

**PUGET SOUND CLEAN AIR AGENCY
BOARD OF DIRECTORS**

REGULAR MEETING MINUTES

January 28, 2010

1904 3rd Avenue
Suite 105
Seattle Washington

Board Members Present:

Pam Bissonnette, representing Dow Constantine, King County Executive
Marina Cofer-Wildsmith, representing the Public-at-Large
Jake Fey, Councilman, City of Tacoma
Brian Goodnight, representing Mike Cooper, Snohomish County Council
Randy Harrison, representing Pat McCarthy, Pierce County Executive
Dave Peters, representing Steve Bauer, Kitsap County Commissioner
Paul Roberts, representing Mayor Ray Stephanson, City of Everett

Board Members Absent:

Pat Coxon, representing Mayor Lent, City of Bremerton
Michael Mann, representing Mayor McGinn, City of Seattle

Others:

Doug Brown, Department of Ecology
Charlotte Garrido, Kitsap County Commissioner
Doug Knowlton, Department of Ecology
Sean Lundblad, Department of Ecology
Mike Ragan, Department of Ecology
Stan Rauh, Department of Ecology

Paul Roberts called the meeting to order at 8:31 a.m. The roll was called, and a quorum was present.

MINUTES

Mr. Roberts asked if there was any discussion regarding the minutes for the December 17, 2009 meeting:

There was no discussion.

Marina Cofer-Wildsmith made a motion that the minutes of the December 17, 2009 Board meeting be approved as presented in the materials sent to the Board. The motion was seconded and passed unanimously.

PETITIONS FROM THE PUBLIC

Mr. Roberts asked for petitions from the public and there were none.

PERSONNEL AND FINANCE MATTERS

Approval of Vouchers

Mr. Roberts asked if there were any questions from the Board regarding the vouchers.

Mr. Fey asked who Demeter Matrix Alliance was.

Mr. McLerran explained they are consultants working with the agency on the reorganization and transition planning of the agency. He said the total contract amount is \$60,000.

(Dave Peters arrived to join the Board.)

Mr. Fey made a motion that the vouchers be approved as presented in the materials sent to the Board. The motion was seconded and passed unanimously.

PRESENTATION

Mr. Roberts recognized guests from the Department of Ecology (DOE) attending the Board meeting. The guests were attending to present on behalf of the State of Washington, the Air Monitoring Operator of the Year award to Matt Harper, Air Monitoring Team Lead for the Puget Sound Clean Air Agency. Stan Rauh said the air quality program in the State of Washington recognizes outstanding contributions to the air monitoring community. He said this includes operating air monitoring instrumentation throughout Puget Sound's network and throughout the rest of the state. He said the award has gone to state operators as well as local air operators over the years. He said Mr. Harper worked with the State of Washington to install a new telemetry system in 2007 and is helping with implementation and continued operation. He said Mr. Harper is recognized for his work with toxics monitoring projects in the Tacoma area, technical contributions in conference calls throughout the year, and detailed involvement in the selection for a continuous instrument, federal equivalent method, for measuring PM2.5.

Mr. Harper accepted the Air Monitoring Operator of the Year award.

Mr. Roberts introduced Charlotte Garrido, Kitsap County Commissioner.

Ms. Garrido recognized that Kitsap County Commissioner Steve Bauer is the elected official representing Kitsap County on the Board with Dave Peters as Mr. Bauer's alternate. She said there were some policy issues related to the Board's work that she wanted to stay in touch with and so she was attending today's meeting. Ms. Garrido said she would be speaking later during the meeting.

PUBLIC HEARINGS

There were no public hearings.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Resolution No. 1181 – FY10 Budget Amendment – for Clean Cities Coalition Projects

Dave Kircher and Stephanie Meyn briefed the Board on Resolution No. 1181, which concerned a FY10 budget amendment for the \$15 million Department of Energy grant for Clean Cities Coalition (CCC). Mr. Kircher said the purpose of the amendment is to add that portion of the \$15 million into the budget to carry through the rest of the fiscal year. He said the balance will be part of the FY11 budget. He said it is important to note that along with the diesel grants the agency has received, this grant is paying for staffing to cover the costs of administering the grant.

Mr. McLerran said the majority of money is coming back to local jurisdictions to cover their fleets for improvements in the region. There are some private fleets in this as well as members of the CCC. He said this is a way of making sure that jurisdictions' annual per capita payments show a return on investment. He said the diesel grants and this grant in particular bring a substantial amount of money back to the communities.

Ms. Meyn explained the four major parts of the grant:

(1) Purchase alternative fuel and advanced technology vehicles – hybrid, heavy and light duty vehicles. She said there are 21 municipal and private partners who will be receiving funds to purchase those vehicles over the next two years. She said the money goes to pay for incremental cost of upgrading as well with alternative technology.

(2) Electrification of ground support equipment at SeaTac Airport - originally \$5 million was going to be split between purchasing the ground support equipment and putting in the electric charging infrastructure. She said Federal Aviation Administration (FAA) grant dollars have been leveraged toward constructing the charging infrastructure. She said now the \$5 million can be used to buy ground support equipment. She said it is hoped SeaTac Airport will be the first fully electrified airport in the nation of that size.

(3) Biogas for buses – a transportation pilot project that will involve a dairy farm in Lynden, Washington. She said the gas from the manure digester will be captured, scrubbed, cleaned and compressed into natural biogas and used for buses from Belair Charter Transportation that travel between SeaTac Airport and Bellingham. She said the buses will be converted to run on compressed natural gas, and will refuel on Compressed Natural Gas (CNG) at SeaTac Airport and biogas at Lynden.

(4) Education and outreach - creating workshops for dairy farmers and wastewater treatment plants as well to present information on what was learned from the biogas pilot project. She said there will also be education and outreach components on electric vehicle charging infrastructure and what that means for electricians.

Mr. Kircher said staff will update the Board and jurisdictions on progress as this moves along. He said currently, the agency is preparing and processing agreements to implement this program. He said the FY10 budget has \$4 million for this work and the time frame is to have the money out into the jurisdictions and get vehicles purchased, etc. by July 1, 2010 .

Mr. Kircher introduced new staff member Beverly Hempleman who has extensive experience in grants management to help the agency manage this large grant project. He said Ms. Hempleman was hired for a 2 year term position.

Mr. Kircher said staff recommended adopting Resolution No.1181.

Mr. Fey asked for Laurie Halvorson's input regarding his abstaining from the vote since his regular employer, Washington State University, and his office there are part of the education outreach component of the grant and would be directly affected by this vote.

Ms. Halvorson said under the statute, what is required is the disclosure that Mr. Fey currently made and then the Board Chair has the ability to provide advice as to whether it would be appropriate to vote or not. She said if the person is not comfortable voting, it is appropriate to abstain and have it on the record.

Mr. McLerran said there is still a quorum for the action if Mr. Fey did decide to abstain.

Mr. Fey decided to abstain from the vote.

Ms. Bissonnette moved Resolution No. 1181 be approved. The motion was seconded. Ms. Bissonnette commented that she approved of this grant but it seems confusing. She said that the integration of the Clean Cities Coalition, the Puget Sound Regional Council, and Puget Sound New Energy Solutions is not well understood. She said the groups seem to be working well together but to the outside world and sometimes the inside world it is not clear how all the pieces fit.

Ms. Meyn said Clean Cities regularly attends PSRC and PS New Energy Solutions meetings.

Ms. Bissonnette said it would be helpful to provide a road map to help everyone understand what is happening.

Mr. McLerran said the scope of CCC is very broad. He said it is a Department of Energy program that worked with fleet managers in the region and has a history of working on alternative fuels – primarily natural gas and has evolved into hybrid vehicles. He said the whole idea of CCC as a Department of Energy program is to reduce fossil fuel use and promote energy conservation in the vehicle arena. He said it is a good fit due to the diesel

programs and mobile source programs. He said now that electrification is part of the alternative fuel landscape the agency wants to be involved in coordinating with all the involved groups.

Mr. Roberts called for the vote on the motion to approve Resolution No. 1181. The motion passed, with Mr. Fey abstaining from voting.

Discussion – Executive Director Recruitment

Mr. Roberts said the Board formed a subcommittee to address the recruitment process. He said the first meeting of the subcommittee focused on two pieces of business: the recruitment of an Executive Director and the development of an interim management structure. He said the subcommittee agreed on four principles to guide the recruitment process: (1) conduct the recruitment and selection process based on merits of candidates; (2) use e-mail only to communicate regarding the process; (3) do not use e-mail to discuss candidates or substantive issues; and (4) do not use text messaging. He said in addition, Board members who represent others need to be very clear with those representatives on their communications so they are able to speak for them through this process. He said the agency's one point of contact during the process is Maryann Renzi.

Ms. Renzi said it is important the whole Board understands the roles proposed for the subcommittee as compared to the whole Board. She said the subcommittee proposed that the whole Board will approve the overall recruitment and selection process, be informed of activity and information throughout the process, agree upon the job description, skills and competencies, select interview team members for the final interview panel, interview the selected final candidates, and select the successful candidate.

Ms. Renzi said the subcommittee proposed that they will implement the direction of the Board and assist in keeping the Board informed, select the recruitment firm, work with the recruitment firm to review and evaluate candidates, select finalists based on the job description agreed upon by the Board, and recommend interview team members for the final interview panel.

Ms. Renzi said the Request for Proposals (RFP) seeking the services of a recruitment firm was issued on February 27, 2010, and responses are due by February 9, 2010. She said the plan is that between February 9 and 12, 2010, the subcommittee will select a firm based on the proposals received. She said then a contract will be executed with the selected recruitment firm, and hopefully the firm will begin work by the end of February. She said the goal is to have a new Executive Director chosen by the end of June.

Mr. Roberts said he wanted to be clear that if the process can move faster that is good. He said some people had approached him about the position and he put them in contact with Ms. Renzi.

Ms. Renzi said she told those people about the process the agency is following and that as soon as the recruitment firm is selected, the names and contact information of interested persons will be forwarded to the recruitment firm.

Ms. Renzi distributed to Board members the Executive Director job description from when Mr. McLerran was hired, competencies to consider in an Executive Director, and core competencies for not-for-profit executives. She said Executive Director job descriptions were offered by Ms. Cofer-Wildsmith from the Boeing Company and Seattle University to be used while creating an updated job description for this agency's Executive Director.

Mr. McLerran emphasized the importance of Board alternates keeping their principals fully informed each step of the way so their respective principals can make informed decisions at the right time. Mr. McLerran said the job description and competencies documents need to be updated.

Ms. Bissonnette expressed concern about the time frame, and hoped there is a way to speed up the process.

Ms. Renzi said it is a matter of having sufficient time to prepare the job description, screening and interviewing candidates, and selecting a quality person.

Mr. Roberts said there is an element to this that the Board controls. He said moving more quickly depends on the Board's ability to respond to criteria, agree to the process and empower the subcommittee to undertake the work. He said to the extent the Board prolongs that part of the process, it will extend the schedule.

Ms. Garrido said Kitsap County has done some recruitments recently and has conducted recruitments two different ways, using a placement agency and doing the work in-house. She said the length of time is due to advertising for the position, developing a list of where to advertise and publishing the ad and giving applicants a length of time to apply and then the screening process begins. She said last fall, Kitsap County recruited a Parks Director using an employee who liked doing that kind of work rather than going through a recruiting firm. She said Kitsap County found that not only was it valuable for the policy board to conduct interviews but simultaneously on the same day have a peer interview panel including a staff member or two and people from other agencies.

Mr. McLerran said he believed staff and peer involvement has been built into this process. He agreed it is essential to have outside input.

Mr. Fey said this should be a very attractive job based on Mr. McLerran's reputation as well as the agency as a whole. He said a nation-wide search will take time in order to get it right.

Mr. Peters reiterated keeping the clean air agency community in mind.

Ms. Renzi handed out a chart that addressed roles in the process for various individuals and groups.

Mr. Roberts said he would catch up with absent members on recruitment activity and the process.

Mr. Roberts said based on Mr. McLerran's work, it is a really good position and it will not take long to fill. He said if candidates are paying attention, they will know the position is open.

Mr. Fey said to be sure to look at state and federal officials as potential candidates.

Ms. Renzi said at some point, the Board will need to decide whether it is willing to pay for candidates travel costs for interviews and/or relocation costs for the successful candidate.

Ms. Renzi said in February, staff will present a budget amendment with respect to expenses to hire a recruitment firm. She said the typical fee charged by a recruitment firm is 20-30% of the first year's salary. Ms. Renzi said her expectation is in this market, we will be able to negotiate on the lower end of the range in terms of percentage. Ms. Renzi said another important step for the Board is to develop an orientation plan for the new Executive Director. She said as a team, the Board will want to decide on how to on-board the new Executive Director both within the agency and with respect to the Board.

Ms. Bissonnette requested that on the chart regarding individual and group duties, that April, May *and* June be bulleted as possible time frames to show the schedule is flexible for making a job offer.

Ms. Cofer-Wildsmith noted that in the RFP, there is language about completing the recruitment as soon as possible. She also said Mr. Nolan asked for the Board's commitment that the process would move quickly and efficiently as his plans are to retire at the end of June but he would stay through the summer if needed.

Mr. Roberts said the Board will discuss this process plan again and it is essential that if there are issues, to get them on the table right away.

Mr. Fey asked if a motion was needed to confirm the intent of the content of the memo presented and to formalize the sense of the Board's agreement. Ms. Halvorson said that would be helpful.

Mr. Roberts said it is the sense of the Board that the process in the memo meets with the Board's approval, with the understanding that to the extent possible we convey urgency and give ourselves the ability to move the process forward more quickly, and that needs to be communicated to the search firms and to the process as it goes forward.

Ms. Bissonnette moved to approve the motion as phrased by Mr. Roberts regarding the Executive Director recruitment process. The motion was seconded and passed unanimously.

Mr. McLerran said expediting this process is key because of his departure and the retirements of Mr. Nolan and Mr. Kircher this year.

Resolution No. 1182 – Appointing James Nolan as Interim Executive Director

Ms. Halvorson briefed the Board on Resolution No. 1182. She said there is strong interest by the whole Board and the subcommittee to appoint Mr. Nolan as interim Executive Director. She said this resolution would make Mr. Nolan's appointment as interim Executive Director be effective February 22, 2010, which would be the first day after Mr. McLerran leaves the agency. She said the resolution would establish Mr. Nolan's salary in the middle of the current Executive Director's salary range. She said the resolution also provides that with respect to all the other terms and conditions of Mr. Nolan's appointment, those would remain the same and fall under the policy manual for all of the managers and supervisors.

Mr. Fey asked if Mr. McLerran's last day in the office is February 12th, why the resolution is effective February 22, 2010.

Ms. Halvorson said Mr. McLerran was previously scheduled to be on vacation the week following February 12, 2010, and so technically during that vacation week Mr. McLerran would still be in the position of Executive Director.

Mr. Peters said regarding having an Interim Director, he is specifically concerned that no major policy changes be made on outdoor burning during that period. He said he hoped that would be left to the new Executive Director.

Commissioner Garrido said in terms of compensation, when the Interim Executive Director is appointed they should receive appropriate compensation. She said with Mr. Nolan's position not being filled while he is Interim Executive Director, there will still be some salary savings.

Ms. Bissonnette observed that top management vacancies might appeal to a new Executive Director so they could be a part of selecting persons for those vacancies.

Mr. McLerran advised the Board that with the agency reorganization, two management positions are being filled internally, giving staff the opportunity to move up. He said Mr. Nolan's position would also need to be filled. He said the new Executive Director should have the opportunity to weight in on selection of that person.

Mr. McLerran said with the agency budget realities, it is likely some positions will not be filled. He said if the Board is not going to consider a per capita increase this year, the agency is going to have to go from 70 to 68 employees just to close the budget. He said attrition and retirements will provide some budget flexibility.

Ms. Halvorson asked Mr. McLerran for confirmation of his last day in the office and he said it would be February 12, 2010.

Mr. Fey suggested amending the effective date in Resolution No. 1182 with respect to Mr. Nolan's appointment as Interim Executive Director and his salary in that position.

Ms. Halvorson said the Board has the option to amend the effective date to February 15, 2010.

Mr. Roberts called for a motion to adopt Resolution No. 1182 with the amended language included.

Mr. Fey moved to adopt Resolution No. 1182 appointing Mr. Nolan as Interim Executive Director with the effective date of the appointment amended to February 15, 2010 and the effective date of Mr. Nolan's salary increase amended to February 15, 2010. The motion was seconded and passed unanimously.

Mr. Nolan thanked the Board for their confidence in him and the staff in this interim period.

Second Quarter FY10 Financials

Karen Houser distributed a copy of the second quarter FY10 financial statement – July 1, 2009 through December 31, 2009. She said there were no major budget issues for FY10 at this time. She said expenses were running under budgeted levels, due mainly to grant-related work plan spending scheduled for the second half of FY10.

Mr. Peters expressed concern about Department of Ecology funding diminishing and suggested we follow it closely.

Mr. McLerran said he meets with Doug Brown from Ecology monthly and a discussion on funding is a part of the agenda at each meeting.

Mr. McLerran said the air programs fared well; even in the Governor's supplemental budget there is continued funding and some additional funding for Ecology air programs that affect Pierce County and overlap with the agency's activities. He said however, until this legislative session is over, there is concern.

Ms. Cofer-Wildsmith asked if there was any concern with the wood stove change out grant money which happens to be an Ecology grant.

Ms. Houser said the change out program got off to a slow start and currently the project manager is tentatively optimistic that all of that grant money will be spent. She said we are watching the pace of spending because the date did have to be extended.

Mr. McLerran said staff is concerned that due to the down economy, the group of folks who can do change outs may have been exhausted.

