Zoom:

https://us02web.zoom.us/j/82154159897

Meeting ID: 821 5415 9897

Or call in by phone (669) 900-9128

AGENDA

I. Call to Order
SWCAA Chair Alan Melnick

II. Roll Call/Determination of Quorum
SWCAA Chair Alan Melnick

III. Board of Directors Minutes
Board of Directors Minutes - April Meeting

IV. Changes to the Agenda
SWCAA Chair Alan Melnick

V. Consent Agenda
A. Approval of Vouchers
B. Financial Report
C. Monthly Activity Report

V. Info Items & Public Comment
None

VII. Public Hearing
None

VIII. Unfinished Business/New Business

## A. Electric Vehicle Charger Project

**Issue** - The Southwest Clean Air Agency (SWCAA) requires infrastructure to charge electric fleet vehicles and provide access to the public.

**Summary –** SWCAA is proposing to install two dual plug DC Fast chargers able to charge 4 vehicles simultaneously. Maximum charging speeds would be 250 to 300 miles of range per hour of charging. Providing level 3 charging is attractive for public use and fleet management. The overall expense of the project is estimated below:

| | |
|---|---|
| **Expense** | |
| Four DC Fast Charger Plugs (Level 3) | $65,000 |
| New Electrical Infrastructure and system installation | $45,000 |
| PUD New Service (400AMP/480V) | $10,000 |
| **Total Project Cost** | **$120,000** |
| **Revenue** | |
| State Grant Money (Awarded to SWCAA) | $40,000 |
| **Net Cost after Grant Award** | **$80,000** |
| Federal Alternative Fueling Tax Rebate (30% of Project Cost) * | $36,000 |
| **Net Project Cost after Tax Rebate*** | **$44,000** |
| Possible Annual Revenue based on $10/plug/day** | $14,600 |
| Annual Software/Equipment Maintenance | $ 3,000 |
| Annual Net Charger Revenue | $11,600 |
| **ROI** | **4 - 8 yrs** |

* Federal funding may get frozen for this program
**Assuming <5% usage (low estimate)

Costs for this project have been incorporated into the current fiscal year budget so it will not have an impact on the proposed 2025/26 FY Budget.

**Recommendation -** Approve SWCAA to move forward with the EV charger project with a cost of up to $120,000.

## B. Budget for Fiscal Year 2025/2026

**Issue** - The Southwest Clean Air Agency (SWCAA) is required by the Washington Clean Air Act (RCW 70.94.092) to utilize a budget year of July 1st through June 30th. This statute also specifies that SWCAA must have its budget adopted by the Board of Directors by the fourth Monday in June of each year.

**Summary -** The proposed Fiscal Year 2025/2026 budget (Attachment A) of $3,371,077 is a $113,124 increase over the Fiscal Year 2024/2025 budget. The main drivers of the budget increase compared to the prior fiscal year are in the following expense categories: (1) staff salaries have risen as a result of approved salary adjustments; (2) office lease expenses have increased following the conclusion of SWCAA's nine-month rent abatement period; and (3) the inclusion of costs associated with the biennial audit has contributed to the overall rise in expenditures. These increased expenses are partially offset by reductions in other expense categories: (1) there has been a decrease in Pass Through Consultant costs; (2) medical insurance costs have been reduced; and (3) the contribution rate to the Washington Public Employees' Retirement System (PERS) has been lowered.

On the revenue side, the main drivers of the budget increase compared to the prior fiscal year are: (1) an increase in non-AOP carryover revenue; (2) the asbestos program has generated higher revenue; and (3) collections from civil penalties have increased. These gains are partially offset by projected declines in other revenue streams: (1) a reduction in federal grant funding; (2) a decrease in revenue from new source review permitting; and (3) a decline in AOP fee revenue.

SWCAA expects to end the current Fiscal Year 2024/2025 with a projected end-of-year cash balance of $3,974,400. The agency's reserves, which have the purpose of maintaining the financial stability of the agency, include the depreciation reserve, liability reserve, Title V reserve, non-Title V reserve, and vacation/sick/retirement reserve. These reserves will be funded at $125,000, $400,000, $60,000, $819,801, and $200,000 respectively. The agency's reserves also include the records management reserve and the air quality improvement/diesel reserve. These reserves will be funded at $187,660 and $163,573, respectively, at the end of FY 2024/2025.

Fees collected in the current fiscal year and held for use in FY 2025/2026 amount to $1,799,219 of the projected year-end cash balance. Pre-collected funds will be carried forward into the FY 2025/2026 operating budget as the non-Title V fees fund. This fund will be used to meet fixed program expenses other than AOP. There will be $58,966 in AOP carryover from Fiscal Year 2024/2025. The end-of-year cash balance of $160,181 for non-AOP funds will be carried forward into the FY 2025/2026 budget as revenue to help meet FY 2025/2026 operating expenses. In addition, a reserve drawdown of $20,000, of earmarked state grant money, is budgeted in case there is a qualified diesel or other air quality improvement project in the upcoming year.

The budget of $3,371,077 is the funding amount required for SWCAA to maintain its current programs and an acceptable level of service through FY 2025/2026. The recent inflationary fee increases along with SWCAA carefully managing expenditures and reducing lease expenses have improved SWCAA's funding for 2025/2026.

**Recommendation -** Approve Resolution 2025-01 (Attachment B) which adopts a Fiscal Year 2025/2026 Budget for SWCAA in the amount of $3,371,077.

IX. Executive Director's Report

**A. Trump Executive Order Directs Department of Justice to Stop State and Local Climate and Clean Air Programs (April 9, 2025) -** On April 8, 2025, President Trump signed a new executive order (EO) titled "Protecting American Energy from State Overreach." The order directs the federal government to stop state and local governments from enforcing their own laws, programs, or priorities related to climate change, permitting, environmental justice, or sustainable finance policies. The order directs U.S. Attorney General Pam Bondi to "identify all State and local laws, regulations, causes of action, policies, and practices (collectively, State laws) burdening the identification, development, siting, production, or use of domestic energy resources that are or may be unconstitutional, preempted by Federal law, or otherwise unenforceable." The attorney general is then directed to "expeditiously take all appropriate action to stop the enforcement of State laws that the Attorney General determines to be illegal." In particular, the attorney general is to "prioritize the identification of any such State laws purporting to address 'climate change' or involving 'environmental, social, and governance' initiatives, 'environmental justice,' carbon or 'greenhouse gas' emissions, and funds to collect carbon penalties or carbon taxes." The EO specifically references programs in New York and California and broadly refers to state "delays" in the review of permit applications for fossil energy projects and to states that have sued oil companies for climate damages. The order also asserts that some "States target or discriminate against out-of-State energy producers by imposing significant barriers to interstate and international trade." No local laws are identified in the order itself, although the Attorney General is ordered to include these in consideration under the order. The 22 Governors of the US Climate Alliance issued a statement in response to the EO: "The federal government cannot unilaterally strip states' independent constitutional authority. We are a nation of states — and laws — and we will not be deterred." For further information: https://www.whitehouse.gov/presidential-actions/2025/04/protecting-american-energy-from-state-overreach/

**B. Trump Proclamation Waives Updated MATS Compliance for Coal Plants for Two Years (April 8, 2025) -** President Trump has signed a proclamation granting a two-year exemption from complying with the current Mercury and Air Toxics Standards (MATS) updated in 2024, ahead of the effective date for compliance. On May 7, 2024, the Environmental Protection Agency published a final rule titled "National Emissions Standards for Hazardous Air Pollutants: Coal- and Oil-Fired Electric Utility Steam Generating Units Review of the Residual Risk and Technology Review", (89 Fed. Reg 38508), which amended the existing MATS rule. That rule would enter into effect on July 8, 2027. The president's order proclaims "that certain stationary sources subject to the Rule… are exempt from compliance with the Rule for a period of 2 years beyond the Rule's compliance date. The effect of this Exemption is that, during this 2-year period, these stationary sources are subject to the compliance obligations that they are currently subject to under the MATS as the MATS existed prior to the Rule." President Trump said that it would apply to 47 companies operating 66 coal plants in the country. No facilities in Washington are impacted. For further information:

https://www.whitehouse.gov/presidential-actions/2025/04/rregulatory-relief-for-certain-stationary-sources-to-promote-american-energy/

C. **Resolutions to Disapprove California Mobile Source Waivers Under the Congressional Review Act Introduced in House (April 2, 2025)** - Republican members of the House Committee on Energy and Commerce have introduced Congressional Review Act (CRA) resolutions of disapproval to overturn the three California Clean Air Act preemption waivers that were transmitted to Congress by EPA in February 2025. H.J. Res. 88, introduced by Rep. John Joyce (R-PA), would repeal the waiver for the Advanced Clean Cars II program; H.J. Res. 87, introduced by Rep. John James (R-MI), would repeal the Advanced Clean Trucks waiver; and H.J. Res. 89, introduced by Rep. Jay Obernolte (R-CA), would revoke the waiver for the Heavy-Duty Low-NOx "Omnibus" rule. Whether Congress can invoke the CRA on these waivers is still uncertain; opinions from the Government Accountability Office (GAO) as recently as March 2025 conclude that the waivers are adjudicatory orders, not rules, and are therefore not subject to review under the CRA. The Senate Parliamentarian has yet to weigh in on this issue. For further information: https://www.congress.gov/119/bills/hjres88/BILLS-119hjres88ih.pdf

D. **House Republicans Announce Review of GAO California Waiver Opinion (April 1, 2025)** - The Chair of the House Committee on Oversight and Government Reform, Rep. James Comer (R-KY), and the Chair of the House Committee on Energy and Commerce, Rep. Brett Guthrie (R-KY), submitted a letter to the Government Accountability Office (GAO) requesting documents and information surrounding GAO's March 6th formal opinion concluding that EPA waivers of Clean Air Act preemption for California vehicle and engine regulations are not "rules" subject to the Congressional Review Act (CRA) and are instead adjudicatory orders. Comer and Guthrie assert in their letter that "GAO arguing that Congress cannot use the CRA to repeal the waivers goes well beyond GAO's advisory role and raises questions about the process, motivations of those involved in the decision, and the institutional understanding of the GAO's role in the CRA process." They request that GAO submit documents related to its decision by April 15, 2025, "in order to examine GAO's commitment to its non-partisan mission." For further information: https://oversight.house.gov/wp-content/uploads/2025/04/Comer-Guthrie-GAO-California-waiver-040125.pdf

X. <u>Board Policy Discussion Issues</u>
As Necessary

XI. <u>Issues for Upcoming Meetings</u>
None

XII. <u>Adjourn</u>

*<u>Notes:</u>*

*(1) <u>Served by C-TRAN Routes: 7, 32,72,76 and 80.</u>*

*(2) <u>Accommodation of the needs for disabled persons can be made upon request. For more information, please call (360) 574-3058 extension 110.</u>*