# JUNE

# 2018

# BOARD MEETING

# AND

# STUDY SESSION

for

Yakima Regional Clean
Air Agency

**June 14, 2018**
**Study Session**
**1:30 p.m.**
**Regular Board Meeting**
**2:00 p.m.**

# AGENDA

**Study Session**

Updates and public comments to the Proposed FY2019 Budget

**Regular Meeting**

1. **Call to Order**
2. **Roll Call**
3. **Additions or Deletions to the Agenda**
4. **Public Comments**
   If you wish to address the Board you may do so now. Please approach the podium, state your name and the agenda item you wish to address. Please limit your comments to three (3) minutes.
5. **FY2019 Budget Hearing**
   The Chairman of the Board will open the Public Hearing to accept public testimony on the proposed agency FY2019 budget. After hearing all public testimony, the Chairman will then close the hearing. A vote will be taken on the proposed FY 2019 Budget during the regular Board meeting.
6. **Approval of Consent Agenda**
   - 6.1 Board Meeting Minutes – May 2018
   - 6.2 Accept YRCAA May 2018 Monthly Activity Report
7. **Regular Agenda**
   - 7.1 Executive Director's Report
8. **Action Items**
   - 8.1 Fiscal Vouchers and Payroll Authorization Transfers for May 2018
   - 8.2 Proposed FY 2019 Budget
   - 8.3 Iron Horse Business Park Lease

**9. Other business**

9.1 No Board meeting in July. The next meeting will be held on August 9, 2018

**10. Adjournment**

# STUDY

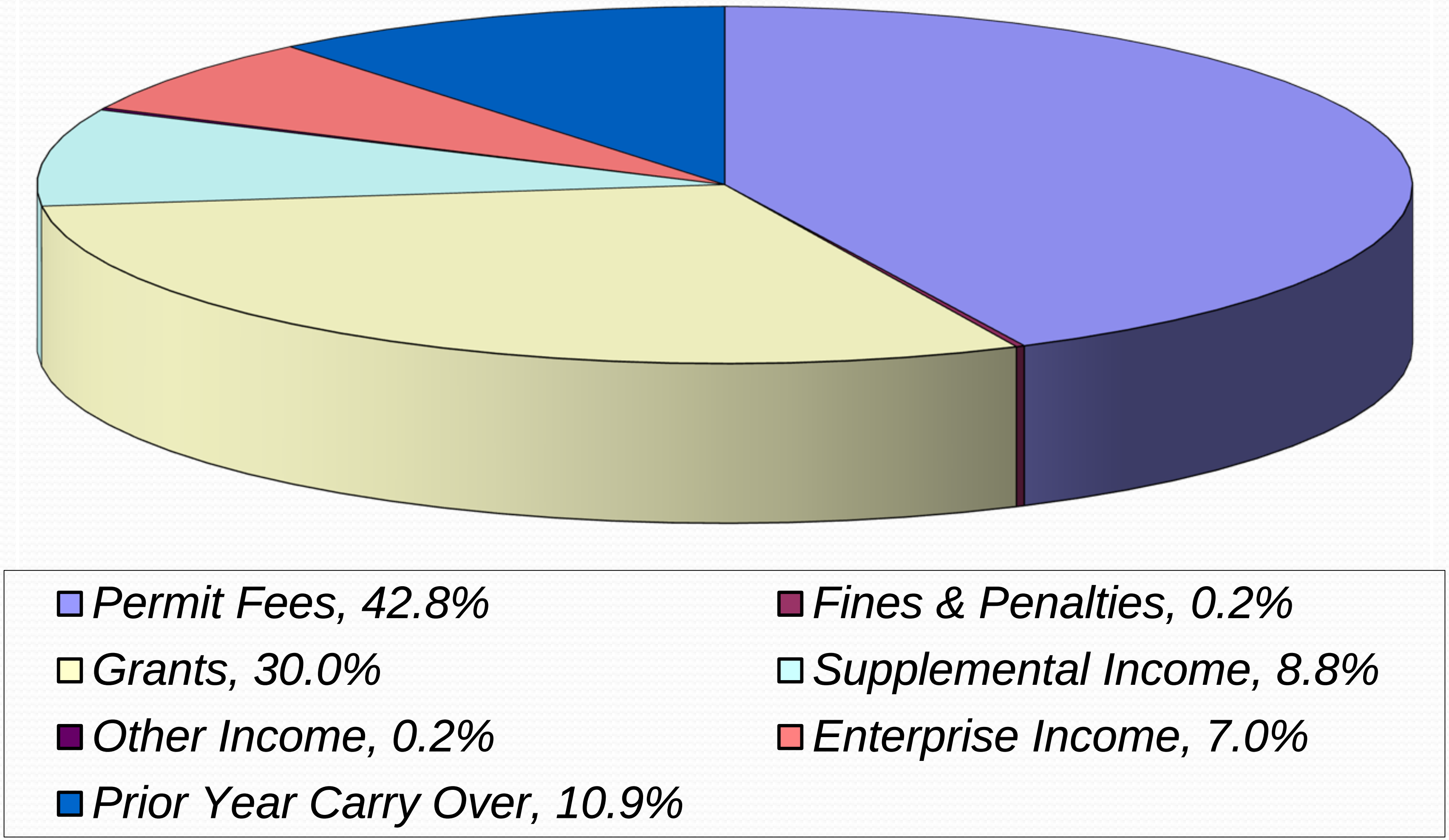
# SESSION

# Proposed
# FY 2019 YRCAA Budget
## Changes /Public Comments

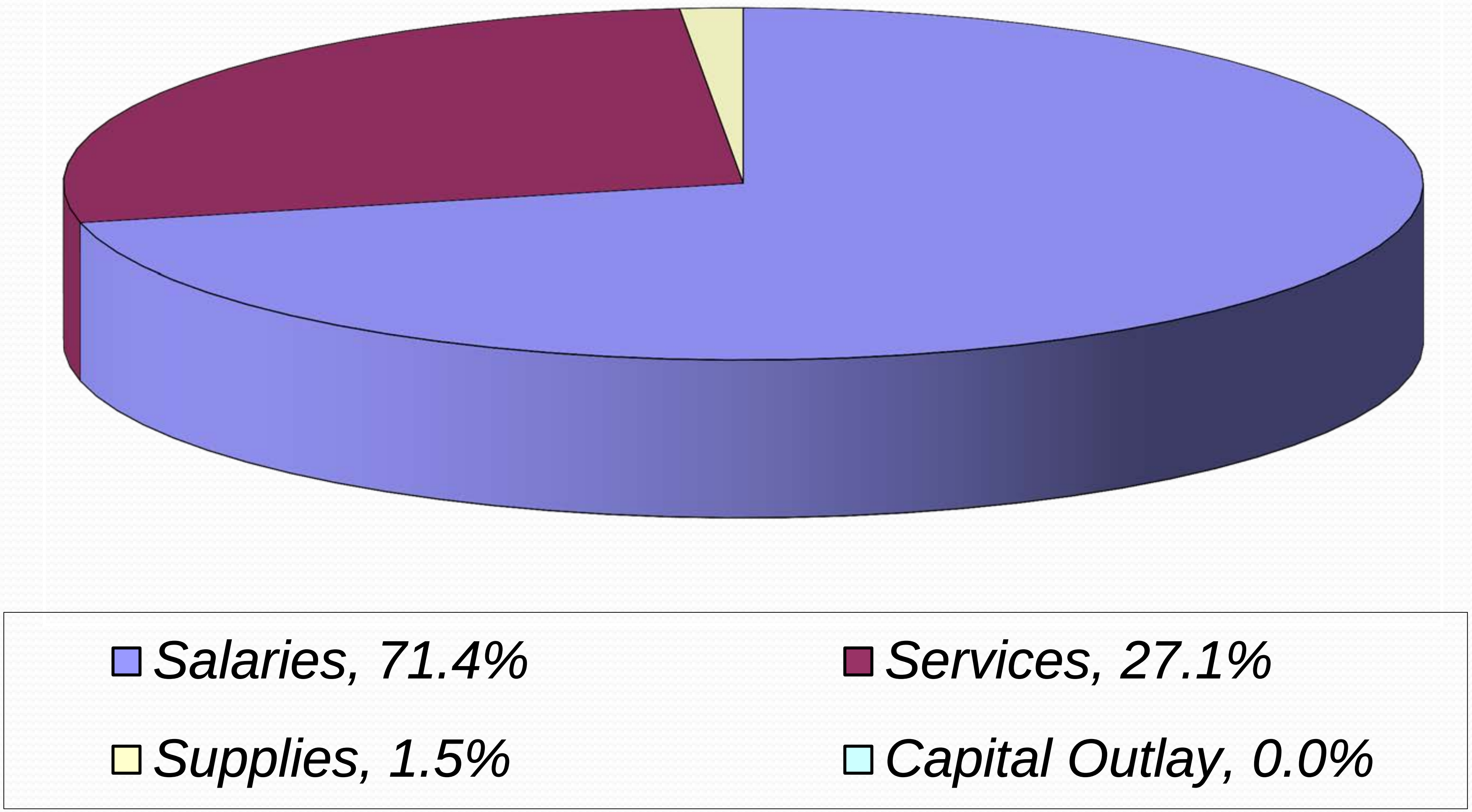
# Changes/Public Comments

- No public comments were received
- P.35 Resolution NO.  2018-05 renamed App. D to App. E
- P.36 Resolution NO.  2018-06 renamed App. E to App. D
- P.37 App. D renamed FY 2019 YRCAA Resource Allocation Summary
- P.37 App. E renamed FY 2019 YRCAA Supplemental Income Assessment

# FY18 Proposed Revenue ~ $1,141,715



# FY18 Proposed Expenditures ~$1,022,550



*Yakima Regional Clean Air Agency*

# Fiscal Year 2019
# Budget Report

# *Yakima Regional Clean Air Agency*

# Fiscal Year 2019 Budget Report

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This budget aligns all expenditures with their appropriate revenue sources. It contains itemized accounting of revenues and expenses for two organizational divisions conducting work within three Operational Areas; Base Operations, Grant Operations, and Enterprise Operations. Outlined below is the work plan for each area.

1.0 Purpose

This work plan defines the work to be accomplished and the resources needed to accomplish that work for the coming fiscal year.

2.0 Plan Elements

The plan contains the following elements for action required to determine what work should be done and how it will be funded:

- 2.1 Identify the Operational Area;
- 2.2 Identify the work programs to be carried out in each area;
- 2.3 Assign a level of importance (High, Medium or Low) to each work program;
- 2.4 Estimate resources required to accomplish the work, based on historical data and predictable future costs of salaries, supplies, services, and capital outlay;
- 2.5 Identify available revenues designated to fund the resources, per program;
- 2.6 Identify any programs which have shortfalls in revenue; and
- 2.7 Supplement designated revenues for programs which are underfunded, and/or eliminate work, to assure the most important work programs are fully funded.

3.0 Work Programs

Work programs carried out in the three operational areas are funded by specific funding sources. Programs that are under-funded are subsidized by *supplemental income*.

3.1 Base Operations (9.97 FTE, $668,503)

Base Operations work programs are funded by fees, supplemental income and base grants. Following is a list of the programs carried out by each division:

3.1.1 Administrative Division Programs (3.59 FTE, $240,661)

i. Administrative Programs

a. $PM_{2.5}$ Emissions Reduction Program - H
b. Information Technology Program - H
c. Front Office Administration - M
d. Grant Management - H
e. Program Development - L
f. Administrative Code Management - L
g. Human Resource Management - H
h. Fleet Management - M
i. Asset Management - M
j. Insurance Program - H
k. Legal Program - M
l. File System Management - M
m. Public Records Management - H
n. Legislative Program - L

o. Board of Directors - H
p. Stakeholder Liaison - H
q. Staff Training Program - M
r. Safety Program - H
s. Continuous Improvement Program - M

ii. Education / Outreach Programs
a. $PM_{2.5}$ / Wood Stove Education - H
b. Program Development - M
c. Interagency Liaison - M
d. Website Maintenance - H
e. Outreach Materials Development and Distribution - M
f. Small Business Assistance - M
g. Media Relations Program - M
h. Public Presentations and Workshops Program - H

iii. Fiscal Programs
a. Budget Development and Accountability - H
b. Accounts Payable / Receivable - H
c. Payroll - H
d. Retirement Program - M

3.1.2 Compliance & Engineering Division Programs (6.38 FTE, $427,842)
i. Permitting
a. Air Operating Permit Program - H
b. Registration Program - H
c. New Source Review Program - H
d. Daily Burn Status Program - H
e. Burn Allocation Program - H
f. Agricultural Burn Program - H
g. Residential Burn Program - H

ii. Planning
a. SIP Planning Program - H
b. SEPA Program - L
c. Emission Inventory Program - M
d. Air Quality Modeling - M
e. Rule Development Program - M
f. Interagency Coordination - L
g. Air Monitoring Data Analysis – L

iii. Compliance Assurance
a. $PM_{2.5}$ Emissions Reduction Program- H
b. Area Source Inspection Program - H
c. Air Operating Permit Source Inspection Program - H
d. Complaint Response Program - H
e. Asbestos Program - H
f. Dust Mitigation Program - H
g. Outdoor Burning Program - H

h. Agricultural Burning Program - H
i. Pollution Control Hearings Board Liaison - M
j. Upset / Breakdown Program - M
k. Enforcement Program – H

iv. Air Monitoring
a. Yakima $PM_{10}$ Monitor Program (FEM) - H
b. Sunnyside $PM_{2.5}$ Nephelometer Monitor Program – H

v. Small Business Assistance
c. Compliance Assistance - H
d. Technical Assistance - H
e. Program Development - L

3.2 Grant Operations (.68 FTE, $45,785)
Grant Operations work is funded by special grants and currently includes the following grant programs:

3.2.1 Administrative Division Programs (.37 FTE, $24,735)
i. Wood Stove Education Grant Program - H
ii. Wood Stove Change-Out Grant Program - H

3.2.2 Compliance & Engineering Division Programs (.31 FTE, $21,050)
i. Yakima $PM_{2.5}$ Sequential Monitor Program (FEM) - H
ii. Yakima $PM_{2.5}$ Speciation Monitor Program - H
iii. Yakima $PM_{2.5}$ Continuous Monitor Program (FEM) - H

3.3 Enterprise Operations (.24 FTE, $16,280)
Enterprise Operations are self-funded and are managed by the Administrative Division.

4.0 Overview of Priorities
All work programs identified in Section 3 have been assigned an order of importance of High (H), Medium (M) or Low (L). Resources will be allocated according to the order of importance.

5.0 Resource Allocation
Resources to accomplish the work in each program were estimated. Resources include the costs of salaries, supplies, services and capital/fixed assets. Revenue sources to fund the resources were also identified. (See Appendix F - Resource Allocation Summary)

6.0 Accountability
The Fiscal Programs Manager will meet monthly with the Executive Director and will prepare a Budget Verification Analysis (BVA) to be presented at the monthly Board Meetings. The Executive Director will conduct Quarterly Budget Reconciliations with the Fiscal Programs Manager and Division Supervisors to determine if the work programs are within the budgetary constraints and to identify any necessary resource adjustments.

| YRCAA FY 2019 Comparative Budget Analysis | | FY2018 Adopted Budget | FY2018 Projected Final Actual | FY2019 Proposed Budget |
|---|---|---|---|---|
| ***REVENUE*** **614 YRCAA Base Operations** | | | | |
| **Stationary Source Permit Fees** | | | | |
| 614-32190001 | Minor Sources | $ 161,700 | $ 175,237 | $ 162,000 |
| 614-32190008 | Synthetic Minor Sources | $ 21,280 | $ 18,620 | $ 19,950 |
| 614-32190006 | Complex Sources | $ 19,554 | $ 23,130 | $ 20,300 |
| 614-32290001 | Title V Sources | $ 122,845 | $ 101,625 | $ 122,500 |
| 614-32190002 | New Source Review | $ 31,500 | $ 43,678 | $ 31,500 |
| | ***Subtotal, Stationary Source Permit Fees*** | ***$ 356,879*** | ***$ 362,290*** | ***$ 356,250*** |
| **Burn Permit Fees** | | | | |
| 614-32290005 | Residential Burn Permits | $ 63,120 | $ 58,688 | $ 60,500 |
| 614-32290007 | Agricultural Burn Permits | $ 28,000 | $ 36,252 | $ 30,500 |
| 614-32290011 | Conditional Use Burn Permits | $ 2,000 | $ 2,654 | $ 2,000 |
| | ***Subtotal, Burn Permit Fees*** | ***$ 93,120*** | ***$ 97,594*** | ***$ 93,000*** |
| **Compliance Fees** | | | | |
| 614-32190005 | Asbestos Removal Fees | $ 32,200 | $ 30,795 | $ 31,000 |
| 614-32190009 | Construction Dust Control Fees | $ 8,365 | $ 8,063 | $ 8,200 |
| | ***Subtotal, Compliance Fees*** | ***$ 40,565*** | ***$ 38,858*** | ***$ 39,200*** |
| | ***Subtotal, All Permit Fee Revenue*** | ***$ 490,564*** | ***$ 498,742*** | ***$ 488,450*** |
| **Base Grants** | | | | |
| 614-33366001 | EPA, Core Grant | $ 97,172 | $ 111,067 | $ 107,395 |
| 614-33403101 | DOE, Core Grant | $ 77,283 | $ 78,301 | $ 76,800 |
| | ***Subtotal, Base Grants*** | ***$ 174,455*** | ***$ 189,368*** | ***$ 184,195*** |
| **Fines & Penalties** | | | | |
| 614-35990001 | Civil Penalty | $ 2,500 | $ 33,154 | $ 2,500 |
| 614-35990001 | Other Fines | $ - | $ - | $ - |
| | ***Subtotal, Fines & Penalties*** | ***$ 2,500*** | ***$ 33,154*** | ***$ 2,500*** |
| **Supplemental Income** | | | | |
| 614-33831001 | Supplemental Income | $ 100,360 | $ 100,259 | $ 100,789 |
| | ***Subtotal, Supplemental Income*** | ***$ 100,360*** | ***$ 100,259*** | ***$ 100,789*** |
| **Other Income** | | | | |
| 614-36111001 | Interest | $ 2,024 | $ 4,867 | $ 2,100 |
| 614-36990014 | Miscellaneous Income | $ 150 | $ 1,143 | $ 200 |
| | ***Subtotal, Other Income*** | ***$ 2,174*** | ***$ 6,010*** | ***$ 2,300*** |
| | ***Total Base Operations Revenue*** | ***$ 770,053*** | ***$ 827,533*** | ***$ 778,234*** |
| **REVENUE 614 YRCAA Grant Operations** | | | | |
| 614-33403105 | Wood Stove Ed | $ 5,331 | $ 5,331 | $ 5,331 |
| 614-33403108 | PM 2.5 | $ 21,050 | $ 21,050 | $ 21,050 |
| 614-33403107 | Woodstove Change-out | $ 132,000 | $ 42,164 | $ 132,000 |
| | ***Total Grant Operations Revenue*** | ***$ 158,381*** | ***$ 68,545*** | ***$ 158,381*** |

| YRCAA FY 2019 Comparative Budget Analysis | FY2018 Adopted Budget | FY2018 Projected Final Actual | FY2019 Proposed Budget |
|---|---|---|---|
| ***REVENUE* Enterprise Operations** | | | |
| 614-34317001 VE Certification Fees | $ 79,800 | $ 90,025 | $ 80,000 |
| 614-34317002 Other Enterprise Revenue | $ 413 | $ 75 | $ 100 |
| *Subtotal , Enterprise Revenue* | *$ 80,213* | *$ 90,100* | *$ 80,100* |
| *Total Base, Grant and Enterprise Revenue* | *$ 1,008,647* | *$ 968,178* | *$ 1,016,715* |
| ***EXPENSES*** | | | |
| ***EXPENSES* 614 YRCAA Base Operations** | | | |
| **Salaries** | | | |
| 614-1001 Salaries | $ 495,855 | $ 498,118 | $ 484,932 |
| 614-2002 Benefits | $ 179,781 | $ 175,014 | $ 183,571 |
| 614-1003 Overtime | $ - | $ - | $ - |
| *Subtotal, Salaries* | *$ 675,636* | *$ 673,132* | *$ 668,503* |
| **Supplies** | | | |
| 614-3101 Office Supplies | $ 7,180 | $ 4,889 | $ 6,500 |
| 614-3101 Safety Equipment | $ - | $ - | $ 500 |
| 614-3201 Vehicles, Gas | $ 2,780 | $ 1,658 | $ 2,500 |
| 614-3501 Small Tools/Equipment | $ 300 | $ - | $ 200 |
| 614-3502 Computer Network | $ 8,900 | $ 11,112 | $ 4,000 |
| *Subtotal, Supplies* | *$ 19,160* | *$ 17,659* | *$ 13,700* |
| **Services** | | | |
| 614-4101 Professional Services | $ 20,365 | $ 34,953 | $ 35,000 |
| 614-4101 Laboratory Analyses | $ 200 | $ 61 | $ 200 |
| 614-4192 Yakima County Services | $ 1,375 | $ 770 | $ 1,014 |
| 614-4201 Communications, Phones/Internet | $ 13,152 | $ 12,227 | $ 12,800 |
| 614-4202 Postage | $ 3,690 | $ 1,838 | $ 3,500 |
| 614-4301 Travel & Transportation | $ 2,950 | $ 3,698 | $ 3,200 |
| 614-4401 Public Education | $ 4,000 | $ 4,000 | $ 4,000 |
| 614-4401 Publications, Legal Notices | $ 1,000 | $ 3,099 | $ 2,000 |
| 614-4501 Rents & Leases, Equipment | $ 3,260 | $ 3,282 | $ 3,282 |
| 614-4501 Rents & Leases, Space | $ 43,659 | $ 43,659 | $ 52,659 |
| 614-4601 Insurance | $ 12,662 | $ 12,555 | $ 12,600 |
| 614-4801 Maintenance, Motor Vehicles | $ 2,450 | $ 2,316 | $ 2,400 |
| 614-4801 Maintenance, Equipment | $ 2,065 | $ 1,926 | $ 2,000 |
| 614-4801 Maintenance, Computers | $ 265 | $ - | $ 250 |
| 614-4801 Maintenance, Building | $ 875 | $ 1,931 | $ 1,500 |
| 614-4901 Memberships | $ 540 | $ 855 | $ 920 |
| 614-4901 Training | $ 2,900 | $ 2,469 | $ 2,500 |
| 614-4901 Service Chgs & Interest | $ 4,600 | $ 5,113 | $ 5,000 |
| 614-4901 Miscellaneous Services | $ 7,205 | $ 900 | $ 1,000 |
| 614-4901 DOE Oversight Fees | $ 4,787 | $ 3,840 | $ 4,787 |
| *Subtotal, Services* | *$ 132,000* | *$ 138,360* | *$ 150,612* |
| **Capital Out-Lay & Fixed Assets** | | | |
| 614-6401 Capital Out-Lay/Fixed Assets | $ 6,500 | $ 25,416 | $ - |
| *Total Base Operations Expenses* | *$ 833,296* | *$ 854,567* | *$ 832,815* |

| YRCAA FY 2019 Comparative Budget Analysis | | FY2018 Adopted Budget | FY2018 Projected Final Actual | FY2019 Proposed Budget |
|---|---|---|---|---|
| ***EXPENSES*** **614 YRCAA Grant Operations** | | | | |
| | **614-33403105 Wood Stove Ed** | | | |
| **Salaries** | | | | |
| 614-1001 | Salaries | $ 3,956 | $ 3,956 | $ 3,867 |
| 614-2002 | Benefits | $ 1,462 | $ 1,462 | $ 1,464 |
| 614-1003 | Overtime | $ - | $ - | $ - |
| | ***Subtotal, Salaries*** | ***$ 5,418*** | ***$ 5,418*** | ***$ 5,331*** |
| **Supplies** | | | | |
| 614-3101 | Office Supplies | $ - | $ - | $ - |
| | ***Subtotal, Supplies*** | ***$ -*** | ***$ -*** | ***$ -*** |
| **Services** | | | | |
| 614-4139 | Professional Services | $ - | $ 120 | $ 120 |
| 614-4202 | Postage | $ - | $ - | $ - |
| | ***Subtotal, Services*** | **$ -** | **$ 120** | **$ 120** |
| | ***Subtotal, Woodstove Grant Expenses*** | ***$ 5,418*** | ***$ 5,538*** | ***$ 5,451*** |
| | **614-33403108 PM2.5** | | | |
| **Salaries** | | | | |
| 614-1001 | Salaries | $ 15,367 | $ 15,367 | $ 15,270 |
| 614-2002 | Benefits | $ 5,683 | $ 5,683 | $ 5,780 |
| 614-1003 | Overtime | $ - | $ - | $ - |
| | ***Subtotal, Salaries*** | ***$ 21,050*** | ***$ 21,050*** | ***$ 21,050*** |
| **Supplies** | | | | |
| 614-3101 | Office Supplies | $ - | $ - | $ - |
| | ***Subtotal, Supplies*** | ***$ -*** | ***$ -*** | ***$ -*** |
| **Services** | | | | |
| 614-4101 | Professional Services | $ - | $ - | $ - |
| | ***Subtotal, Services*** | ***$ -*** | ***$ -*** | ***$ -*** |
| **Capital Out-Lay & Fixed Assets** | | | | |
| 614-6401 | Capital Out-Lay/Fixed Assets | $ - | $ - | $ - |
| | ***Subtotal, PM 2.5 Grant Expenses*** | ***$ 21,050*** | ***$ 21,050*** | ***$ 21,050*** |
| | **614-33403107 Woodstove Change-out** | | | |
| **Salaries** | | | | |
| 614-1001 | Salaries | $ 12,715 | $ 936 | $ 14,076 |
| 614-2002 | Benefits | $ 5,555 | $ 329 | $ 5,328 |
| 614-1003 | Overtime | $ - | $ - | $ - |
| | ***Subtotal, Salaries*** | ***$ 18,270*** | ***$ 1,265*** | ***$ 19,404*** |
| **Supplies** | | | | |
| 614-3101 | Office Supplies | $ - | $ 43 | $ 50 |
| | ***Subtotal, Supplies*** | ***$ -*** | ***$ 43*** | ***$ 50*** |

| YRCAA FY 2019 Comparative Budget Analysis | | FY2018 Adopted Budget | FY2018 Projected Final Actual | FY2019 Proposed Budget |
|---|---|---|---|---|
| **Services** | | | | |
| 614-4101 | Professional Services | $ 120,400 | $ 4,620 | $ 120,400 |
| | ***Subtotal, Services*** | ***$ 120,400*** | ***$ 4,620*** | ***$ 120,400*** |
| **Capital Out-Lay & Fixed Assets** | | | | |
| 614-6401 | Capital Out-Lay/Fixed Assets | $ - | $ - | $ - |
| | ***Subtotal, Woodstove Change-out Grant Expenses*** | ***$ 138,670*** | ***$ 5928*** | ***$ 139,854*** |
| | ***Total, Grant Operations Expenses*** | ***$ 165,138*** | ***$ 32,516*** | ***$ 166,355*** |
| ***EXPENSES* 141 Enterprise Operations** | | | | |
| **Salaries** | | | | |
| 141-1001 | Salaries | $ 12,776 | $ 16,125 | $ 11,810 |
| 141-2002 | Benefits | $ 4,722 | $ 5,217 | $ 4,470 |
| 141-1003 | Overtime | $ - | $ - | $ - |
| | ***Subtotal, Salaries*** | ***$ 17,498*** | ***$ 21,342*** | ***$ 16,280*** |
| **Supplies** | | | | |
| 141-3101 | Office Supplies | $ 400 | $ 108 | $ 200 |
| 141-3201 | Vehicles, Gas | $ 1,700 | $ 693 | $ 1,000 |
| 141-3501 | Small Tools/Equipment | $ 200 | $ 200 | $ 200 |
| | ***Subtotal , Supplies*** | ***$ 2,300*** | ***$ 1,001*** | ***$ 1,400*** |
| **Services** | | | | |
| 141-4101 | Professional Services | $ - | $ - | $ - |
| 141-4202 | Postage | $ - | $ - | $ - |
| 141-4301 | Travel & Transportation | $ 6,550 | $ 2,021 | $ 3,000 |
| 141-4501 | Rents & Leases, Space | $ 4,100 | $ 1,147 | $ 2,000 |
| 141-4801 | Maintenance, Motor Vehicles | $ 200 | $ - | $ 200 |
| 141-4801 | Maintenance, Equipment | $ 500 | $ - | $ 500 |
| 141-4901 | Miscellaneous Services | $ - | $ - | $ - |
| | ***Subtotal, Services*** | ***$ 11,350*** | ***$ 3,168*** | ***$ 5,700*** |
| **Capital Out-Lay & Fixed Assets** | | | | |
| 141-4500 | Capital Out-Lay/Fixed Assets | $ - | $ - | $ - |
| | ***Total Enterprise Operations Expenses*** | ***$ 31,148*** | ***$ 25,511*** | ***$ 23,380*** |
| **Summary of Revenue vs Expenses:** | | | | |
| **Prior-Year Carry Over Funds** | | **$ 125,000** | **$ 125,000** | **$ 125,000** |
| **Total Revenue, Base, Grants, Enterprise & Carry Over** | | **$ 1,113,649** | **$ 1,111,178** | **$ 1,141,715** |
| **Total Expenses, Base, Grants & Enterprise** | | **$ 1,029,582** | **$ 912,594** | **$ 1,022,550** |
| **Fund Balance** | | **$ 104,067** | **$ 198,594** | **$ 119,165** |
| **Operating and Capital Reserves Contribution/Withdrawal** | | **$ (20,933)** | **$ 73,584** | **$ (5,835)** |
| **Estimated Available Fund Balance** | | **$ 125,000** | **$ 125,000** | **$ 125,000** |

## COMPARATIVE SUMMARY OF TOTAL YRCAA FY2019 REVENUE & EXPENSES

### TOTAL YRCAA REVENUE SUMMARY $1,141,715

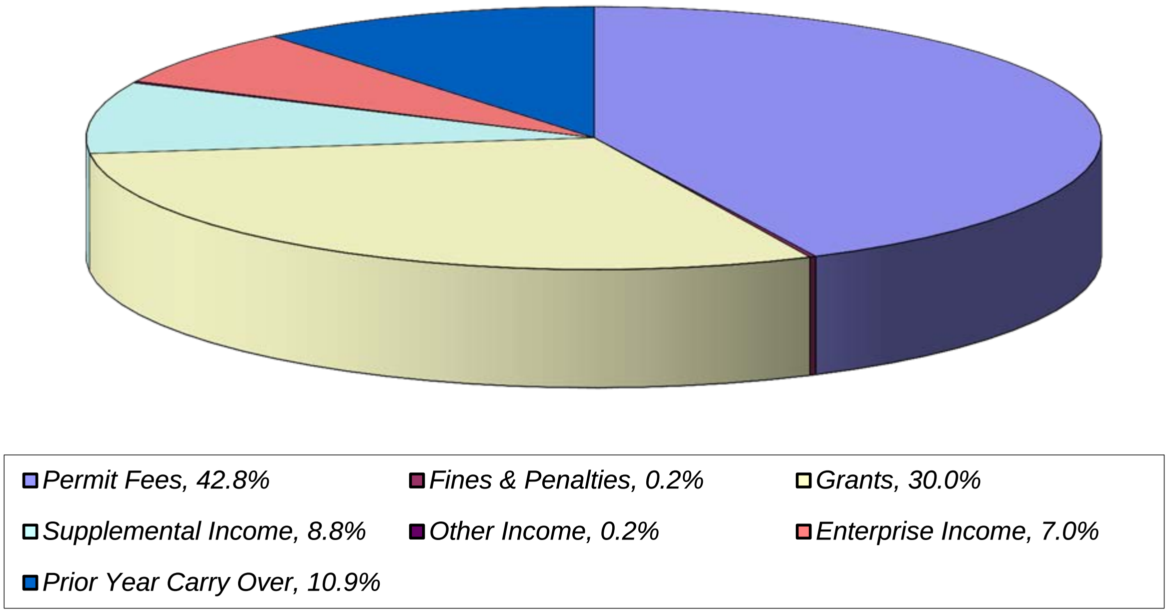



**Figure 1**

### TOTAL YRCAA EXPENSE SUMMARY $1,022,550

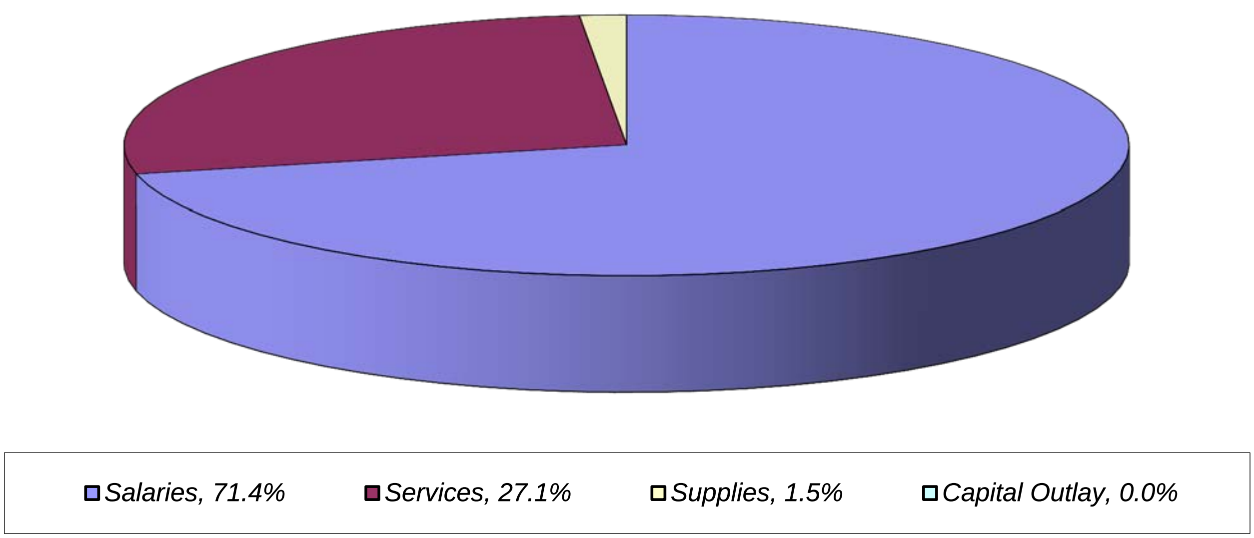



**Figure 2**

**COMPARATIVE SUMMARY OF YRCAA FY2019 BASE OPERATIONS REVENUE & EXPENSES**

**BASE OPERATIONS REVENUE $778,234**

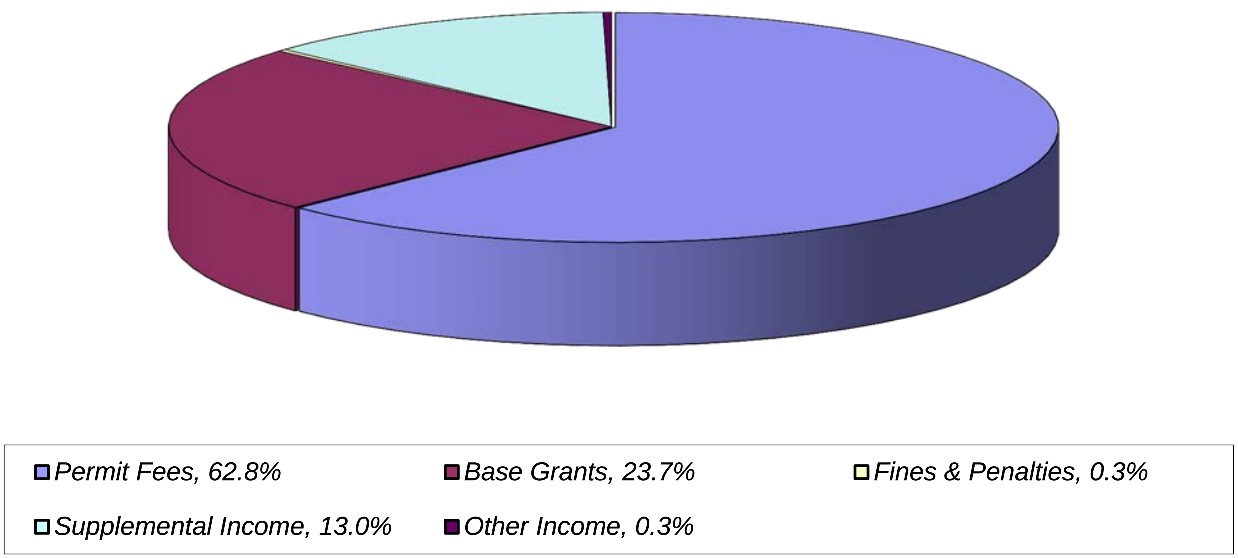



**Figure 3**

**BASE OPERATIONS EXPENSES $832,815**

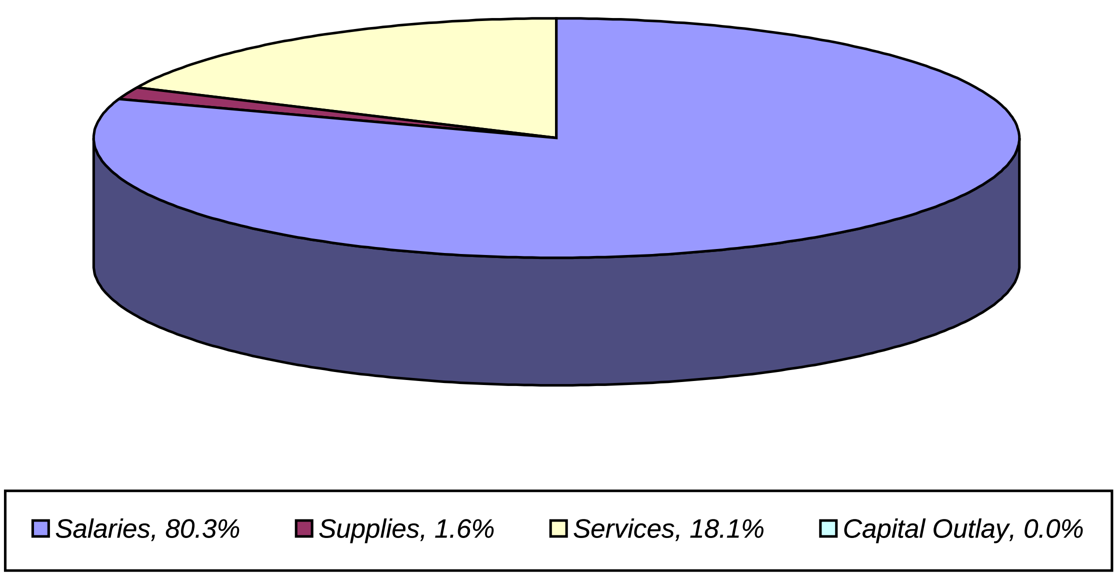



**Figure 4**

**GRANT OPERATIONS REVENUE $158,381**

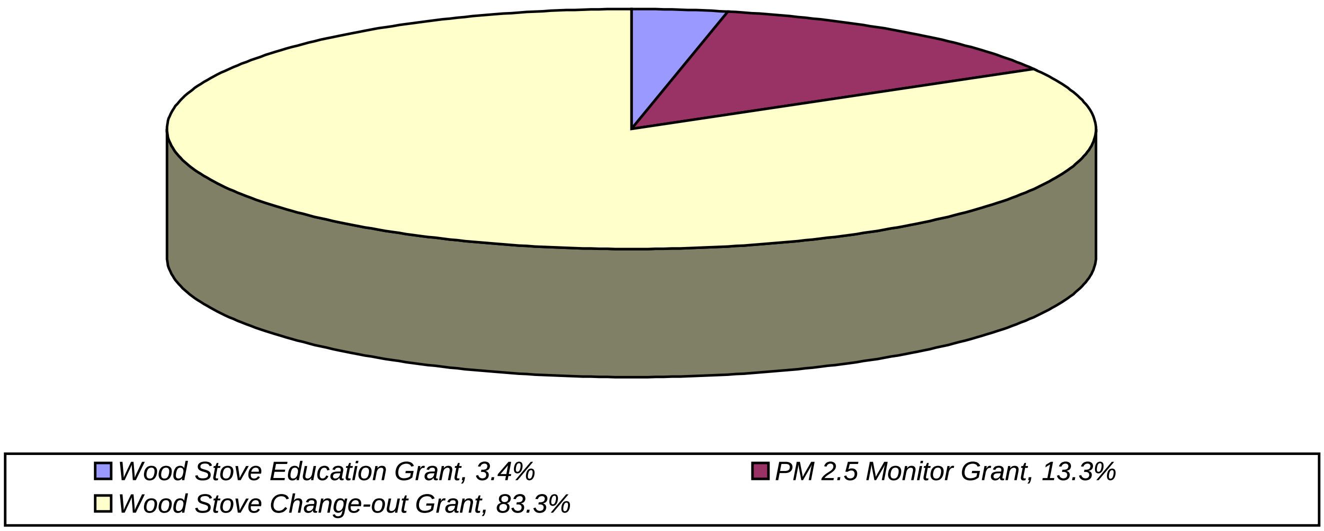



**Figure 5**

**GRANT OPERATIONS EXPENSES $166,355**

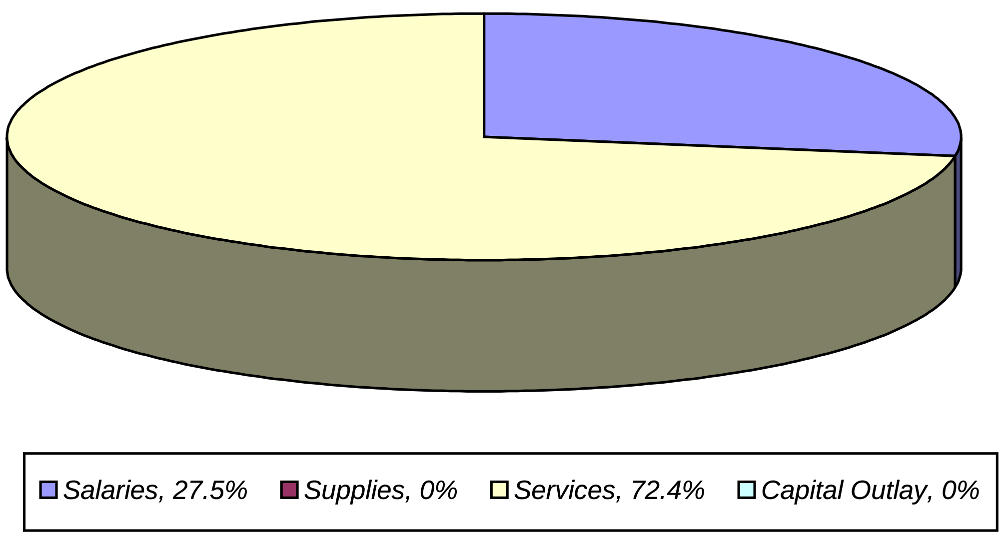



**Figure 6**

**ENTERPRISE OPERATIONS REVENUE $80,100**

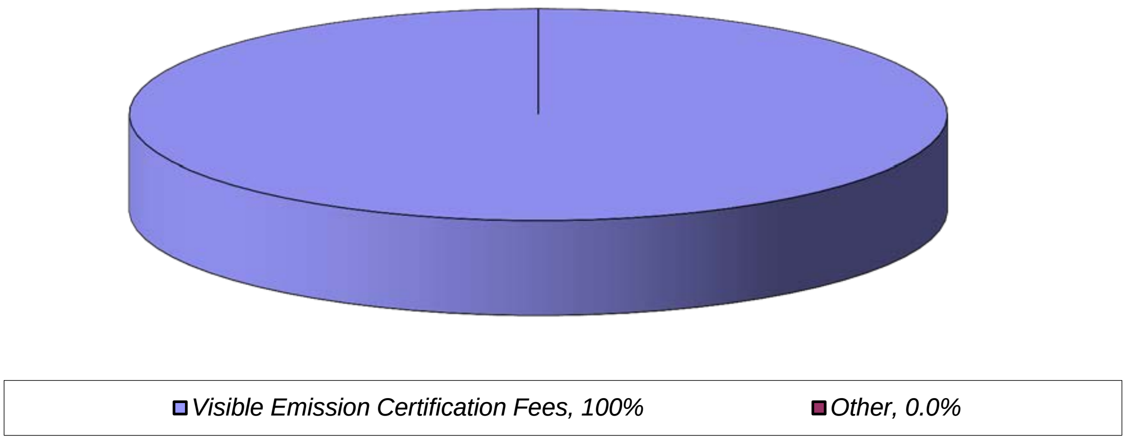



**Figure 7**

**ENTERPRISE OPERATIONS EXPENSES $23,380**

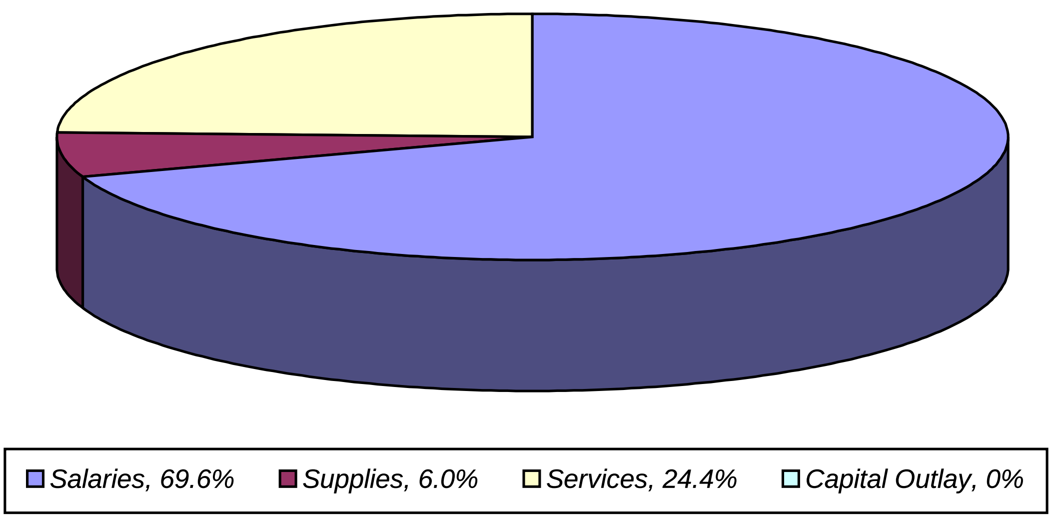



**Figure 8**

# FY 2019 Budget - Itemized by Account

## Base Operations Revenue Summary, Itemized by Account

### *Base Operations Accounts – Stationary Source Permit Fees*

*Account Number* 614-32190001 Minor Source Registration Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $175,237 |
| *Proposed FY 2019 Budget* | $162,000 |

This account reflects revenue received pursuant to the Revised Code of Washington (RCW) 70.94.151 and YRCAA Regulation 1. RCW 70.94.151, Washington Administrative Code (WAC) 173-400-099 and YRCAA Regulation 1, Section 4.01, require sources emitting air contaminants to register with YRCAA and pay initial and Annual Registration fees.

*Account Number* 614-32190008 Synthetic Minor Registration Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $18,620 |
| *Proposed FY 2019 Budget* | $19,950 |

This account reflects Annual Registration fees from Synthetic Minor Sources received pursuant to RCW 70.94.151 and YRCAA Regulation 1. Synthetic minor sources are sources that effectively opt out of being defined as a Major Source by accepting operating limitations and permit conditions limiting emission of air contaminants.

*Account Number* 614-32190006 Complex Minor Source Registration Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $23,130 |
| *Proposed FY 2019 Budget* | $20,300 |

Complex minor sources are minor sources which have complex processes with multiple emission points or significant emission potential.

*Account Number* 614-32290001 Title V Source Permit Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $101,625 |
| *Proposed FY 2019 Budget* | $122,500 |

This account reflects permit fee revenue received from the implementation of the YRCAA Title V Permit Program. Title V sources are major stationary sources of air pollution defined in 40 CFR Part 70 as stationary sources of air pollution that directly emit, or have the potential to emit, 100 tons per year (TPY) or more of any air pollutant.

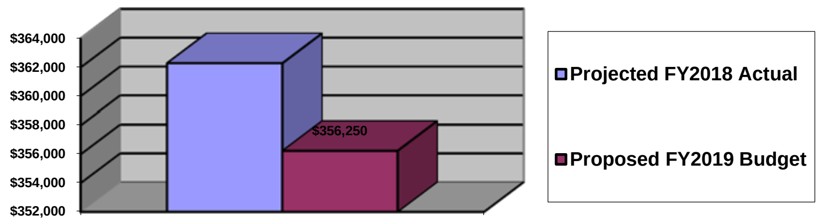
*Account Number* 614-32190002 New Source Review Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $43,678 |
| *Proposed FY 2019 Budget* | $31,500 |

This account reflects revenue received from permit evaluations for stationary sources subject to New Source Review (NSR) regulations. Sources subject to NSR regulations include sources regulated pursuant to WAC 173-400, WAC 173-460 and 40 CFR Part 60 and 40 CFR Part 61.

***Subtotal, Stationary Source Permit Fee Revenue***

| | |
|---|---|
| *Projected FY 2018 Actual* | $362,290 |
| *Proposed FY 2019 Budget* | $356,250 |




## *Base Operations Accounts – Burn Permit Fees*

*Account Number* 614-32290005 Residential Burn Permit Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $58,688 |
| *Proposed FY 2019 Budget* | $60,500 |

This account reflects revenue received from burn permit fees required by YRCAA, Regulation 1. Residential burning has been banned inside all Urban Growth Areas in YRCAA's jurisdiction.

*Account Number* 614-32290007 Agricultural Burn Permit Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $36,252 |
| *Proposed FY 2019 Budget* | $30,500 |

This account reflects revenue received from agricultural burn permit fees for permits issued pursuant to YRCAA Regulation, Section 3.03 and WAC 173-430.

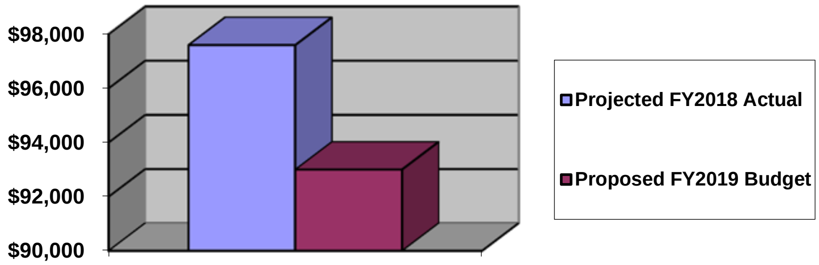
*Account Number* 614-32290011 Conditional Use Burn Permit Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $2,654 |
| *Proposed FY 2019 Budget* | $2,000 |

This account includes burn permit fees received for Conditional Use burn permits. Conditional Use burn permits are issued for burning that is not residential or agricultural burning including, but not limited to, training fires, land clearing burns, etc.

**_Subtotal, Burn Permit Fee Revenue_**

| | |
|---|---|
| *Projected FY 2018 Actual* | $97,594 |
| *Proposed FY 2019 Budget* | $93,000 |




## *Base Operations Accounts – Compliance Fees*

*Account Number* 614-32190005 Asbestos Removal Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $30,795 |
| *Proposed FY 2019 Budget* | $31,000 |

This account includes fees required pursuant to the NESHAP and YRCAA Regulation 1, Section 3.07 for processing notifications and conducting inspections of demolition and renovation activity with the potential to cause the release of asbestos. This program is a federal requirement that has been delegated to YRCAA.

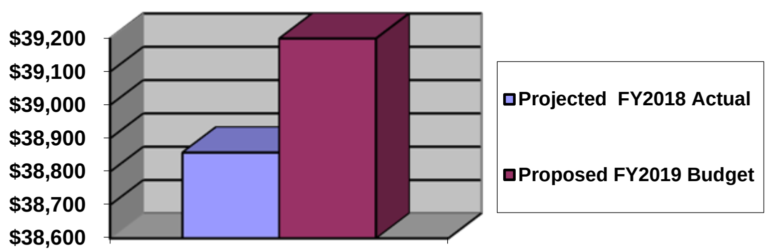
*Account Number* 614-32190009 Construction Dust Control Plan Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $8,063 |
| *Proposed FY 2019 Budget* | $8,200 |

This account includes revenue received for required construction dust mitigation plan evaluations, including Master or Site Plans required pursuant to YRCAA Regulation 1.

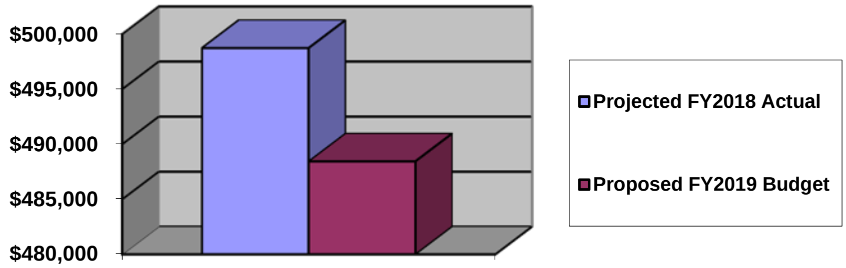
**_Subtotal, Compliance Fees_**

| | |
|---|---|
| *Projected FY 2018 Actual* | $38,858 |
| *Proposed FY 2019 Budget* | $39,200 |



**_Subtotal, All Permit Fee Revenue_**

| | |
|---|---|
| *Projected FY 2018 Actual* | $498,742 |
| *Proposed FY 2019 Budget* | $488,450 |




## *Base Operations Accounts – Base Grants*

*Account Number* 614-33366001 EPA Core Grant

| | |
|---|---|
| *Projected FY 2018 Actual* | $111,067 |
| *Proposed FY 2019 Budget* | $107,395 |

This account reflects the federal share of federal performance partnership grants issued pursuant to FCAA, Section 105. The grant is issued to YRCAA by Washington State Department of Ecology passed through from USEPA. This federal-state grant is a two-year grant covering the period of FY 2017 and 2017, with an effective date of July 1, 2016. The grant provides partial funding for the YRCAA's seven basic air quality protection programs.

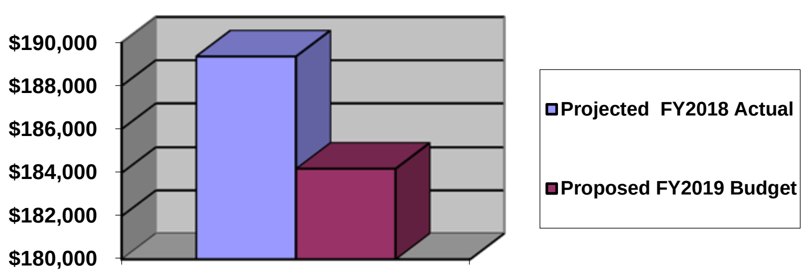
*Account Number* 614-33403101 DOE Core Grant

| | |
|---|---|
| *Projected FY 2018 Actual* | $78,301 |
| *Proposed FY 2019 Budget* | $76,800 |

This account includes the state share of the federal performance partnership grant issued pursuant to FCAA Section 105.

**_Subtotal, Base grants_**

| | |
|---|---|
| *Projected FY 2018 Actual* | $189,368 |
| *Proposed FY 2019 Budget* | $184,195 |



## ***Base Operations Accounts - Fines & Penalties***

| *Account Number* | 614-35990001 | Civil Penalties |
|---|---|---|

| | |
|---|---|
| *Projected FY 2018 Actual* | $33,154 |
| *Proposed FY 2019 Budget* | $2,500 |

This account reflects civil penalties assessed for specific infractions of Air Pollution Regulations. Civil penalty amounts vary based on the type and severity of the specific violation, culpability of the source in violating regulations, and the potential risk to human health. In order to prevent any potential interpretation that the Agency's enforcement program is, in part, a 'quota' program, YRCAA budgets minimal civil penalty revenue.

## ***Base Operations Accounts - Supplemental Income***

| *Account Number* | 614-33831001 | Supplemental Income |
|---|---|---|

| | |
|---|---|
| *Projected FY 2018 Actual* | $100,259 |
| *Proposed FY 2019 Budget* | $100,789 |

This account includes Supplemental Income. Supplemental Income is the specific income term used to describe required assessments paid to YRCAA by component cities, towns and the County of Yakima, pursuant to RCW 70.94.092 and 70.94.093. RCW 70.94.092 states, in part, "The budget shall contain an estimate of all revenues to be collected during the following budget year, including any surplus funds remaining unexpended from the preceding year. The remaining funds required to meet budget expenditures, if any, shall be designated as "supplemental income" and shall be obtained from the component cities, towns, and counties in the manner provided in this chapter." The proportionate shares of supplemental income for calendar year 2017 are as shown in Appendix E.

## ***Base Operations Accounts - Other Income***

| *Account Number* | 614-36111001 | Interest |
|---|---|---|

| | |
|---|---|
| *Projected FY 2018 Actual* | $4,867 |
| *Proposed FY 2019 Budget* | $2,100 |

This account includes the estimated interest earned from YRCAA funds on hand.

| *Account Number* | 614-36990013 | Miscellaneous Income |
|---|---|---|

| | |
|---|---|
| *Projected FY 2018 Actual* | $1,143 |
| *Proposed FY 2019 Budget* | $200 |

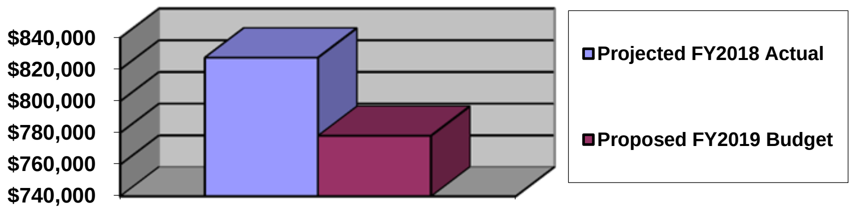
This account includes all other revenue not reflected in other accounts herein and otherwise classified as miscellaneous income.

***Subtotal, Other Income***

| | |
|---|---|
| *Projected FY 2018 Actual* | $6,010 |
| *Proposed FY 2019 Budget* | $2,300 |

***Total, Base Operations Revenue***

| | |
|---|---|
| *Projected FY 2018 Actual* | $827,533 |
| *Proposed FY 2019 Budget* | $778,234 |




## Grant Operations Revenue Summary, Itemized by Account

### *Grant Operations Accounts*

*Account Number* 614-33403105 DOE Wood Stove Education Grant

| | |
|---|---|
| *Projected FY 2018 Actual* | $5,331 |
| *Proposed FY 2019 Budget* | $5,331 |

This account includes special grant funding provided by the Washington State Department of Ecology (DOE) supporting YRCAA's wood stove education and enforcement programs. Under this program, YRCAA funds partial costs for residential woodstove replacements where older high-polluting wood burning stoves are replaced with new EPA-certified, less polluting wood stoves or other heating devices.

*Account Number* 614-33403108 DOE PM 2.5 Grant

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 21,050 |
| *Proposed FY 2019 Budget* | $ 21,050 |

This account reflects compensation from DOE for the costs of operation and maintenance of one Federal Reference Monitor, one Federal Equivalency Monitor and two Chemical Speciation monitors measuring particulate matter (PM) equal to or smaller than 2.5 microns ($PM_{2.5}$).

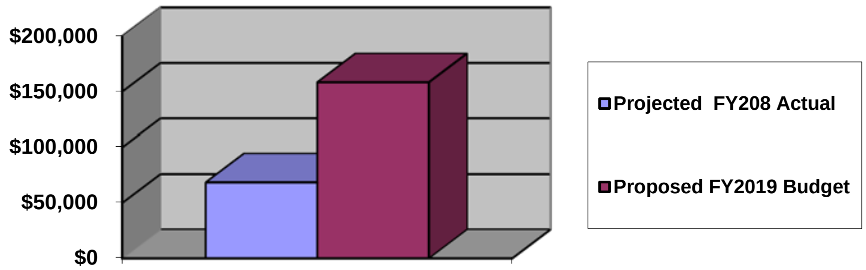
*Account Number* 614-33403107 Wood Stove Change-Out Grant

| | |
|---|---|
| *Projected FY 2018 Actual* | $42,164 |
| *Proposed FY 2019 Budget* | $132,000 |

This account includes grant funding provided by the Washington State Department of Ecology for YRCAA's wood stove change-out program. Under this program, YRCAA funds costs for residential woodstove replacements where older polluting wood burning stoves are replaced with new EPA-certified, less polluting wood stoves or other heating devices. The program has operated with numerous other contributing partners.

***Total, Grant Operations Revenue***

| | |
|---|---|
| *Projected FY 2018 Actual* | $68,545 |
| *Proposed FY 2019 Budget* | $158,381 |




## Enterprise Operations Revenue Summary, Itemized by Account

### *Enterprise Operations Accounts*

*Account Number* 614-34317001 VE Certification Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $90,025 |
| *Proposed FY 2019 Budget* | $80,000 |

Enterprise Operations revenues include primarily training and registration fees for individuals participating in the YRCAA's Northwest Opacity Certification (NOC) enterprise. NOC provides training, testing and certification for participants who must be certified to conduct visible emission evaluations (VEE) per Method 9 and 22 contained in 40 CFR 60, Appendix A.

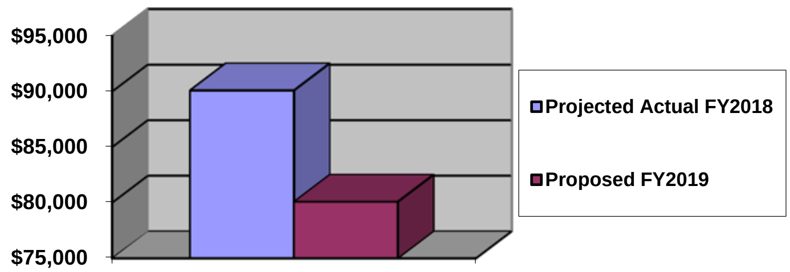
*Account Number:* 614-34317002 Other Enterprise Revenue

| | |
|---|---|
| *Projected FY 2018 Actual* | $75 |
| *Proposed FY 2019 Budget* | $100 |

This account is maintained in the event any opportunity for other enterprise revenue arises.

***Subtotal, Enterprise Revenue***

| | |
|---|---|
| *Projected FY 2018 Actual* | $90,100 |
| *Proposed FY 2019 Budget* | $80,100 |




## *Total Estimated YRCAA Revenue*

| | FY 2018 | FY 2019 |
|---|---|---|
| *Estimated Base Operations YRCAA Revenue* | $ 827,533 | $ 778,234 |
| *Estimated Grants Revenue* | $ 68,545 | $ 158,381 |
| *Estimated Enterprise Revenue* | $ 90,100 | $ 80,100 |
| *Prior Year Carry Over* | $ 125,000 | $ 125,000 |
| *Total Revenue* | **$ 1,111,178** | **$ 1,141,715** |

## Base Operations Expenditure Summary, Itemized by Account

### *Base Operations – Salaries and Benefits*

*Account Number* 614-1001 Salaries

| | |
|---|---|
| *Projected FY 2018 Actual* | $498,118 |
| *Proposed FY 2019 Budget* | $484,932 |

The Salaries account reflects the base wage costs for all full time and part time employees.

*Account Number* 614-2002 Benefits

| | |
|---|---|
| *Projected FY 2018 Actual* | $175,014 |
| *Proposed FY 2019 Budget* | $183,571 |

Benefits include employer contributions to employee healthcare costs to the Public Employees Retirement System (PERS) and industrial insurance.

***Subtotal, Salaries and Benefits***

| | |
|---|---|
| *Projected FY 2018 Actual* | $673,132 |
| *Proposed FY 2019 Budget* | $668,503 |

### *Base Operations – Supplies*

*Account Number* 614-3101 Office Supplies

| | |
|---|---|
| *Projected FY 2018 Actual* | $4,889 |
| *Proposed FY 2019 Budget* | $6,500 |

This office supply account includes all disposable supplies and non-disposable supplies in value up to $ 4,999 and which are not charged to the fixed asset account.

*Account Number* 614-3102 Safety Equipment

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $500 |

*Account Number* 614-3201 Vehicles, Gasoline

| | |
|---|---|
| *Projected FY 2018 Actual* | $1,658 |
| *Proposed FY 2019 Budget* | $2,500 |

This account was established to allow tracking of YRCAA vehicle fuel costs.

*Account Number* 614-3501 Small Tools / Equipment

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $200 |

This account tracks the costs of small tools and equipment not otherwise debited to other accounts.

*Account Number* 614-3502 Computer Network

| | |
|---|---|
| *Projected FY 2018 Actual* | $11,112 |
| *Proposed FY 2019 Budget* | $4,000 |

This account tracks computer hardware and software user license costs.

***Subtotal, Base Operation Supplies***

| | |
|---|---|
| *Projected FY 2018 Actual* | $17,659 |
| *Proposed FY 2019 Budget* | $13,700 |

## *Base Operations – Services*

*Account Number* 614-4101 Professional Services

| | |
|---|---|
| *Projected FY 2018 Actual* | $34,953 |
| *Proposed FY 2019 Budget* | $35,000 |

This account reflects the costs of most professional and specialized services. Specifically, the FY 2019 account includes the following: legal services, technical services, computer network security and hosted email services and other miscellaneous professional services.

*Account Number* 614-4101 Laboratory Analyses

| | |
|---|---|
| *Projected FY 2018 Actual* | $61 |
| *Proposed FY 2019 Budget* | $200 |

This account tracks laboratory analysis costs of air and bulk asbestos samples.

*Account Number* 614-4125 Yakima County Services

| | |
|---|---|
| *Projected FY 2018 Actual* | $770 |
| *Proposed FY 2019 Budget* | $1,014 |

This account reflects the costs of utilizing Yakima County financial services.

*Account Number* 614-4201 Communications, Phones/Internet

| | |
|---|---|
| *Projected FY 2018 Actual* | $12,227 |
| *Proposed FY 2019 Budget* | $12,800 |

This account reflects the cost of communications services, including monthly telephone and internet costs.

*Account Number* 614-4202 Postage

| | |
|---|---|
| *Projected FY 2018 Actual* | $1,838 |
| *Proposed FY 2019 Budget* | $3,500 |

This account includes the costs of individual stamps, postage, parcel post, and express mail.

*Account Number* 614-4301 Travel & Transportation

| | |
|---|---|
| *Projected FY 2018 Actual* | $3,698 |
| *Proposed FY 2019 Budget* | $3,200 |

This account reflects the costs of all transportation of persons and things, including the travel costs of meals and lodging, commercial transportation, allowance for use of private vehicles and other travel costs, except where the cost of travel is more appropriately included as part of a charge in another account.

*Account Number* 614-4401 Public Education

| | |
|---|---|
| *Projected FY 2018 Actual* | $2,868 |
| *Proposed FY 2019 Budget* | $4,000 |

The YRCAA public education program is mandated and the funding is primarily derived directly from EPA-DOE Grants and Penalties. This account tracks expenses related to that function.

*Account Number* 614-4401 Publications, Legal Notices

| | |
|---|---|
| *Projected FY 2018 Actual* | $3,099 |
| *Proposed FY 2019 Budget* | $2,000 |

This account reflects YRCAA costs of publications legally required for reports and notices. The account includes costs of public notices of Board and Administrative meetings and notice of public hearings to adopt rules and regulations or take other action requiring a public notice.

*Account Number* 614-4501 Rents & Leases, Equipment

| | |
|---|---|
| *Projected FY 2018 Actual* | $3,282 |
| *Proposed FY 2019 Budget* | $3,282 |

This account reflects the rent and lease of equipment primarily for office use. The FY 2019 account will include rental cost for the postage machine, the copier and other office equipment.

*Account Number* 614-4501 Rents & Leases, Space

| | |
|---|---|
| *Projected FY 2018 Actual* | $43,659 |
| *Proposed FY 2019 Budget* | $52,659 |

This account includes office and other space lease costs. Presently, the YRCAA leases 2500 SF of base office space and an additional 800 SF of shared storage, lunch room and restrooms.

*Account Number* 614-4601 Insurance

| | |
|---|---|
| *Projected FY 2018 Actual* | $12,555 |
| *Proposed FY 2019 Budget* | $12,600 |

This account includes premiums for public liability, property damage including fire, burglary, and vehicle coverage, errors and omissions coverage, and money insurance coverage.

*Account Number* 614-4801 Maintenance, Motor Vehicles

| | |
|---|---|
| *Projected FY 2018 Actual* | $2,316 |
| *Proposed FY 2019 Budget* | $2,400 |

This account reflects agency vehicle repair costs. Vehicle repair costs set the foundation for identifying potential cost savings related to vehicle replacement.

*Account Number* 614-4801 Maintenance, Equipment

| | |
|---|---|
| *Projected FY 2018 Actual* | $1,926 |
| *Proposed FY 2019 Budget* | $2,000 |

This account reflects maintenance activity for equipment not specified in other maintenance accounts, for example, repair of office furnishings, and maintenance of copy machines.

*Account Number* 614-4801 Maintenance, Computers

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $250 |

This account includes general maintenance costs for YRCAA computers and network. The vast majority of work is now done in-house by the Information Technology Manager.

*Account Number* 614-4801 Maintenance, Building

| | |
|---|---|
| *Projected FY 2018 Actual* | $1,931 |
| *Proposed FY 2019 Budget* | $1,500 |

This account reflects costs for general mechanical, electrical, janitorial, garbage pick-up, and general maintenance services.

*Account Number* 614-4901 Memberships

| | |
|---|---|
| *Projected FY 2018 Actual* | $855 |
| *Proposed FY 2019 Budget* | $920 |

This account tracks YRCAA costs of memberships in societies, associations of officials, trade and other organizations whose membership may meet and discuss issues related to the useful conduct of the YRCAA business.

*Account Number* 614-4901 Training

| | |
|---|---|
| *Projected FY 2018 Actual* | $2,469 |
| *Proposed FY 2019 Budget* | $2,500 |

This account tracks YRCAA employee education and training costs.

*Account Number* 614-4901 Service Charges and Interest

| | |
|---|---|
| *Projected FY 2018 Actual* | $5,113 |
| *Proposed FY 2019 Budget* | $5,000 |

This account reflects charges on accounts payable and service charges such as customer credit card and online payment.

*Account Number* 614-4901 Miscellaneous Services

| | |
|---|---|
| *Projected FY 2018 Actual* | $900 |
| *Proposed FY 2019 Budget* | $1,000 |

This account reflects specialized services, generally particular to the conduct of the YRCAA operations, such as the Woodstove Rebate Program, and for which an account has not otherwise been established.

*Account Number* 614-4901 Ecology Oversight Fees

| | |
|---|---|
| *Projected FY 2018 Actual* | $3,840 |
| *Proposed FY 2019 Budget* | $4,787 |

This account reflects fees paid to Department of Ecology for maintaining oversight of the agency Title V Air Operating Permit Program.

***Subtotal, Base Operations Services***

| | |
|---|---|
| *Projected FY 2018 Actual* | $138,360 |
| *Proposed FY 2019 Budget* | $150,612 |

## *Base Operations – Fixed Assets*

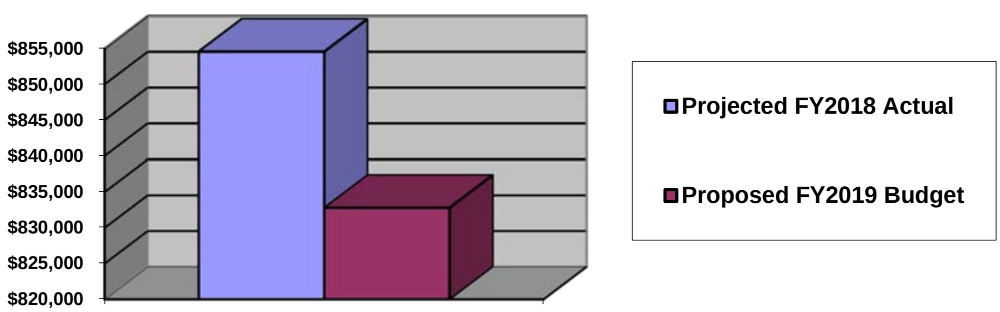
*Account Number* 614-6401 Capital Outlay, Fixed Assets

| | |
|---|---|
| *Projected FY 2018 Actual* | $25,416 |
| *Proposed FY 2019 Budget* | $ 0 |

Capital fixed assets are those items of tangible property that are non-consumable, of $5,000 value or more, and that have a useful life of at least two (2) years. These assets are depreciated over the useful life of the asset.

***Total, Base Operations Expenditure***

| | |
|---|---|
| *Projected FY 2018 Actual* | $854,567 |
| *Proposed FY 2019 Budget* | $832,815 |




# Grants Operations Expenditure Summary, Itemized by Account

## *Wood Stove Education Grant*

*Wood Stove Education Grant Salaries*

*Account Number* 614-1001 Salaries

| | |
|---|---|
| *Projected FY 2018 Actual* | $3,956 |
| *Proposed FY 2019 Budget* | $3,867 |

The Salaries account reflects the base wage costs for all full time and part time employees

*Account Number* 614-2002 Benefits

| | |
|---|---|
| *Projected FY 2018 Actual* | $1,462 |
| *Proposed FY 2019 Budget* | $1,464 |

Benefits include employer contributions to employee healthcare costs, to the Public Employees Retirement System (PERS) and industrial insurance.

*Wood Stove Education Grant Supplies*

*Account Number* 614-3101 Office Supplies

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

This office supply account includes all disposable supplies and non-disposable supplies in value up to $ 4,999 and which are not charged to the fixed asset account.

*Wood Stove Education Grant Services*

*Account Number* 614-4139 Professional Services

| | |
|---|---|
| *Projected FY 2018 Actual* | $120 |
| *Proposed FY 2019 Budget* | $120 |

This account reflects the costs of most professional and specialized services.

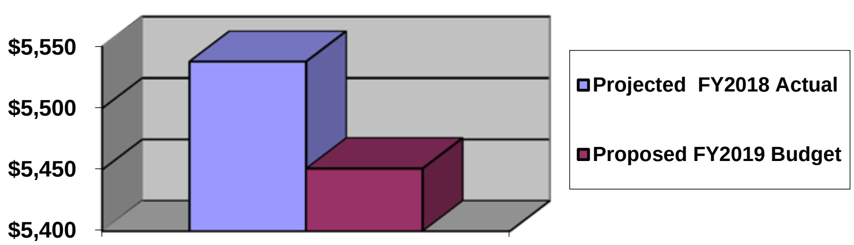
*Account Number* 614-4202 Postage

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

This account includes the costs of individual stamps, postage, parcel post, and express mail.

***Subtotal, Woodstove Education Grant Expenditures***

| | |
|---|---|
| *Projected FY 2018 Actual* | $5,538 |
| *Proposed FY 2019 Budget* | $5,451 |



## ***$PM_{2.5}$ Grant***

*$PM_{2.5}$ Grant Salaries*

*Account Number* 614-1001 Salaries

| | |
|---|---|
| *Projected FY 2018 Actual* | $15,367 |
| *Proposed FY 2019 Budget* | $15,270 |

The Salaries account reflects the base wage costs for all full time and part time employees.

*Account Number* 614-2002 Benefits

| | |
|---|---|
| *Projected FY 2018 Actual* | $5,683 |
| *Proposed FY 2019 Budget* | $5,780 |

Benefits include employer contributions to employee healthcare costs to the Public Employees Retirement System (PERS) and industrial insurance.

*$PM_{2.5}$ Grant Supplies*

*Account Number* 614-3101 Office Supplies

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

This office supply account includes all disposable supplies and non-disposable supplies in value up to $ 4,999 and which are not charged to the fixed asset account.

*$PM_{2.5}$ Grant Services*

*Account Number* 614-4101 Professional Services

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

This account reflects the costs of most professional and specialized services

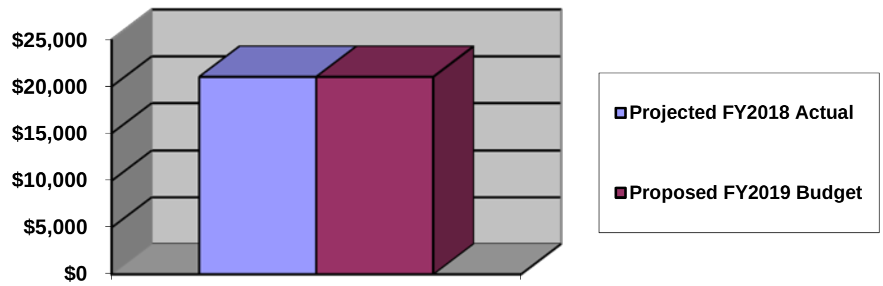
*Account Number* 614-6401 Capital Outlay, Fixed Assets

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

Capital fixed assets are those items of tangible property that are non-consumable, of $5,000 value or more, and that have a useful life of at least two (2) years. These assets are depreciated over the useful life of the asset.

***Subtotal, $PM_{2.5}$ Grant Expenditures***

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 21,050 |
| *Proposed FY 2019 Budget* | $ 21,050 |




## *Wood Stove Change-out Grant*

*Wood Stove Change-out Grant Salaries*

*Account Number* 614-1001 Salaries

| | |
|---|---|
| *Projected FY 2018 Actual* | $936 |
| *Proposed FY 2018 Budget* | $14,076 |

The Salaries account reflects the base wage costs for all full time and part time employees.

*Account Number* 614-2002 Benefits

| | |
|---|---|
| *Projected FY 2018 Actual* | $329 |
| *Proposed FY 2019 Budget* | $5,328 |

Benefits include employer contributions to employee healthcare costs to the Public Employees Retirement System (PERS) and industrial insurance.

*Wood Stove Change-out Grant Supplies*

*Account Number* 614-3101 Office Supplies

| | |
|---|---|
| *Projected FY 2018 Actual* | $43 |
| *Proposed FY 2019 Budget* | $50 |

This office supply account includes all disposable supplies and non-disposable supplies in value up to $ 4,999 and which are not charged to the fixed asset account.

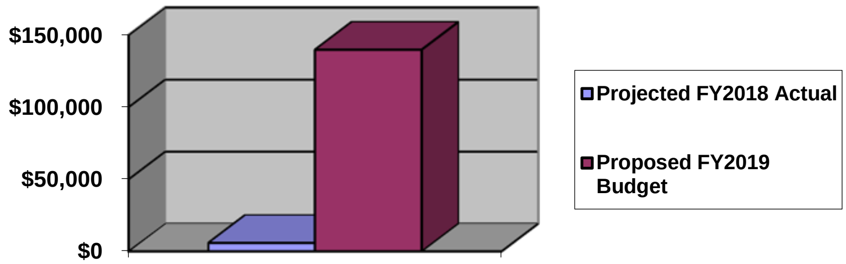
*Account Number* 614-4101 Professional Services

| | |
|---|---|
| *Projected FY 2018 Actual* | $4,620 |
| *Proposed FY 2019 Budget* | $120,400 |

This account reflects the costs of most professional and specialized services, including removal of old high-polluting wood stoves and purchase and installation of cleaner burning devices.

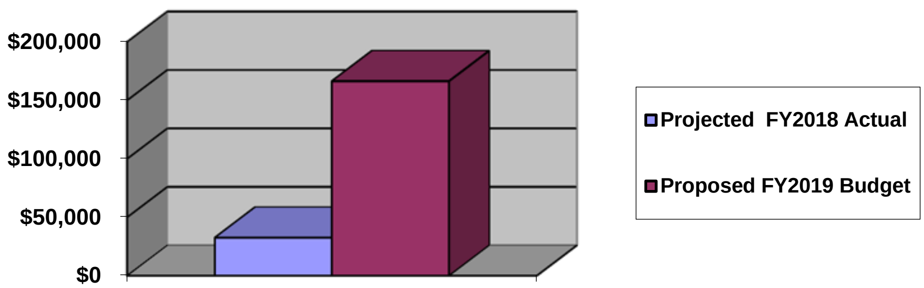
***Subtotal, Wood Stove Change-out Grant Expenditures***

| | |
|---|---|
| *Projected FY 2018 Actual* | $5,928 |
| *Proposed FY 2019 Budget* | $139,854 |




***Total, Grant Operations Expenditures***

| | |
|---|---|
| *Projected FY 2018 Actual* | $32,516 |
| *Proposed FY 2019 Budget* | $166,355 |




## Enterprise Operations Expenditure Summary, Itemized by Account

### *Enterprise Operations – Salaries and Benefits*

*Account Number* 141-1001 Salaries

| | |
|---|---|
| *Projected FY 2018 Actual* | $16,125 |
| *Proposed FY 2019 Budget* | $11,810 |

The Salaries account reflects the base wage costs for all full time and part time employees.

*Account Number* 141-2002 Benefits

| | |
|---|---|
| *Projected FY 2018 Actual* | $5,217 |
| *Proposed FY 2019 Budget* | $4,470 |

Benefits include employer contributions to employee healthcare costs to the Public Employees Retirement System (PERS) and industrial insurance.

***Subtotal, Salaries, Benefits***

| | |
|---|---|
| *Projected FY 2018 Actual* | $21,342 |
| *Proposed FY 2019 Budget* | $16,280 |

## *Enterprise Operations - Supplies*

*Account Number* 141-3101 Office Supplies

| | |
|---|---|
| *Projected FY 2018 Actual* | $108 |
| *Proposed FY 2019 Budget* | $200 |

This office supply account includes all Enterprise disposable supplies and non-disposable supplies in value up to $ 4,999 and which are not charged to the fixed asset account.

*Account Number* 141-3201 Vehicles, Gasoline

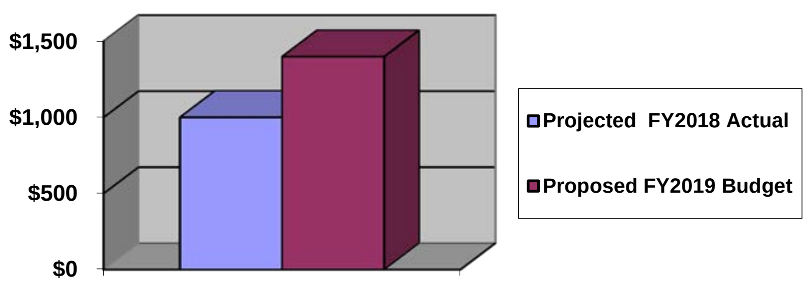
| | |
|---|---|
| *Projected FY 2018 Actual* | $693 |
| *Proposed FY 2019 Budget* | $1,000 |

*Account Number* 141-3501 Small Tools / Equipment

| | |
|---|---|
| *Projected FY 2018 Actual* | $200 |
| *Proposed FY 2019 Budget* | $200 |

***Subtotal, Supplies***

| | |
|---|---|
| *Projected FY 2018 Actual* | $1,001 |
| *Proposed FY 2019 Budget* | $1,400 |




## *Enterprise Operations - Services*

*Account Number* 141-4101 Professional Services

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

This account reflects the costs of most professional services and specialized services.

*Account Number* 141-4202 Postage

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

*Account Number* 141-4301 Travel & Transportation

| | |
|---|---|
| *Projected FY 2018 Actual* | $2,021 |
| *Proposed FY 2019 Budget* | $3,000 |

This account reflects the costs of all transportation of persons and things, including the costs of meals and lodging, commercial transportation, and other travel costs.

*Account Number* 141-4502 Rents & Leases, Space

| | |
|---|---|
| *Projected FY 2018 Actual* | $1,147 |
| *Proposed FY 2019 Budget* | $2,000 |

This account includes the costs for acquiring facilities used for conducting the training and testing provided by NOC and other enterprise activities.

*Account Number* 114-4801 Maintenance, Motor Vehicles

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $200 |

This account tracks vehicle repair and maintenance costs. Vehicle repair costs set the foundation for identifying potential cost savings related to vehicle replacement.

*Account Number* 141-4801 Maintenance, Equipment

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2018 Budget* | $500 |

This account reflects maintenance activity for equipment not specified in other maintenance accounts.

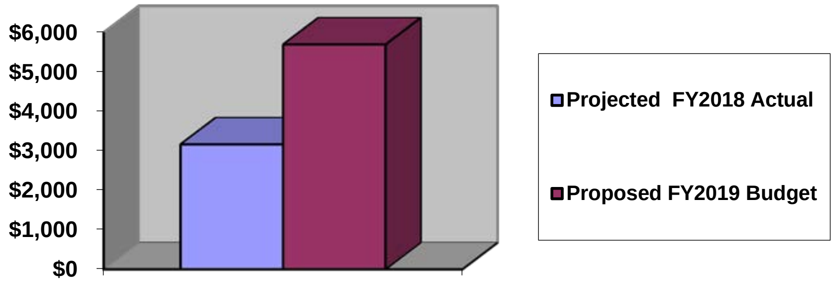
*Account Number* 141-4901 Miscellaneous Services

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

This account reflects comparatively specialized supplies and services, generally particular to the conduct of the NOC operations, and for which an account has not otherwise been established.

***Subtotal, Services***

| | |
|---|---|
| *Projected FY 2018 Actual* | $3,168 |
| *Proposed FY 2019 Budget* | $5,700 |




## *Enterprise Operations - Fixed Assets*

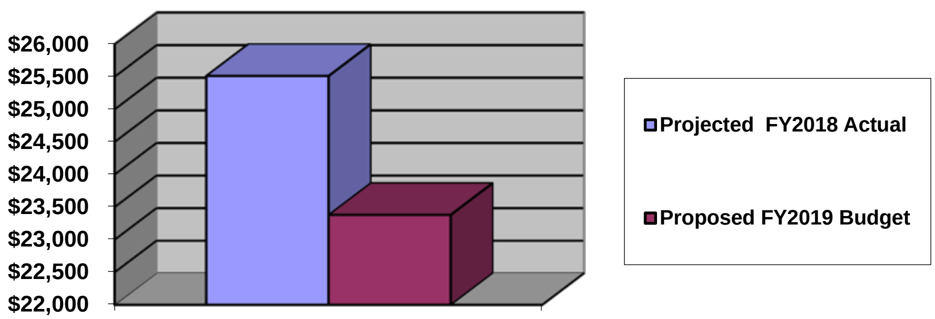
*Account Number* 141-4500 Capital Outlay, Fixed Assets

| | |
|---|---|
| *Projected FY 2018 Actual* | $ 0 |
| *Proposed FY 2019 Budget* | $ 0 |

Capital fixed assets are those items of tangible property that are non-consumable, of $5,000 value or more, and that have a useful life of at least two (2) years.

***Subtotal, Enterprise Operations Expenditures***

| | |
|---|---|
| *Projected FY 2018 Actual* | $25,511 |
| *Proposed FY 2019 Budget* | $23,380 |




## ***Total Estimated YRCAA Expenditures***

| | FY 2018 | FY 2019 |
|---|---|---|
| *Estimated Base Operations Expenditure* | $ 854,567 | $ 832,815 |
| *Estimated Grants Expenditure* | $ 32,516 | $ 166,355 |
| *Estimated Enterprise Expenditure* | $ 25,511 | $ 23,380 |
| *Total Expenditure* | **$ 912,594** | **$ 1,022,550** |

# *RESOLUTIONS FOR IMPLEMENTING THE BUDGET*

Resolution No. 2018-04, Approving FY 2019 Employee Salaries and Employer Contributions to Employee Health Insurance

Resolution No. 2018-05, Approving 2019 Supplemental Income Assessments

Resolution No. 2018-06, Adopting the FY 2019 Budget

# RESOLUTION NO. 2018-04
# BEFORE THE GOVERNING BOARD OF THE
# YAKIMA REGIONAL CLEAN AIR AGENCY (YRCAA)

Approving FY 2019 Employee Salaries and…………..)
Employer Contributions to Employee Health Insurance)

WHEREAS, RCW 70.94.130 authorizes the Governing Board of Directors (Board) to approve employee salaries; and

WHEREAS, the Board desires to approve salaries and the discretionary benefit of health insurance for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby adopts the employee salaries as published in the FY 2019 Budget Appendix A, "FY 2019 YRCAA Employee Salary Costs," and

BE IT FURTHER RESOLVED, that the Board hereby adopts the employer contributions to employee health insurance as published in Appendix B, "FY 2019 Employer Monthly Contribution to Health Insurance," and

BE IT FURTHER RESOLVED that the Executive Director and Fiscal Programs Manager shall implement the payment of employee salaries and contributions to employee health insurance for FY 2019.

On motion of ___________________, seconded by ___________________, the foregoing resolution is hereby PASSED AND ADOPTED by the Yakima Regional Clean Air Agency Board of Directors on this 14th day of June, 2018.

| | |
|---|---|
| Jon DeVaney, Chair | Ron Anderson, Director |
| Steven Jones, Director | Carmen Mendez, Director |
| Norm Childress, Director | Mary Wurtz, Clerk of the Board |

# RESOLUTION NO. 2018-05
# BEFORE THE GOVERNING BOARD OF THE
# YAKIMA REGIONAL CLEAN AIR AGENCY (YRCAA)

Approving Calendar Year 2019 Proportional Shares of Supplemental Income Assessment……)

WHEREAS, Sections 70.94.092 and 70.94.093(1)(c) and (2)(c) RCW provide for an activated local authority to adopt, as supplemental income, assessments to each component city, town, and county; and

WHEREAS, the YRCAA Governing Board of Directors (Board) finds that certain program costs are not otherwise funded as described in Section 70.94.092 RCW; and

WHEREAS, the Board accepts the 2010 Census, updated and estimated April 1, 2017, for purposes of assessing proportional shares of supplemental income to the component cities, towns, and county;

NOW THEREFORE, BE IT RESOLVED, the Board hereby approves and adopts the assessment of $.40 per capita to each component city, town and county, as expressed in Appendix E, "YRCAA 2019 Supplemental Income Assessments" for Calendar Year 2019; and

BE IT FURTHER RESOLVED, the Executive Director is instructed to certify to each city, town and county, per RCW 70.94.093(3), that their proportional share of supplemental income shall be as expressed in the FY 2019 Budget, Appendix E, "YRCAA 2019 Supplemental Income Assessments," for the calendar year 2019.

On motion of ___________________, seconded by ___________________, the foregoing resolution is hereby PASSED AND ADOPTED by the Yakima Regional Clean Air Agency Board of Directors on this 14th day of June, 2018.

| | |
|---|---|
| Jon DeVaney, Chair | Ron Anderson, Director |
| Steven Jones, Director | Carmen Mendez, Director |
| Norm Childress, Director | Mary Wurtz, Clerk of the Board |

# RESOLUTION NO.: 2018-06
# BEFORE THE GOVERNING BOARD OF THE
# YAKIMA REGIONAL CLEAN AIR AGENCY (YRCAA)

Adopting the Agency Fiscal Year (FY) 2019 Budget……………………)

WHEREAS, the YRCAA Governing Board of Directors (Board) held a public meeting on May 10th, 2018 for the purpose of reviewing the Draft FY 2019 Budget and has provided the public with the 30-day opportunity to comment from May 1st, 2018 through May 31st, 2018; and

WHEREAS, the Board held a Public Hearing on this, the 14th day of June, 2018 to consider adopting the Proposed FY 2019 Budget;

NOW THERFORE BE IT RESOLVED, the Board has reviewed and hereby adopts the Proposed FY 2019 Budget in the amount of $1,141,715; and

BE IT FURTHER RESOLVED, the YRCAA Executive Director shall implement said budget according to the FY 2019 Budget Work Plan and Appendix D, "FY 2019 YRCAA Resource Allocation Summary."

On motion of ___________________, seconded by ___________________, the foregoing resolution is hereby PASSED AND ADOPTED by the Yakima Regional Clean Air Agency Board of Directors on this 14th day of June, 2018.

| | |
|---|---|
| ______________________________ | ______________________________ |
| Jon DeVaney, Chair | Ron Anderson, Director |
| ______________________________ | ______________________________ |
| Steven Jones, Director | Carmen Mendez, Director |
| ______________________________ | ______________________________ |
| Norm Childress, Director | Mary Wurtz, Clerk of the Board |

# Appendices

# Appendix A

## FY 2019 YRCAA Employee Salary Costs

| Name / Class | Salary | Benefits | Total |
|---|---|---|---|
| Keith Hurley / Director | $ 87,864 | $ 28,097 | $ 115,961 |
| Carl Brookshire / AQS II | $ 32,196 | $ 6,826 | $ 39,022 |
| Michelle Blanchard / AS I | $ 36,206 | $ 19,781 | $ 55,987 |
| Mary Wurtz / AS I | $ 45,760 | $ 16,933 | $ 62,693 |
| Wade Porter / ES I | $ 35,969 | $ 14,709 | $ 50,678 |
| Christa Owen / AS III | $ 48,159 | $ 16,605 | $ 64,764 |
| Kelsey Sanford / AQS I | $ 34,800 | $ 18,281 | $ 53,081 |
| Dustin Harrington / AQS II | $ 45,018 | $ 18,399 | $ 63,417 |
| Jodell Gonzalez / AQS I | $ 33,449 | $ 16,664 | $ 50,113 |
| Hasan Tahat / DS III | $ 78,824 | $ 24,669 | $ 103,493 |
| Mark Edler / AQS II-DS1 | $ 51,712 | $ 19,645 | $ 71,357 |
| **Totals** | **$ 529,957** | **$ 200,610** | **$ 730,567** |

# Appendix B

## FY 2019 Employer Monthly Contribution to Health Insurance

| | |
|---|---|
| Employee Only | Entire Cost (maximum of $880.00) |
| Employee and Children | $   970.00 |
| Employee and Spouse | $1,050.00 |
| Full Family | $1,175.00 |
| Executive Director | Entire Cost (Currently $1,222.73) |
| Waived Coverage* | Entire Cost (Currently $145.53) |

*Employer pays only for Dental and Basic Life.

# Appendix C

## YAKIMA REGIONAL CLEAN AIR AGENCY CY2018 FEE SCHEDULE

| Permit Type | Permit Fee | Fee Basis |
|---|---|---|
| **Registration** | | |
| Minor Source | $ 453 | Annual |
| Complex Minor Source | $ 1,285 | Annual |
| Synthetic Minor Source | $ 2,660 | Annual |
| **Air Operating Permit** | Varies | Basic Fee + actual annual cost |
| **New Source Review** | $ 400 + | Application Fee + actual cost |
| Temporary Source Relocation | $ 125 | One-time Inspection Fee |
| **Regulatory Order** | $ 400 + | Application + actual cost |
| **General Permit** | $ 400 + | Application + actual cost |
| **SEPA** | $ 400 + | Application + actual cost |
| **Dust Control** | | |
| Project & Master Plans | $ 327 | One-time Fee |
| Site Notification | $ 155 | One-time Fee Each Site |
| **Burn Permits** | | |
| Residential | $ 48 | Annual from March 15th to October 15th |
| Agricultural Piles | $ 1.00 | Per Ton, $80 minimum |
| Agricultural Acres | $ 3.75 | Per Acre, $37.50 minimum |
| Land Clearing Piles | $ 2.18 | Per Ton, $218 minimum |
| Land Clearing Acres | $ 8.13 | Per Acre, $218 minimum |
| Structure Fire Training | $ 218 | Per Event |
| Conditional Use | $ 2.18 | Per Ton, $218 minimum |

**Demolition / Renovation / Asbestos** | | **Amount of Asbestos**

| | | |
|---|---|---|
| Asbestos Removal Notification | $ 867 | Over 10K LF or over 50K SF |
| | $ 425 | 1001-10K LF or 5001-50K SF |
| | $ 164 | 261 - 1K LF or 161 - 5K SF |
| | $ 86 | 11-260 LF or 49-160 SF |
| | $ 44 | Demolition only 0-10 LF or 0-48 SF |
| | $ 77 | Any Amount by Owner Occupant |
| | $ 167 | Any Amount Commercial Flat Built-Up Roofs |
| | $ 338 | Annual Notice (Up to 260 LF or 160 SF) |
| | $ 87 | Emergency Notice |
| | $ 39 | Revision to Existing Notice |

**FEE SCHEDULE FOR OBTAINING PUBLIC RECORDS**

| SERVICE/DELIVERY METHOD | UNIT | COST |
|---|---|---|
| Paper Copy – Black and White or Color | Per Page | $ .15 |
| Scans (A per-page charge for converting a record from a paper copy to an electric format) | Per Page | $ .10 |
| Records uploaded to email or cloud based storage device or other means of electronic delivery | Per four (4) files/attachments | $ .05 per four (4) electronic files or attachments |
| Records transmitted in electronic format or for use of agency equipment to send records electronically | Per Gigabyte | $ .10 |
| Postage or Delivery Charges | | Actual Cost |
| Mailing Materials | Any Container or Envelope used to mail | Actual Cost |
| Flash Drives and other Portable Digital Storage Devices* | Per Device | Actual Cost |
| Customized Service Charge | When customized access services are not normally used by the agency for other business purposes. | Actual Cost |

*Customers are able to request records be delivered on a flash, thumb, USB, or other portable storage device.

NOTE: The Agency does not charge for inspecting public records. For large requests, the Agency may;

- Require a deposit of up to 10 percent of the estimated cost before making copies
- Provide copies in installments
- Require payment before providing further installments

# Appendix D

## FY 2019 YRCAA Resource Allocation

### *Salaries by Work Program*

| Staff | *Rate | Compl Permit | Compl Non-per | Permit | Pub Ed | Planning | Bus Asst | Admin | Title V | Enterprise | Monitor | WS | Leave | Hr Total | $ Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hurley | $ 55.75 | 480 | 325 | 280 | | 220 | 22 | 148 | 240 | | | | 365 | 2080 | $ 115,960 |
| Tahat | $ 49.76 | 100 | | 800 | | 70 | | | 750 | | | | 360 | 2080 | $ 103,501 |
| | $ - | | | | | | | | | | | | | | $ - |
| Porter | $ 24.36 | 605 | | 744 | | 425 | | | 206 | | | | 100 | 2080 | $ 50,669 |
| Sanford | $ 25.52 | 620 | 723 | | | | | | | | 673 | | 64 | 2080 | $ 53,082 |
| | $ - | | | | | | | | | | | | | | $ - |
| Brookshire | $ 18.76 | 280 | 280 | 230 | 198 | | | 350 | 181 | 225 | | | 336 | 2080 | $ 39,021 |
| Wurtz | $ 30.14 | 283 | 329 | 253 | 191 | 127 | 45 | 433 | 323 | | | | 96 | 2080 | $ 62,691 |
| Gonzalez | $ 24.09 | 892 | 362 | 325 | 60 | 57 | 25 | 109 | 100 | | | | 150 | 2080 | $ 50,107 |
| Owen | $ 31.14 | 152 | 140 | 190 | 140 | | 120 | 585 | 180 | 123 | 34 | 55 | 361 | 2080 | $ 64,771 |
| Blanchard | $ 26.92 | 220 | 160 | 220 | 420 | | 255 | 200 | | | | 455 | 150 | 2080 | $ 55,994 |
| Harrington | $ 30.49 | 925 | 521 | 25 | | | | | 366 | | 93 | | 150 | 2080 | $ 63,419 |
| Edler | $ 34.31 | 213 | 213 | 150 | 240 | | 155 | 347 | | 240 | | 238 | 284 | 2080 | $ 71,365 |
| | Hr Totals | 4,770 | 3,053 | 3,217 | 1,249 | 899 | 622 | 2,172 | 2,346 | 588 | 800 | 740 | 2,416 | 22880 | **$ 730,567** |
| | | | | | | | | | | | | | | | |
| | Cost | $ 143,734 | $ 92,319 | $ 111,059 | $ 34,817 | $ 31,302 | $ 19,105 | $ 66,000 | $ 88,022 | $ 16,286 | $ 21,050 | $ 22,127 | $ 84,739 | | **$ 730,567** |
| Revenue Available | | $ 143,756 | $ 92,293 | $ 111,006 | $ 34,820 | $ 31,300 | $ 19,109 | $ 66,021 | $ 88,018 | $ 16,280 | $ 21,050 | $ 22,133 | $ 84,739 | | **$ 730,524** |
| % of Available | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | | **100.0%** |

*Rate = hourly wage + benefits average for the year

| **Revenue Source** | | **Estimated Revenue** | **Available For Salary** | **Allocation Planning Formula** |
|---|---|---|---|---|
| Title V Fees | 13.4% | $ 122,500 | $ 97,804 | 100% Title V after Audit & DOE Oversight Fees |
| Permit Fees (except T-V) | 37.5% | $ 365,950 | $ 274,280 | 50% Compl Per; 50% Permit |
| Base Grants | 17.6% | $ 184,195 | $ 128,937 | 33% Compl Non-per; 33% Pub Ed; 10% Planning; 10% Bus Asst; 10% Admin; 4% Monitor |
| Penalty | 0.0% | $ 2,500 | | |
| Supplemental Income | 10.3% | $ 100,780 | $ 75,182 | 10% Planning; 40% Admin; 35% Compl Non-per; 15% Pub Ed |
| Enterprise | 2.2% | $ 80,100 | $ 16,280 | 100% Enterprise |
| **Grants:** | | | | |
| PM2.5 | 2.9% | $ 21,050 | $ 21,050 | 100% Monitor |
| WSE | 0.7% | $ 5,331 | $ 5,331 | |
| WSCO | 2.7% | $ 132,000 | $ 19,404 | 100% WS |
| **Other** | 0.3% | $ 2,300 | $ 2,300 | 15% Admin; 85% Compl Non-per |
| **Fund Balance** | 12.3% | $ 125,000 | $ 90,000 | 47% Compl Non-per; 5% Pub Ed; 15% Planning; 33% Admin |
| | 100.0% | **$ 1,141,706** | **$ 730,567** | |

# FY 2019 YRCAA Resource Allocation

***All Costs by Division and Operation***

**Salaries by Operation**

| **Operation** | **Base Operations** | | | **Grant Operations** | | | **Enterprise Operations** | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Division** | Admin. | Engineering | Compliance | Admin. | Engineering | Compliance | Admin. | Engineering | Compliance | |
| **Costs** | $ 240,661 | $200,551 | $227,291 | $ 24,735 | $ - | $ 21,050 | $ 16,280 | $ - | $ - | **Total** |
| | | **Subotal** | **$668,503** | | **Subotal** | **$ 45,785** | | **Subotal** | **$ 16,280** | **$730,568** |
| | | | 9.97 | FTE | | 0.68 | FTE | | 0.24 | FTE |

**Supplies, Services and Capital Outlay By Operation**

| **Operation** | **Base Operations** | | | **Grant Operations** | | | **Enterprise Operations** | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Division** | Admin. | Engineering | Compliance | Admin. | Engineering | Compliance | Admin. | Engineering | Compliance | **Totals** |
| Supplies | $ 4,932 | $ 4,110 | $ 4,658 | $ 50 | $ - | $ - | $ 1,400 | $ - | $ - | $ 15,150 |
| Services | $ 54,220 | $ 45,184 | $ 51,208 | $120,520 | $ - | $ - | $ 5,700 | $ - | $ - | $276,832 |
| Capital | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **Subtotals** | **$ 59,152** | **$ 49,294** | **$ 55,866** | **$120,570** | **$ -** | **$ -** | **$ 7,100** | **$ -** | **$ -** | **$291,982** |
| | | **Supplies** | **$ 13,700** | | **Supplies** | **$ 50** | | **Supplies** | **$ 1,400** | |
| | | **Services** | **$150,612** | | **Services** | **$120,520** | | **Services** | **$ 5,700** | |
| | | **Capital** | **$ -** | | **Capital** | **$ -** | | **Capital** | **$ -** | |

**All Costs By Division**

| **Category** | **Salaries** | **Supplies** | **Services** | **Capital** | **Totals** |
|---|---|---|---|---|---|
| Administrative | $ 281,676 | $ 6,382 | $ 180,440 | $ - | $ 468,498 |
| Engineering | $ 200,551 | $ 4,110 | $ 45,184 | $ - | $ 249,845 |
| Compliance | $ 248,341 | $ 4,658 | $ 51,208 | $ - | $ 304,207 |
| **Subtotals** | **$ 730,568** | **$ 15,150** | **$ 276,832** | **$ -** | **$ 1,022,550** |

# Appendix E

## YRCAA FY 2019 Supplemental Income Assessments

| City / Town: | Population | | Assessment | % of Total |
|---|---|---|---|---|
| Grandview | 11,170 | $ | 4,468 | 4.42% |
| Granger | 3,905 | $ | 1,562 | 1.54% |
| Harrah | 660 | $ | 264 | 0.26% |
| Mabton | 2,315 | $ | 926 | 0.92% |
| Moxee | 4,010 | $ | 1,604 | 1.58% |
| Naches | 860 | $ | 344 | 0.34% |
| Selah | 7,630 | $ | 3,052 | 3.02% |
| Sunnyside | 16,640 | $ | 6,656 | 6.58% |
| Tieton | 1,300 | $ | 520 | 0.51% |
| Toppenish | 9,085 | $ | 3,634 | 3.59% |
| Union Gap | 6,220 | $ | 2,488 | 2.46% |
| Wapato | 5,040 | $ | 2,016 | 1.99% |
| Yakima, City | 93,900 | $ | 37,560 | 37.11% |
| Zillah | 3,150 | $ | 1,260 | 1.25% |
| Unincorporated Yakima County | 87,115 | $ | 34,846 | 34.43% |
| **TOTAL COUNTY:** | **253,000** | **$** | **101,200** | **100%** |

**(Per Capita Rate: $ 0.40)**

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# CONSENT AGENDA ITEMS

**SUMMARYOF THE GOVERNING**
**BOARD OF DIRECTORS**
**STUDY SESSION MEETING**

**May 10, 2018**

**Location and Time:**
**Yakima City Hall Council Chambers** **1:30 pm**

---

***Study Session***
***Called to Order at 1:30 pm by Vice Chairman Norm Childress***

**Topic: Review of Proposed FY 2019 Budget**

**Salaries and Benefits - Supplies and Services:**

FY 2019 Salary and Benefits has a 1.0% decrease from last year. Salaries are on a slight decline. The ten year trend is flat.

From FY 2018 to FY 2019 Supplies will call for a 29.4% decrease and an increase in Services by 5%. The ten-year trend for Supplies is a 48% decrease and in Services a 3.6% decrease.

Ms. Mendez questioned why there was such a huge change in Supplies and Services. Mr. Hurley explained some services were identified under supplies and these were corrected as soon as they were found.

Mr. Childress asked why there was a spike in Services for FY2014. Director Hurley replied he could not give a specific answer as he was not involved in the budget process at that time and he has not researched it. Mr. Childress remarked since 2014 through the present it has been quite stable with little to no spikes.

Ms. Mendez pointed out the trend over the years where the amounts go up and down. Mr. Hurley replied it depends on how we get the money; for example last year the Woodstove Change-Out Program was budgeted for $132,000 but we received nothing.

**YRCAA Budget Process**: *9:09*

Mr. Hurley next reviewed the slides and explained the budget process. In February of the current fiscal year YRCAA puts together an actual tabulation of what has been spent and received during the first three quarters of the year. We then forecast what we may receive in revenues and what we may spend for the next three months.

The Clean Air Act requires an agency to have a budget passed by the fourth Monday in June. In April, YRCAA posts the proposed budget for viewing and has announcements published in local newspapers. During the month of May public notices are placed in area newspapers asking for public comment on the proposed fiscal year budget. The proposed budget is then scheduled for a study session before the May Board meeting. If comments were received they will be reviewed at the study session before the

*AGENDA ITEM NO. 6.1*

June meeting.  The budget hearing is to be held during the June Board Meeting after the public comment period ends May 31.

The public hearing will take place during the board meeting and public testimony will be received. The public hearing will then be closed and a vote will take place on the proposed fiscal year budget during the regular board meeting.

**Budget Strategies for FY2019:** *12:45*

- Maintain Operational Reserves at current 25% of current year Base Operations cost (currently $208,769)
- Maintain Capital Reserves at 10% of total Capital Replacement costs (currently $14,015)
- Identify opportunities to reduce program costs to accommodate declining Grant Revenues
- Identify fees needing adjustment to ensure cost recovery

Mr. Childress questioned if the fund amounts are the target or actual amount for the reserves.  Mr. Hurley stated that the numbers listed are the actual amount and we are right where we need to be.

**Reconcile FY 2018 budget:** *13:34*

Identify revenues and expenses from July 2017 through March 2018 and the estimate revenues and costs from April 2018 through June 2018 based on three or five year averages.  YRCAA will then produce a final FY 2018 budget surplus or deficit and identify any surplus funds available for carryover.  *13:*

**Estimate FY 2019 budget:** *15:36*

Mr. Hurley stated he looks at the last three- to five-year budgets and tries to draft a realistic budget. We review Base Operations, Grant Operations and Enterprise Operations and estimate expenses and revenues available for each operation and determine the adequacy of revenues to fund each area. YRCAA determines any FY 2019 funding requirements.

Mr. Hurley reviewed the remaining slides.

Mr. Jones asked why penalties are always budgeted at $2,500 and that amount being exceeded dramatically each year.  Mr. Hurley responded we don't rely on penalties for any significant income since public perception would be that we are writing penalties in order to make-up funding shortfalls.

Study session was adjourned at 2:01 p.m.

______________________________
Jon DeVaney, Board Chairman

____________________________
Mary Wurtz, Clerk of the Board

**Audio CD of this meeting is available at YRCAA**
*Meeting Summary submitted to Board for approval.*

*AGENDA ITEM NO. 6.1*

**SUMMARYOF THE GOVERNING**
**BOARD OF DIRECTORS**
**REGULAR BOARD MEETING**

**May 10, 2018**

**Location and Time:**
**Yakima City Hall Council Chambers** **2:00 pm**

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## *REGULAR MEETING*

1. **Vice Chair Childress** *called the meeting to order at 2:01 p.m.*

2. **Mary Wurtz, Clerk of the Board**, *conducted roll call. There was a quorum.*

| **PRESENT WERE:** | |
|---|---|
| **BOARD MEMBERS:**<br>Norm Childress, Small City Representative<br>Steven Jones, Ph.D., County Representative<br>Carmen Mendez, Large City Representative<br>Rainie Haas, Alternate, Representative at Large<br><br>**ABSENT:**<br>Jon DeVaney, Representative at Large<br>Ron Anderson, County Commissioners | **LEGAL COUNSEL:**<br>Gary Cuillier<br><br>**STAFF:**<br>Keith Hurley, Executive Director<br>Mary Wurtz, Clerk of the Board |

**3. Additions or Deletions to the Agenda** *32:33*

None

**4. Public Comment** *32:42*

None

**5. Consider approving the Consent Agenda items 5.1 and 5.2** *32:55*

5.1 Approve Board Meeting Minutes – April 2018

5.2 Accept YRCAA April 2018 Monthly Activity Report

**Mr. Jones** moved to accept the Board Meeting Minutes. **Mr. Childress** seconded. Motion approved with no dissension.

**6. Regular Agenda** *33:30*

The American Lung Association State of the Air Report was discussed by Mr. Hurley. The City of Yakima is ranked as the 17$^{th}$ most polluted city, in the nation, for short term particle pollution

*AGENDA ITEM NO. 6.1*

for 2018. This is a slight improvement from our ranking as 16th in the 2017 report and the second consecutive year Yakima has shown improvement. Yakima is also mentioned as being one of 20 cities that has shown improvement over the 2017 report. Applicable pages are attached.

**Ms. Mendez** inquired what caused the decrease in elevated spikes. Mr. Hurley replied there are a number of factors, the atmospherics in the valley, warmer winters so people are not burning as much and better compliance through out-reach to the community

Department of Ecology Data Quality Assessment Report is attached.

Woodstove Change-Out Program is continuing to add low-income families to our waiting list and have 65 customers. Currently we are waiting for funding from the State and anticipate woodstove change-out monies to be issued in June. YRCAA has added Catholic Charities of Central Washington as a qualifier for the program. YRCAA participated in the 2018 Arbor Fest at the Yakima Arboretum. Arboretum staff anticipated 700 families to participate in the event.

**7. Action Items** *46:52*

7.1 Fiscal Vouchers and Payroll Authorization Transfers for April 2018

**Mr. Jones** moved to accept the Fiscal Vouchers and Payroll Authorizations.
**Ms. Mendez** seconded. Motion approved with no dissension.

**8. Other Business** *1:10:05*

Mr. Hurley announced he will be on leave May 24, 25 and 29th.

Mr. Childress suggested YRCAA add page numbers to the Board packet. Mr. Hurley agreed.

**9. Adjournment** *46:51*

**Mr. Jones** moved to adjourn the meeting **Ms. Mendez** seconded**.**
Motion approved with no dissension

**Meeting was adjourned at 2:17 p.m.**

______________________________
Jon DeVaney, Board Chairman

_____________________________
Mary Wurtz, Clerk of the Board

A**udio CD of this meeting is available at YRCAA**
*Meeting Summary submitted to Board for approval*

*AGENDA ITEM NO. 6.1*

**Date of Release:** June 7, 2018
**Date of Consideration:** June 14, 2018
**To:** Board of Directors
**From:** Office of the Executive Director
**Subject:** Monthly Activity Report

| Activity | FY17 | Mar.18 | Apr.18 | May. 18 | FY17 thru May | FY18 thru May |
|---|---|---|---|---|---|---|
| Minor Source Inspections | 155 | 6 | 0 | 4 | 140 | 69 |
| Complaints Received | 250 | 11 | 14 | 13 | 222 | 159 |
| NOVs Issued | 100 | 7 | 16 | 7 | 96 | 69 |
| AODs Issued | 16 | 1 | 0 | 0 | 16 | 3 |
| Warning Notices Issued | 16 | 0 | 0 | 0 | 16 | 2 |
| NOPs Issued | 57 | 3 | 2 | 5 | 54 | 29 |
| SEPA Reviews | 198 | 22 | 17 | 29 | 181 | 237 |
| AOP Applications Received | 1 | 0 | 0 | 0 | 1 | 0 |
| AOPs Issued or Renewed | 4 | 0 | 0 | 0 | 4 | 0 |
| Deviations/Upsets Reported | 12 | 1 | 1 | 0 | 11 | 10 |
| AOP Inspections | 5 | 0 | 2 | 0 | 5 | 4 |
| Public Workshops | 0 | 0 | 0 | 0 | 0 | 1 |
| Media Events | 0 | 0 | 0 | 0 | 0 | 0 |
| Media Contacts | 11 | 1 | 2 | 1 | 10 | 18 |
| Education Outreach Events | 8 | 0 | 1 | 0 | 5 | 9 |
| Sources Registered | 365 | 12 | 0 | 7 | 364 | 335 |
| NSR Applications Received | 24 | 0 | 1 | 5 | 22 | 18 |
| NSR Approvals Issued-Temporary | 0 | 0 | 0 | 0 | 0 | 0 |
| NSR Approvals Issued-Permanent | 24 | 1 | 0 | 4 | 23 | 12 |
| NODRs Received | 221 | 17 | 20 | 32 | 200 | 212 |
| Agricultural Burn Permits Issued | 184 | 37 | 15 | 12 | 182 | 169 |
| Conditional Use Permits Issued | 5 | 6 | 1 | 1 | 4 | 8 |
| Residential Burn Permits Issued | 1264 | 350 | | 50 | 1162 | 460 |
| Burn Ban Days | 63 | 0 | 0 | 0 | 63 | 66 |
| Public Records Requests Fulfilled | 51 | 1 | 6 | 2 | 47 | 25 |

**Acronyms:**
**AOP** - Air Operating Permit; **NODR** - Notification of Demolition and Renovation; **NOP** - Notice of Penalty;
**NOV** - Notice of Violation; **NSR** - New Source Review; **SEPA** - State Environmental Policy Act

*AGENDA ITEM 6.2*

# REGULAR

# AGENDA

Yakima Regional Clean Air Agency
329 North First Street, Yakima WA 98901
(509) 834-2050 yakimacleanair.org

# Executive Memorandum

**Date of Release:** June **7**, 2018

**Date of Consideration:** June 14, 2018

**To:** The YRCAA Board of Directors

**From:** Office of the Executive Director

**Subject:** Executive Director's Report

Keith M. Hurley

## 1. Compliance & Engineering

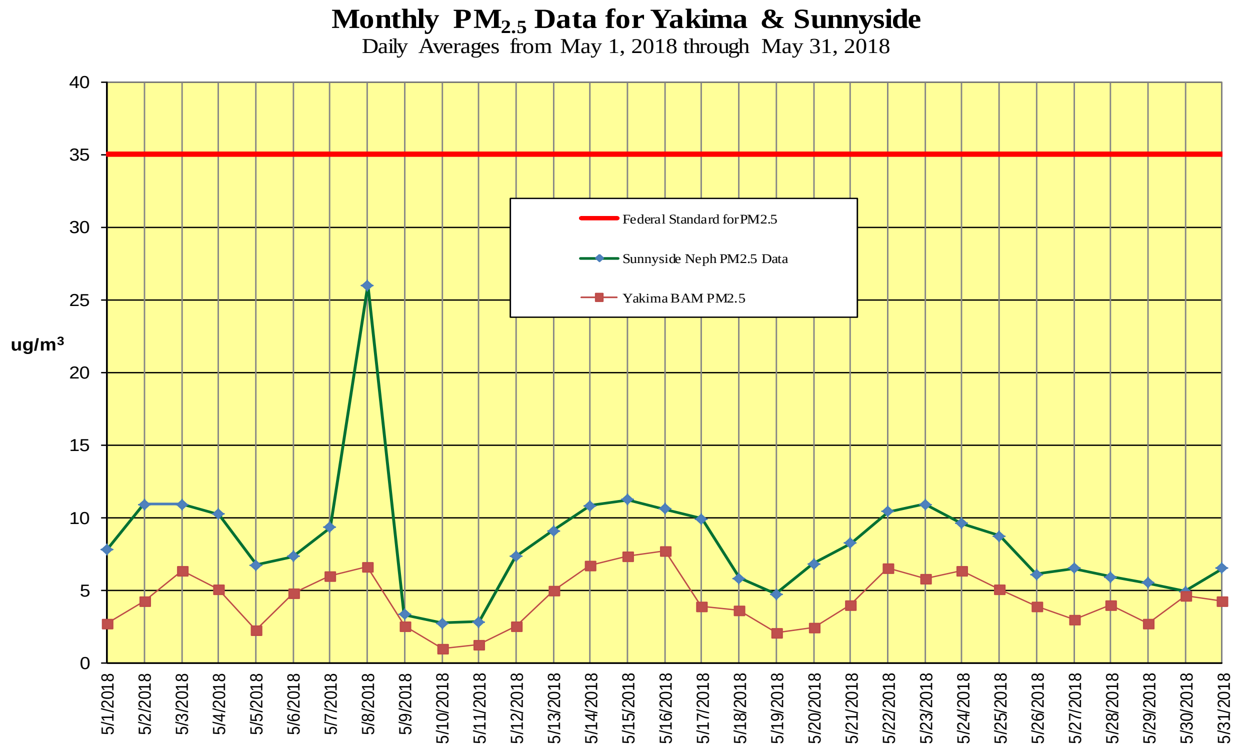
The following table itemizes, by type, the complaints received and the number of NOVs issued for the month of May 2018:

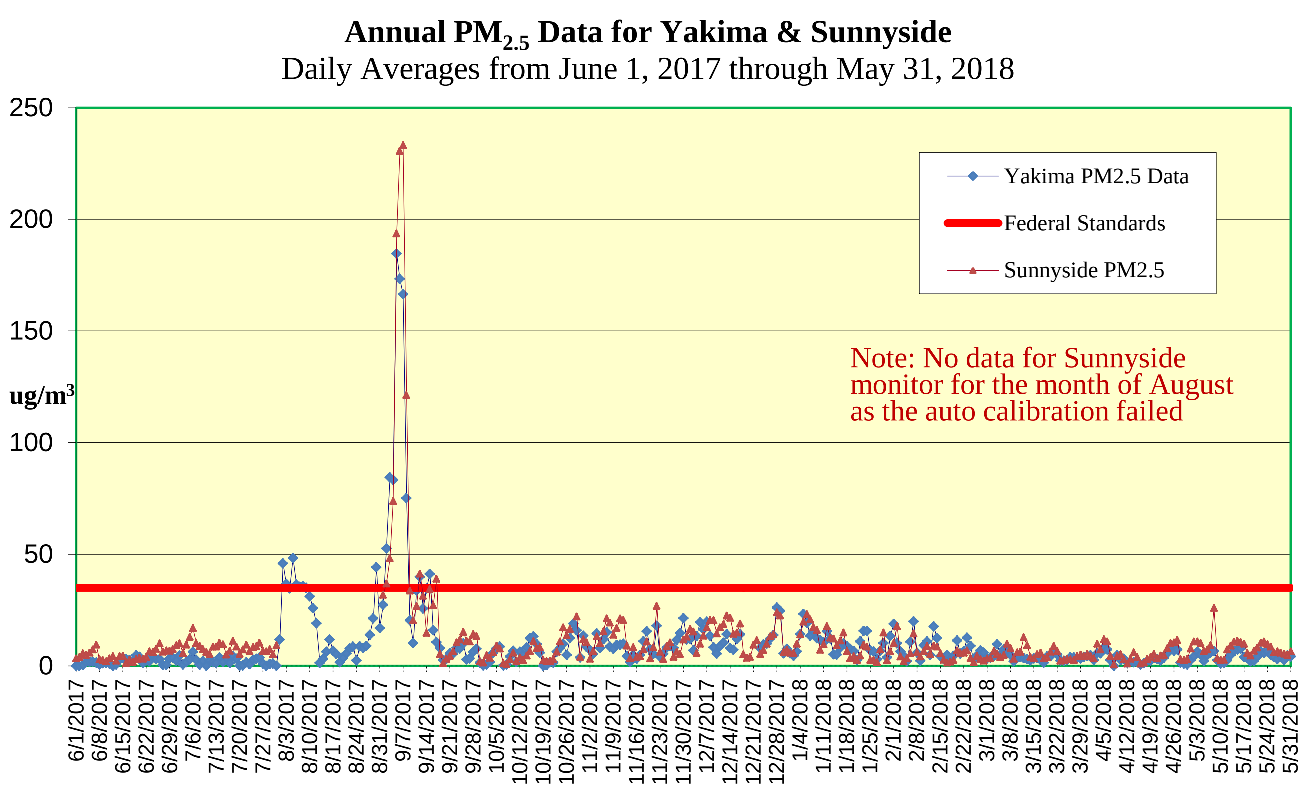
| Type of Complaint | # of Complaints | # of NOVs | # of AODs |
|---|---|---|---|
| Residential Burning | 5 | 2 | 0 |
| Agricultural Burning | 0 | 0 | 0 |
| Other Burning | 0 | 0 | 0 |
| Fugitive Dust | 5 | 0 | 0 |
| Agricultural Dust | 0 | 0 | 0 |
| Agricultural Odor | 0 | 0 | 0 |
| Surface Coating | 0 | 0 | 0 |
| Odor | 0 | 0 | 0 |
| Asbestos | 3 | 3 | 0 |
| Others | 0 | 3 (Registration) | 0 |
| **TOTALS** | **13** | **8** | **0** |



AGENDA ITEM NO. 7.1

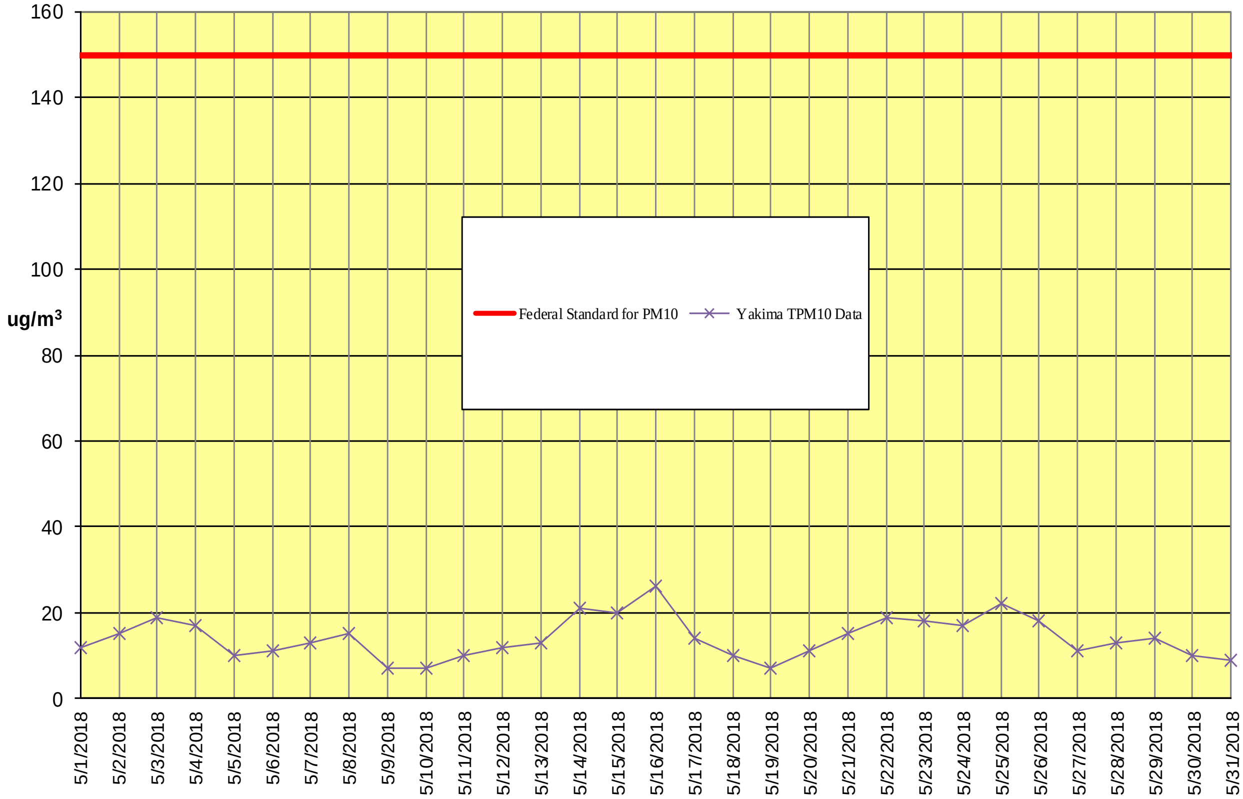
Air Monitoring Data:



# Monthly $PM_{10}$ Data for Yakima

Daily Averages from May 1, 2018 through May 31, 2018




2. **Wood Stove Change-Out**
   - The agency is still waiting on the grant award announcement from DOE for the Woodstove Change-Out Grant and currently has 65 customers on the change-out list.

# ACTION

# ITEMS

*Yakima Regional Clean Air Agency*
*329 North First Street, Yakima WA 98901*
*(509) 834-2050   yakimacleanair.org*

# Executive Memorandum

**Date of Release:** June 7, 2018

**Date of Consideration:** June 14, 2018

**To:** YRCAA Board of Directors

**From:** Office of the Executive Director

**Subject:** Fiscal Program Report

Keith M. Hurley

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**Issue:** Fiscal Reports

**Discussion:** May 2018 Accounts Payable (AP) and Payroll Authorizations are enclosed for your approval. The Budget Verification Analysis (BVA) and Supplemental Income documents are included as informational items.

**Recommendation(s):** Accept and approve by minute action May 2018 AP Fiscal Vouchers, in the amount of $14,873.95, and the May Payroll Authorization in the amount of $59,573.50.

Encl (5)

AGENDA ITEM NO. 8.1

CLEAN AIR

*Yakima Regional Clean Air Agency*
*Phone: (509) 834-2050*

*329 North First Street, Yakima WA 98901*
*www.yakimacleanair.org*

May 16, 2018 **Fund 614-614 YRCAA**

**Fund 614-141 Enterprise**

| Name | Warrant/MICR # | GL # | Amount | Date |
|---|---|---|---|---|
| Abadan Reprographics | 33393 | 4801 | $ 124.20 | 5/17/2018 |
| Alliant Communications | 33394 | 4101 | $ 229.12 | 5/17/2018 |
| Charter Communications | 33395 | 4201 | $ 649.87 | 5/17/2018 |
| Coleman Oil Company | 33396 | 3201 | $ 115.91 | 5/17/2018 |
| Crystal Springs | 33397 | 3101 | $ 19.76 | 5/17/2018 |
| Cuillier Law Office | 33398 | 4101 | $ 1,414.00 | 5/17/2018 |
| Daily Sun News | 33399 | 4901 | $ 70.00 | 5/17/2018 |
| EMSL Analytical, Inc. | 33400 | 4102 | $ 9.45 | 5/17/2018 |
| FedEx | 33401 | 4202 | $ 24.77 | 5/17/2018 |
| Leaf | 33402 | 4501 | $ 186.07 | 5/17/2018 |
| Nth Degree Environmental Engineering | 33403 | 4101 | $ 750.00 | 5/17/2018 |
| Verizon Wireless | 33404 | 4201 | $ 337.76 | 5/17/2018 |
| YRCAA | 33405 | 4901 | $ 601.50 | 5/17/2018 |
| Yakima County Printing Department** | 33406 | 3101 | $ 68.17 | 5/17/2018 |
| Yakima Valley Conference of Governments | 33407 | 4901 | $ 500.00 | 5/17/2018 |
| | | | **$ 5,100.58** | |

***Reimbursement from Grant**

****NOC/Enterprise**

This is to certify that the invoices and warrants above for the Yakima Regional Clean Air Agency have been examined, audited and approved by the Alternate Auditing Officer for payment.

Total Amount: **$ 5,100.58**

Christa Owen 5/17/2018
Christa Owen, Alternate Auditing Officer

6/14/2018 Keith M. Hurley 5/17/2018
Jon DeVaney, Board Chairman — Keith M. Hurley, Auditing Officer

CLEAN AIR
*Yakima Regional Clean Air Agency*
*Phone: (509) 834-2050*
*329 North First Street, Yakima WA 98901*
*www.yakimacleanair.org*

May 30, 2018 **Fund 614-614 YRCAA**

**Fund 614-141 Enterprise**

| Name | Warrant/MICR # | GL # | Amount | Date |
|---|---|---|---|---|
| Air & Waste Management Association | 33408 | 4901 | $ 195.00 | 5/31/2018 |
| Bradley A. Mellotte | 33409 | 4501 | $ 3,801.40 | 5/31/2018 |
| Crystal Springs | 33410 | 3101 | $ 44.66 | 5/31/2018 |
| Dustin Harrington | 33411 | 4301 | $ 207.00 | 5/31/2018 |
| Jodell Gonzalez | 33412 | 4301 | $ 207.00 | 5/31/2018 |
| KeyBank** | 33413 | Various | $ 701.21 | 5/31/2018 |
| Menke Jackson Law Firm | 33414 | 4101 | $ 2,870.17 | 5/31/2018 |
| Nth Degree Environmental Engineering Solutions | 33415 | 4101 | $ 1,200.00 | 5/31/2018 |
| Wade Porter | 33416 | 4301 | $ 207.00 | 5/31/2018 |
| Kelsey Sanford | 33417 | 4301 | $ 207.00 | 5/31/2018 |
| Yakima Herald Republic | 33418 | 4401 | $ 132.93 | 5/31/2018 |

**$ 9,773.37**

***Reimbursement from Grant**

****NOC/Enterprise**

This is to certify that the invoices and warrants above for the Yakima Regional Clean Air Agency have been examined, audited and approved by the Alternate Auditing Officer for payment.

Total Amount: **$ 9,773.37**

Christa Owen 5/31/2018
Christa Owen, Alternate Auditing Officer

6/14/2018 Keith M. Hurley 5/31/2018
Jon DeVaney, Board Chairman Keith M. Hurley, Auditing Officer

**AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER**

**Direct Deposit Payroll & Payroll Taxes**

**Date:** 5/30/2018

**District:** Yakima Regional Clean Air Agency

**Contact Person:** Christa Owen

**Address:** 329 North First Street, Yakima, WA 98901

**Telephone No.** **834-2050 ext 104** **Telefax No. 834-2060**

Authorization is given for the Yakima County Treasurer to electronically transfer the amounts listed below:

**Name of Bank:** Key Bank of Washington

**ABA Routing Number:** [redacted]

**Bank Account Number:** [redacted]

**Payroll Date:** **June 1, 2018**

**Transfer Amount(s):** **$ 59,573.50**

**Total Amount of Electronic Truansfer:** **$ 59,573.50**

**Authorizing Signatures (*No facsimile signatures accepted.*):**

Keith M. Harley
Auditing Officer

Chairman Board of Directors

Christa Owen
Alternate Auditing Officer

Date May 30, 2018

Note: The Yakima County Treasurer's Office must receive the completed authorization by 12:00 noon, two (2) business days prior to payroll date. An original must be provided to the County Treasurer's Office if a telefax is sent. *Do not consider a telefax delivered until you have verified with the Treasurer's Office that it has been received.*

Contact Persons at County Treasurer's Office: **Cindy**

Telephone Number: 509-574-2780 Telefax Number: 509-574-2801

(01-2008)

FY 2018 Monthly BVA

| May 2018<br>Report Date: June 14, 2018 | | Budget | Actual Current | Actual Year to Date | Year to Date % of Budget |
|---|---|---|---|---|---|
| **REVENUE** | | | | | |
| **REVENUE 614 YRCAA Base Operations** | | | | | |
| **Stationary Source Permit Fees** | | | | | |
| 614-32190001 | Minor Sources | $ 161,700 | $ 4,077 | $ 165,724 | 102.5% |
| 614-32190008 | Synthetic Minor Sources | $ 21,280 | $ - | $ 18,620 | 87.5% |
| 614-32190006 | Complex Sources | $ 19,554 | $ - | $ 23,130 | 118.3% |
| 614-32290001 | Title V Sources | $ 122,845 | $ - | $ 101,625 | 82.7% |
| 614-32190002 | New Source Review | $ 31,500 | $ 400 | $ 51,669 | 164.0% |
| | ***Subtotal, Stationary Source Permit Fees*** | ***$ 356,879*** | ***$ 4,477*** | ***$ 360,768*** | ***101.1%*** |
| **Burn Permit Fees** | | | | | |
| 614-32290005 | Residential Burn Permits | $ 63,120 | $ 13,776 | $ 53,568 | 84.9% |
| 614-32290007 | Agricultural Burn Permits | $ 28,000 | $ 7,247 | $ 39,448 | 140.9% |
| 614-32290011 | Conditional Use Burn Permits | $ 2,000 | $ 218 | $ 2,326 | 116.3% |
| | ***Subtotal, Burn Permit Fees*** | ***$ 93,120*** | ***$ 21,241*** | ***$ 95,342*** | ***102.4%*** |
| **Compliance Fees** | | | | | |
| 614-32190005 | Asbestos Removal Fees | $ 32,200 | $ 3,727 | $ 27,735 | 86.1% |
| 614-32190009 | Construction Dust Control Fees | $ 8,365 | $ 792 | $ 7,007 | 83.8% |
| | ***Subtotal, Compliance Fees*** | ***$ 40,565*** | ***$ 4,519*** | ***$ 34,742*** | ***85.6%*** |
| | ***Subtotal, All Permit Fee Revenue*** | ***$ 490,564*** | ***$ 30,237*** | ***$ 490,853*** | ***100.1%*** |
| **Base Grants** | | | | | |
| 614-33366001 | EPA, Core Grant | $ 97,172 | $ 26,849 | $ 111,068 | 114.3% |
| 614-33403101 | DOE, Core Grant | $ 77,283 | $ 19,204 | $ 78,301 | 101.3% |
| | ***Subtotal, Base Grants*** | ***$ 174,455*** | ***$ 46,054*** | ***$ 189,369*** | ***108.5%*** |
| **Fines & Penalties** | | | | | |
| 614-35990001 | Civil Penalty | $ 2,500 | $ 2,375 | $ 26,639 | |
| 614-35990001 | Other Fines | $ - | $ - | $ - | |
| | ***Subtotal, Fines & Penalties*** | ***$ 2,500*** | ***$ 2,375*** | ***$ 26,639*** | |
| **Supplemental Income** | | | | | |
| 614-33831001 | Supplemental Income | $ 100,360 | $ - | $ 100,258 | 99.9% |
| | ***Subtotal, Supplemental Income*** | ***$ 100,360*** | ***$ -*** | ***$ 100,258*** | ***99.9%*** |
| **Other Income** | | | | | |
| 614-36111001 | Interest | $ 2,024 | $ 509 | $ 4,665 | 230.5% |
| 614-36990014 | Miscellaneous Income | $ 150 | $ - | $ 1,143 | 762.0% |
| | ***Subtotal, Other Income*** | ***$ 2,174*** | ***$ 509*** | ***$ 5,808*** | ***267.2%*** |
| | ***Total YRCAA Base Operations Revenue*** | ***$ 770,053*** | ***$ 79,175*** | ***$ 812,926*** | ***105.6%*** |
| **REVENUE 614 YRCAA Grant Operations** | | | | | |
| 614-33403105 | Wood Stove Ed | $ 5,331 | $ - | $ 5,331 | 100.0% |
| 614-33403108 | PM 2.5 | $ 21,050 | $ 5,263 | $ 21,050 | 100.0% |
| 614-33403107 | Woodstove Change-out | $ 132,000 | $ - | $ 42,164 | 31.9% |
| | ***Total YRCAA Grant Operations Revenue*** | ***$ 158,381*** | ***$ 5,263*** | ***$ 68,545*** | ***43.3%*** |
| **REVENUE Enterprise Operations** | | | | | |
| 614-34317001 | VE Certification Fees | $ 79,800 | $ 17,050 | $ 79,175 | 99.2% |
| 614-34317002 | Other Enterprise Revenue | $ 415 | $ - | $ 75 | 18.1% |
| | ***Subtotal , Enterprise Revenue*** | ***$ 80,215*** | ***$ 17,050*** | ***$ 79,250*** | ***98.8%*** |
| | ***Total Base, Grant and Enterprise Revenue*** | ***$ 1,008,649*** | ***$ 101,487*** | ***$ 960,721*** | ***95.2%*** |

FY 2018 Monthly BVA

| May 2018<br>Report Date: June 14, 2018 | | Budget | Actual Current | Actual Year to Date | Year to Date % of Budget |
|---|---|---|---|---|---|
| **EXPENSES** | | | | | |
| **EXPENSES 614 YRCAA Base Operations** | | | | | |
| **Salaries** | | | | | |
| 614-1001 | Salaries | $ 495,855 | $ 41,517 | $ 453,518 | 91.5% |
| 614-2002 | Benefits | $ 179,781 | $ 14,587 | $ 159,344 | 88.6% |
| 614-1003 | Overtime | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Salaries*** | ***$ 675,636*** | ***$ 56,103*** | ***$ 612,863*** | ***90.7%*** |
| **Supplies** | | | | | |
| 614-3101 | Office Supplies | $ 7,180 | $ 129 | $ 3,892 | 54.2% |
| 614-3101 | Safety Equipment | $ - | $ - | $ - | #DIV/0! |
| 614-3201 | Vehicles, Gas | $ 2,780 | $ 149 | $ 1,535 | 55.2% |
| 614-3501 | Small Tools/Equipment | $ 300 | $ - | $ - | 0.0% |
| 614-3502 | Computer Network | $ 8,900 | $ 70 | $ 9,753 | 109.6% |
| | ***Subtotal, Supplies*** | ***$ 19,160*** | ***$ 348*** | ***$ 15,180*** | ***79.2%*** |
| **Services** | | | | | |
| 614-4101 | Professional Services | $ 20,365 | $ 6,463 | $ 36,465 | 179.1% |
| 614-4101 | Laboratory Analyses | $ 200 | $ 9 | $ 20 | 10.2% |
| 614-4125 | Treasurer, Yakima County | $ 1,375 | $ 85 | $ 685 | 49.8% |
| 614-4201 | Communications, Phones/Internet | $ 13,152 | $ 988 | $ 11,252 | 85.6% |
| 614-4202 | Postage | $ 3,690 | $ 25 | $ 1,841 | 49.9% |
| 614-4301 | Travel & Transportation | $ 2,950 | $ 828 | $ 3,665 | 124.2% |
| 614-4401 | Public Education | $ 4,000 | $ - | $ 1,857 | 46.4% |
| 614-4401 | Publications, Legal Notices | $ 1,000 | $ 133 | $ 2,978 | 297.8% |
| 614-4501 | Rents & Leases, Equipment | $ 3,260 | $ 186 | $ 2,839 | 87.1% |
| 614-4501 | Rents & Leases, Space | $ 43,659 | $ 3,801 | $ 44,016 | 100.8% |
| 614-4601 | Insurance | $ 12,662 | $ - | $ 12,791 | 101.0% |
| 614-4801 | Maintenance, Motor Vehicles | $ 2,450 | $ - | $ 2,183 | 89.1% |
| 614-4801 | Maintenance, Equipment | $ 2,065 | $ 124 | $ 1,681 | 81.4% |
| 614-4801 | Maintenance, Computers | $ 265 | $ - | $ - | 0.0% |
| 614-4801 | Maintenance, Building | $ 875 | $ - | $ 1,686 | 192.7% |
| 614-4901 | Memberships | $ 540 | $ 695 | $ 855 | 158.3% |
| 614-4901 | Training | $ 2,900 | $ - | $ 2,294 | 79.1% |
| 614-4901 | Service Chgs & Interest | $ 4,600 | $ 602 | $ 5,720 | 124.3% |
| 614-4901 | Miscellaneous Services | $ 7,205 | $ 70 | $ 570 | 7.9% |
| 614-4901 | DOE Oversite Fees | $ 4,787 | $ - | $ 3,840 | 80.2% |
| | ***Subtotal, Services*** | ***$ 132,000*** | ***$ 14,009*** | ***$ 137,239*** | ***104.0%*** |
| **Capital Out-Lay & Fixed Assets** | | | | | |
| 614-6401 | Capital Out-Lay/Fixed Assets | $ 6,500 | $ - | $ 25,416 | 391.0% |
| | ***Total YRCAA Base Operations Expenses*** | ***$ 833,296*** | ***$ 70,460*** | ***$ 790,696*** | ***94.9%*** |
| **EXPENSES 614 YRCAA Grant Operations** | | | | | |
| **614-33403105 Wood Stove Ed** | | | | | |
| **Salaries** | | | | | |
| 614-1001 | Salaries | $ 3,956 | $ 538 | $ 1,802 | 45.5% |
| 614-2002 | Benefits | $ 1,462 | $ 189 | $ 633 | 43.3% |
| 614-1003 | Overtime | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Salaries*** | ***$ 5,418*** | ***$ 727*** | ***$ 2,435*** | ***44.9%*** |
| **Supplies** | | | | | |
| 614-3101 | Office Supplies | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Supplies*** | ***$ -*** | ***$ -*** | ***$ -*** | ***#DIV/0!*** |

FY 2018 Monthly BVA

| May 2018<br>Report Date: June 14, 2018 | | Budget | Actual Current | Actual Year to Date | Year to Date % of Budget |
|---|---|---|---|---|---|
| **Services** | | | | | |
| 614-4139 | Professional Services | $ - | $ - | $ 120 | #DIV/0! |
| 614-4202 | Postage | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Services*** | ***$ -*** | ***$ -*** | ***$ 120*** | ***#DIV/0!*** |
| | ***Subtotal, Woodstove Grant Expenses*** | ***$ 5,418*** | ***$ 727*** | ***$ 2,555*** | ***47.2%*** |
| **614-33403108 PM2.5** | | | | | |
| **Salaries** | | | | | |
| 614-1001 | Salaries | $ 15,367 | $ 2,154 | $ 13,868 | 90.2% |
| 614-2002 | Benefits | $ 5,683 | $ (445) | $ 3,671 | 64.6% |
| 614-1003 | Overtime | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Salaries*** | ***$ 21,050*** | ***$ 1,710*** | ***$ 17,539*** | ***83.3%*** |
| **Supplies** | | | | | |
| 614-3101 | Office Supplies | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Supplies*** | ***$ -*** | ***$ -*** | ***$ -*** | ***#DIV/0!*** |
| **Services** | | | | | |
| 614-4101 | Professional Services | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Services*** | ***$ -*** | ***$ -*** | ***$ -*** | ***#DIV/0!*** |
| **Capital Out-Lay & Fixed Assets** | | | | | |
| 614-6401 | Capital Out-Lay/Fixed Assets | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, PM 2.5 Grant Expenses*** | ***$ 21,050*** | ***$ 1,710*** | ***$ 17,539*** | ***83.3%*** |
| **614-33403107 Woodstove Change-out** | | | | | |
| **Salaries** | | | | | |
| 614-1001 | Salaries | $ 12,715 | $ - | $ 936 | 7.4% |
| 614-2002 | Benefits | $ 5,555 | $ - | $ 329 | 5.9% |
| 614-1003 | Overtime | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Salaries*** | ***$ 18,270*** | ***$ -*** | ***$ 1,265*** | ***6.9%*** |
| **Supplies** | | | | | |
| 614-3101 | Office Supplies | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Supplies*** | ***$ -*** | ***$ -*** | ***$ -*** | ***#DIV/0!*** |
| **Services** | | | | | |
| 614-4101 | Professional Services | $ 120,400 | $ - | $ 4,620 | 3.8% |
| | ***Subtotal, Services*** | ***$ 120,400*** | ***$ -*** | ***$ 4,620*** | ***3.8%*** |
| **Capital Out-Lay & Fixed Assets** | | | | | |
| 614-6401 | Capital Out-Lay/Fixed Assets | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Woodstove Change-out Grant Expenses*** | ***$ 138,670*** | ***$ -*** | ***$ 5,885*** | ***4.2%*** |
| | ***Total, Grant Operations Expenses*** | ***$ 165,138*** | ***$ 2,437*** | ***$ 25,978*** | ***15.7%*** |
| **EXPENSES 141 Enterprise Operations** | | | | | |
| **Salaries** | | | | | |
| 141-1001 | Salaries | $ 12,776 | $ 765 | $ 16,413 | 128.5% |
| 141-2002 | Benefits | $ 4,722 | $ 269 | $ 5,767 | 122.1% |
| 141-1003 | Overtime | $ - | $ - | $ - | #DIV/0! |
| | ***Subtotal, Salaries*** | ***$ 17,498*** | ***$ 1,033*** | ***$ 22,180*** | ***126.8%*** |

**FY 2018 Monthly BVA**

| **May 2018**<br>**Report Date:** June 14, 2018 | | **Budget** | | **Actual Current** | | **Actual Year to Date** | **Year to Date % of Budget** |
|---|---|---|---|---|---|---|---|
| **Supplies** | | | | | | | |
| 141-3101 Office Supplies | $ | 400 | $ | 55 | $ | 1,073 | 268.2% |
| 141-3201 Vehicles, Gas | $ | 1,700 | $ | - | $ | 1,065 | 62.7% |
| 141-3501 Small Tools/Equipment | $ | 200 | $ | - | $ | - | 0.0% |
| ***Subtotal , Supplies*** | ***$*** | ***2,300*** | ***$*** | ***55*** | ***$*** | ***2,138*** | ***93.0%*** |
| **Services** | | | | | | | |
| 141-4101 Professional Services | $ | - | $ | - | $ | - | #DIV/0! |
| 141-4202 Postage | $ | - | $ | 32 | $ | 32 | #DIV/0! |
| 141-4301 Travel & Transportation | $ | 6,550 | $ | 241 | $ | 8,035 | 122.7% |
| 141-4501 Rents & Leases, Space | $ | 4,100 | $ | - | $ | 2,584 | 63.0% |
| 141-4801 Maintenance, Motor Vehicles | $ | 200 | $ | - | $ | 52 | 26.0% |
| 141-4801 Maintenance, Equipment | $ | 500 | $ | 273 | $ | 750 | 150.1% |
| 141-4901 Miscellaneous Services | $ | - | $ | - | $ | - | #DIV/0! |
| ***Subtotal, Services*** | ***$*** | ***11,350*** | ***$*** | ***547*** | ***$*** | ***11,454*** | ***100.9%*** |
| **Capital Out-Lay & Fixed Assets** | | | | | | | |
| 141-4500 Capital Out-Lay/Fixed Assets | $ | - | $ | - | $ | - | #DIV/0! |
| ***Total Enterprise Operations Expenses*** | ***$*** | ***31,148*** | ***$*** | ***1,635*** | ***$*** | ***35,772*** | ***114.8%*** |
| ***Summary of Revenue vs Expenses:*** | | | | | | | |
| ***Prior-Year Carry Over Funds*** | ***$*** | ***125,000*** | ***$*** | ***-*** | ***$*** | ***125,000*** | |
| ***Total Revenue, Base, Grants & Enterprise*** | ***$*** | ***1,133,649*** | ***$*** | ***101,487*** | ***$*** | ***1,085,721*** | ***95.8%*** |
| ***Total Expenses, Base, Grants & Enterprise*** | ***$*** | ***1,029,582*** | ***$*** | ***74,532*** | ***$*** | ***852,446*** | ***82.8%*** |
| ***Fund Balance*** | ***$*** | ***104,067*** | ***$*** | ***26,955*** | ***$*** | ***233,274*** | |
| ***Operating Reserves*** | **$** | **(20,933)** | | | | | |
| ***Estimated Available Fund Balance*** | **$** | **125,000** | | | | | |

**YAKIMA REGIONAL CLEAN AIR AGENCY**
**SUPPLEMENTAL INCOME STATUS for CY 2018 on May 31, 2018**
**CY 2018 $.40 PER CAPITA (Rounded Amounts)**

| City/Town | Past Due | Assessment Amount | Total Amt Due | Date Received | Amount Received | Balance Due | Responses |
|---|---|---|---|---|---|---|---|
| **Grandview** | $ - | $ 4,464 | $ 4,464 | 1/11/2018 | $ 4,464 | $ - | Paid in full |
| **Granger** | $ - | $ 1,552 | $ 1,552 | 1/26/2018; 4/16/2018 | $ 776 | $ 776 | Pd 1/2 |
| **Harrah** | $ - | $ 260 | $ 260 | 1/30/2018 | $ 260 | $ - | Paid in full |
| **Mabton** | $ - | $ 926 | $ 926 | 1/12/2018 | $ 926 | $ - | Paid in full |
| **Moxee** | $ - | $ 1,582 | $ 1,582 | 1/16/2018 | $ 1,582 | $ - | Paid in full |
| **Naches** | $ - | $ 338 | $ 338 | 1/11/2018 | $ 338 | $ - | Paid in full |
| **Selah** | $ - | $ 3,012 | $ 3,012 | 1/12/2018 | $ 3,012 | $ - | Paid in full |
| **Sunnyside** | $ - | $ 6,616 | $ 6,616 | 1/19/2018; 4/13/2018 | $ 3,308 | $ 3,308 | Pd 1/2 |
| **Tieton** | $ - | $ 514 | $ 514 | 1/25/2018 | $ 514 | $ - | Paid in full |
| **Toppenish** | $ - | $ 3,620 | $ 3,620 | 1/25/2018 | $ 3,620 | $ - | Paid in full |
| **Union Gap** | $ - | $ 2,480 | $ 2,480 | 1/25/2018 | $ 2,480 | $ - | Paid in full |
| **Wapato** | $ - | $ 2,016 | $ 2,016 | 1/22/2018 | $ 2,016 | $ - | Paid in full |
| **City of Yakima** | $ - | $ 37,364 | $ 37,364 | 1/19/2018; 4/16/2018 | $ 18,682 | $ 18,682 | Pd 1/2 |
| **Zillah** | $ - | $ 1,258 | $ 1,258 | 1/22/2018 | $ 1,258 | $ - | Paid in full |
| **Yakima Co.** | $ - | $ 34,358 | $ 34,358 | 1/1/2018; 4/1/2018 | $ 17,197 | $ 17,161 | Pd 1/2 |
| **Totals:** | **$ -** | **$ 100,360** | **$ 100,360** | | **$ 60,433** | **$ 39,927** | |

*Yakima Regional Clean Air Agency*
*329 North First Street, Yakima WA 98901*
*(509) 834-2050 yakimacleanair.org*

# Executive Memorandum

**Date of Release:** June 7, 2018

**Date of Consideration:** June 14, 2018

**To:** The YRCAA Board of Directors

**From:** Office of the Executive Director

**Subject:** Proposed FY 2019 Budget Keith M. Hurley

Your Executive Director respectfully submits, and recommends adoption of, the proposed FY2019 Budget in the amount of **$1,141,715**. The proposed budget reflects the agency's ongoing efforts in meeting the challenges facing the agency amid today's reality of reduced federal and state funding.

Summary

The proposed budget includes allocations of:

- $730,567 for staff salaries and benefits;
- $15,150 for supplies; and
- $276,832 for services;

Budget Factors

Salient factors in the FY 2018 Budget include:

- A 1% decrease ($7,303) in salaries and benefits from the FY2018 budget;
- A 29.4% decrease ($6,310) in total supplies from the FY2018 budget;
- A 5% increase ($13,082) in total services over the FY2018 budget;
- A 0.004 % increase ($429) in the Supplemental Income per capita rate; and
- No increase in permit fees.

Budget Strategies

The Proposed Budget was prepared using the following budget strategies:

- Maintain Operating Reserves equal to 25% of current Base Operations costs and Capital Reserves equal to 10% of capital asset replacement costs;
- Support program costs from dedicated revenues;
- Identify opportunities to reduce program costs to accommodate declining grant revenues
- Identify fees needing adjustment to ensure cost recovery


AGENDA ITEM NO. 8.2

# RESOLUTION NO. 2018-04
# BEFORE THE GOVERNING BOARD OF THE
# YAKIMA REGIONAL CLEAN AIR AGENCY (YRCAA)

Approving FY 2019 Employee Salaries and.............)
Employer Contributions to Employee Health Insurance)

WHEREAS, RCW 70.94.130 authorizes the Governing Board of Directors (Board) to approve employee salaries; and

WHEREAS, the Board desires to approve salaries and the discretionary benefit of health insurance for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby adopts the employee salaries as published in the FY 2019 Budget Appendix A, "FY 2019 YRCAA Employee Salary Costs," and

BE IT FURTHER RESOLVED, that the Board hereby adopts the employer contributions to employee health insurance as published in Appendix B, "FY 2019 Employer Monthly Contribution to Health Insurance," and

BE IT FURTHER RESOLVED that the Executive Director and Fiscal Programs Manager shall implement the payment of employee salaries and contributions to employee health insurance for FY 2019.

On motion of ____________________, seconded by ____________________, the foregoing resolution is hereby PASSED AND ADOPTED by the Yakima Regional Clean Air Agency Board of Directors on this 14th day of June, 2018.

| | |
|---|---|
| ______________________________ | ______________________________ |
| Jon DeVaney, Chair | Ron Anderson, Director |
| ______________________________ | ______________________________ |
| Steven Jones, Director | Carmen Mendez, Director |
| ______________________________ | ______________________________ |
| Norm Childress, Director | Mary Wurtz, Clerk of the Board |

# RESOLUTION NO. 2018-05
# BEFORE THE GOVERNING BOARD OF THE
# YAKIMA REGIONAL CLEAN AIR AGENCY (YRCAA)

Approving Calendar Year 2019 Proportional Shares of Supplemental Income Assessment......)

WHEREAS, Sections 70.94.092 and 70.94.093(1)(c) and (2)(c) RCW provide for an activated local authority to adopt, as supplemental income, assessments to each component city, town, and county; and

WHEREAS, the YRCAA Governing Board of Directors (Board) finds that certain program costs are not otherwise funded as described in Section 70.94.092 RCW; and

WHEREAS, the Board accepts the 2010 Census, updated and estimated April 1, 2017, for purposes of assessing proportional shares of supplemental income to the component cities, towns, and county;

NOW THEREFORE, BE IT RESOLVED, the Board hereby approves and adopts the assessment of $.40 per capita to each component city, town and county, as expressed in Appendix E, "YRCAA 2019 Supplemental Income Assessments" for Calendar Year 2019; and

BE IT FURTHER RESOLVED, the Executive Director is instructed to certify to each city, town and county, per RCW 70.94.093(3), that their proportional share of supplemental income shall be as expressed in the FY 2019 Budget, Appendix E, "YRCAA 2019 Supplemental Income Assessments," for the calendar year 2019.

On motion of ___________________, seconded by ___________________, the foregoing resolution is hereby PASSED AND ADOPTED by the Yakima Regional Clean Air Agency Board of Directors on this 14th day of June, 2018.

| | |
|---|---|
| ______________________ Jon DeVaney, Chair | ______________________ Ron Anderson, Director |
| ______________________ Steven Jones, Director | ______________________ Carmen Mendez, Director |
| ______________________ Norm Childress, Director | ______________________ Mary Wurtz, Clerk of the Board |

# RESOLUTION NO.: 2018-06
# BEFORE THE GOVERNING BOARD OF THE
# YAKIMA REGIONAL CLEAN AIR AGENCY (YRCAA)

Adopting the Agency Fiscal Year (FY) 2019 Budget........................)

WHEREAS, the YRCAA Governing Board of Directors (Board) held a public meeting on May 10th, 2018 for the purpose of reviewing the Draft FY 2019 Budget and has provided the public with the 30-day opportunity to comment from May 1st, 2018 through May 31st, 2018; and

WHEREAS, the Board held a Public Hearing on this, the 14th day of June, 2018 to consider adopting the Proposed FY 2019 Budget;

NOW THERFORE BE IT RESOLVED, the Board has reviewed and hereby adopts the Proposed FY 2019 Budget in the amount of $1,141,715; and

BE IT FURTHER RESOLVED, the YRCAA Executive Director shall implement said budget according to the FY 2019 Budget Work Plan and Appendix D, "FY 2019 YRCAA Resource Allocation Summary."

On motion of __________________, seconded by __________________, the foregoing resolution is hereby PASSED AND ADOPTED by the Yakima Regional Clean Air Agency Board of Directors on this 14th day of June, 2018.

| | |
|---|---|
| ______________________________ | ______________________________ |
| Jon DeVaney, Chair | Ron Anderson, Director |
| ______________________________ | ______________________________ |
| Steven Jones, Director | Carmen Mendez, Director |
| ______________________________ | ______________________________ |
| Norm Childress, Director | Mary Wurtz, Clerk of the Board |

*Yakima Regional Clean Air Agency*
*329 North First Street, Yakima WA 98901*
*(509) 834-2050 yakimacleanair.org*

# Executive Memorandum

**Date of Release:** June 7, 2018

**Date of Consideration:** June 14, 2018

**To:** YRCAA Board of Directors

**From:** Office of the Executive Director

**Subject:** 186 Iron Horse Court Lease *Keith M. Hurley*

**Issue:** On January 31, 2019 the agency's current lease will expire. Selection of a new location must be made early enough to ensure continuity of service while also providing adequate time to plan and conduct the moving of all physical assets.

**Discussion:** The agency is currently located at 329 N. 1st Street and has approximately 2,540 Square Feet (sf) of office space. Over the course of the past two months I have visited a number of properties in an attempt to identify a slightly larger office space that will:

- Maintain Rent and Common Area Costs (CAMs) at or below current levels
- Increase parking capacity
- Provide adequate vehicle and staff security
- Provide sufficient operational space for all staff

The agency received bids or offers from four different building owners. The attached proposed Commercial Net Lease for 186 Iron Horse Court represents the best offer and contains the following provisions:

- Office space totaling 2,835 sf
- Modern Heating & Cooling System
- Office space for all staff
- Large Conference Room
- Parking space for all staff and the five agency vehicles
- Five shared visitor parking spaces directly in front of the building
- Significant additional parking spaces
- On-Site Security & Alarm system
- On-Site Property Management
- Ten Year Lease with one percent (1%) annual base rent escalation
- Early occupancy with no rent or CAM charges
- Eliminates the cost for separate secure storage for NOC vehicles
- FY 2019 Budget Neutral

**Recommendation(s):** It is recommended that the Board, by voice vote, approve the proposed Commercial Net Lease for 186 Iron Horse Court. Once approved, the Executive Director will Execute the lease by signing it.

*AGENDA ITEM NO. 8.3*

# IRON HORSE REAL ESTATE
## & PROPERTY MANAGEMENT

# IRON HORSE CONDO
YAKIMA WASHINGTON

OFFERING A UNIQUE, UPSCALE ,
CLASS A OFFICE SPACE
IN TERRACE HEIGHTS..

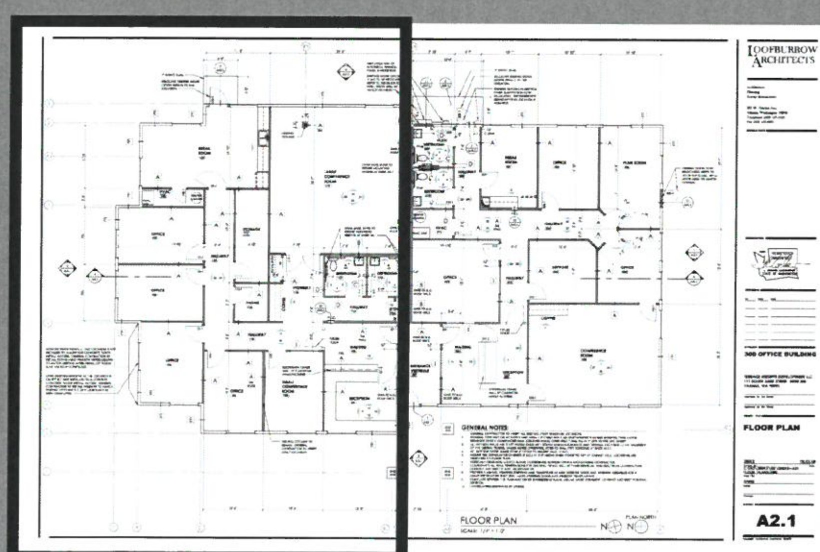
# IRON HORSE BUSINESS CONDO

2835 SF - CLASS A OFFICE
RECEPTION AREA/COPY ROOM
OVERSIZED EXECUTIVE OFFICE
FOUR PRIVATE OFFICES
CONFERENCE ROOM
FILE ROOM
IT ROOM/ WITH A/C
KITCHEN/BREAK ROOM

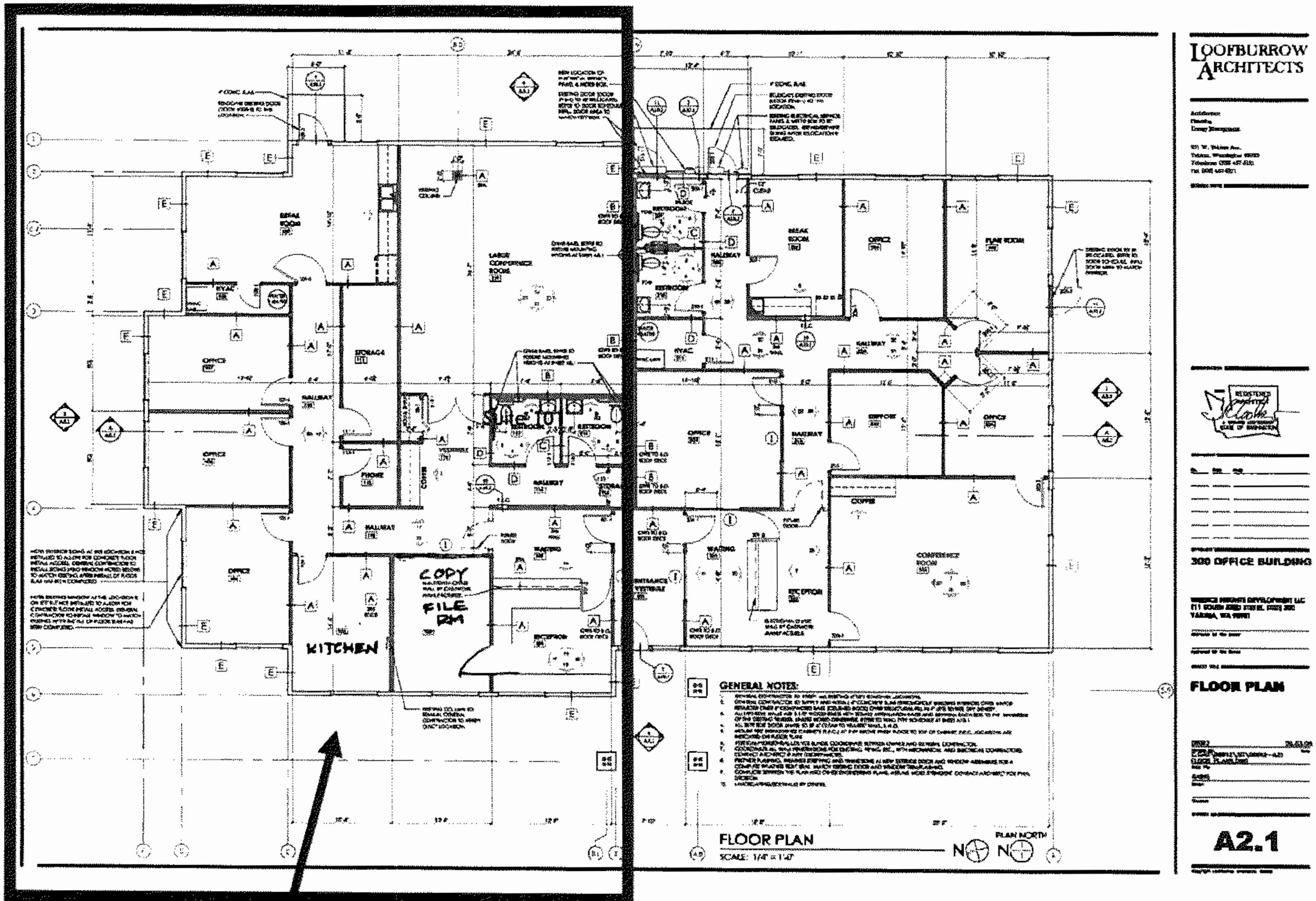
$14.50/SF/YR
$4.35/SF/CAM

**2835 SF - CLASS A OFFICE**
**IRON HORSE BUSINESS PARK**
**ADJACENT TO PNWU MEDICAL SCHOOL**

**Kim Yeager, Real Estate Broker**
509/834-2533
kyeager@ihdllc.com




SUITE 101




Iron Horse Condo
186 Iron Horse Court
Suite 101

**Bid to Provide Service**

**Yakima Regional Clean Air Authority**

| | |
|---|---|
| Commercial Lease Space: | 186 Iron Horse Court – Suite 101 – Yakima,WA 98901 |
| Square Footage: | 2835 SF (Floor Plan Attached) |
| Base Rent: | $14.50/SF/YR |
| Common Area Maint: | $4.35/SF/YR (+/- based on year end reconciliation) |
| Annual Escalation: | 1% |
| Term: | Ten (10) Year Lease Term* |
| Early Occupancy: | October 1, 2018 – Tenant to Pay only Utilities for Early Occupancy Period (Oct/Nov/Dec 2018 & Jan 2019), no Base Rent or CAM |
| Tenant Improvements: | Touch Up Paint/Fill Holes/Cover Outlets, Security Swing Door, New Door to Copy Room & New Signage Requested |
| Utilities: | Tenant Responsibility |
| Parking: | YRCAA – 16 Assigned Parking Stalls on site. |
| Property Management: | On Site Property Management |
| Security: | On Site Security & Alarm System in Commercial Space |

Owner will require a Fully Executed Commercial Lease Agreement prior to occupancy. Ten (10) Year Lease Term will be from date of 2/1/18 – 1/31/28.

Furnishings Available: Conference Room Table/6 Chairs = $750, Computer Desk/Wood - $550, Bookcase - $75, Total: $1375. (Discount if took all three - $1,168.75)

# COMMERCIAL NET LEASE

**DATE:** ____________________, 2018

**PARTIES:** *LANDLORD:*

**TERRACE HEIGHTS DEVELOPMENT, LLC,**
**a Washington limited liability company**
111 University Parkway, Suite 200
Yakima, Washington 98901

*TENANT:*

**YAKIMA REGIONAL CLEAN AIR AGENCY**
**a Washington governmental entity**
186 Iron Horse Court – Suite 101
Yakima, Washington 98901

**LOCATION OF LEASED PREMISES**. The Leased Premises, located at 186 Iron Horse Court, Suite #101, Yakima, Washington, are legally described on Exhibit A attached hereto. The Lease is subject to all easements of record, zoning and building laws; provided, Landlord represents and warrants that the Premises may be used by Tenant for the purposes authorized in this Lease.

**DESCRIPTION OF LEASED PREMISES**. The Leased Premises shall consist of the real property described on Exhibit A, together with all rights and appurtenances thereto.

**AGREEMENT: LANDLORD HEREBY LEASES TO TENANT AND TENANT DOES HEREBY AGREE TO LEASE FROM LANDLORD THE ABOVE-DESCRIBED LEASED PREMISES UPON THE FOLLOWING TERMS AND CONDITIONS:**

1. **TERM**.

1.1 ***Initial Term***. The Initial Lease term shall commence ***February 1st, 2019***, the Date of Commencement described below and shall continue for ***ten (10) years***, expiring on ***January 31st, 2029***, plus the partial months, if any, in which the Lease commences, unless sooner terminated. "Commencement Date" shall mean the date Tenant begins using the Premises for its business operations, whichever occurs first. If Tenant occupies the Premises prior to the Commencement Date, Tenant's occupancy of the Premises shall be subject to all the nonmonetary provisions of this Lease, except utilities. Early occupancy of the Premises shall not advance the expiration date of this Lease.

1.2 ***Option Term.*** Provided Tenant is then in compliance with all terms and conditions of this Lease, Tenant shall have the option to extend the Initial Term of this Lease for one additional ***ten (10)-year*** period on the same terms and conditions as set forth in this Lease, by giving Landlord written notice of Tenant's exercise of this option at least ***one hundred and eighty (180) days*** before the end of the Initial Term. Rent for the first year of the Option Term shall be at Market Rate and then be subject to the annual ***one percent (1%)*** increase set forth in paragraph 2.2 below.

2. **RENT**:

2.1 ***Base Rent***. Tenant shall pay Landlord rent for the term of this Lease based on ***Fourteen Dollars and 50/100 ($14.50) per square foot*** of leasable space annually, payable in advance in equal monthly installments on or before the first of each calendar month during the term of this Lease. Based on the building square footage of *Two Thousand – Eight Hundred and Thirty-Five (2,835) square feet*, the initial monthly rent will be ***Three Thousand – Four Hundred and Twenty-Five Dollars and 63/100 ($3,425.63) per month*** (annual rent of ***Forty-One Thousand –One Hundred and Seven Dollars and 50/100 ($41,107.50)***.

2.2 ***Adjustment to Base Rent***. Commencing on the anniversary of the Commencement Date, and on the same date of each calendar year thereafter, Base Rent for the Premises shall automatically increase at the agreed rate of ***one percent (1.0%) per year***.

**2.3** ***Reserves for Common Area Maintenance Charges:*** The initial Tenant's Reserve for Common Area Charges (Section 3) shall be Four Dollars and 35/100 ($4.35) per month per square foot of Tenant's leasable space of 2,835 square feet, for a total initial monthly amount of ***One Thousand Twenty-Seven Dollars and 69/100 ($1,027.69)*** per month (annual Common Area Maintenance of ***Twelve Thousand, Three Hundred and Thirty-Two Dollars and 25/100 ($12,332.25)***, as per Common Area Maintenance defined in Section 3.

2.4 ***Interest and Late Charges***. All rent and other payments not paid when due shall bear interest from the date due until fully paid at the rate of ***twelve percent (12%) per annum***, but not in any event at a rate greater than the maximum rate of interest permitted by law. In addition, Tenant acknowledges that late payment of any rent or other payment required by this Lease from Tenant to Landlord will result in collection costs to Landlord. Tenant agrees that if it fails to make any rent or other payment required by this Lease to Landlord within ***ten (10) days*** of the date when it is due, Landlord may elect to impose a late charge of ***three (3) percent per month*** of the overdue payment, to reimburse Landlord for the costs of collecting the overdue payment. Tenant shall pay the late charge upon demand by Landlord. Tenant agrees that the late charge is a reasonable estimate of the costs to Landlord of collecting the overdue payment. Landlord may levy and collect the late charge in addition to all other remedies available for Tenant's default, and collection of a late charge shall not waive the breach caused by the late payment.

2.5 ***Place of Payment***. All rent payments required by this Lease shall be made directly to Iron Horse Real Estate & Property Management (Landlords agent) at the address below, by delivering each month payment personally or by mailing the payment to the address set forth in this Lease or to such other address as Landlord may, from time to time, designate in writing.

Iron Horse Real Estate & Property Management
111 University Parkway Suite 200
Yakima,WA 98901

2.6 ***Rent Abatement***. Commencing with the date on which Tenant is deprived of the use of any portion of the Leased Premises or of any rights under this Lease by reason of condemnation or casualty damage, or by reason of any repairs, improvements, or alterations by Landlord under any provision of this Lease, Base Rent and Additional Rent shall be abated or proportionately reduced according to the extent to which Tenant is deprived of such use or rights; provided, however, rent shall not be abated or proportionately reduced from minor losses of use which do not materially affect Tenant's use and enjoyment of the Premises.

2.7 **Initial Deposit.** Tenant has heretofore paid the sum of Eight Thousand, Nine Hundred & Six Dollars & 64/100, ($8,906.64), which shall be carried forward as the first and last month's Base Rent/CAM. Upon termination of this Lease under Section 8 (Reconstruction and Restoration), Section 10 (Condemnation), or any other termination not resulting from Tenant's default, and after Tenant has vacated the Property in the manner required by this Lease, Landlord shall refund or credit to Tenant (or Tenant's successor) any advance rent or other advance payments made by Tenant to Landlord, and any amounts paid for real property taxes and other reserves which apply to any time periods after termination of the Lease.

**3. COMMON AREAS:**

3.1 ***Common Areas Use.*** In addition to the Leased Premises, this Lease shall provide Tenant the use of Sixteen (16) parking stalls (*within the Iron Horse Condo Association (IHCA) Parking Lot, as noted on Exhibit "C" of which the Premises are a part*) and the right to use the common areas as Landlord may designate. "Common areas" may include sidewalks, landscaping, parking facilities and vehicle access designated for the use of the IHCA and Iron Horse Business Park (IHBP) and its tenants, as shown on the site plan. It is understood, however, that Tenant's use of the common areas shall be subject to the terms and conditions of any recorded restrictive covenants applicable to property and delivered to Tenant prior to the execution of this Lease, as well as rules and regulations applicable to all tenants and visitors to or within the Iron Horse Business Park consistently applied to all such users and set forth in writing with copies to all tenants.

3.2 ***Maintenance of Leased Premises/Common Areas.*** Landlord shall maintain the Leased Premises/Common Areas in good order, condition and repair and shall operate IHBP and IHCA , as a first-class commercial/office real property development. Tenant's pro rata share of all costs incurred by Landlord for the maintenance of the Common Areas shall be included as a part of the Tenant's Reserves for Common Area Costs as stated in Section 2.3. Common Area costs include, but are not limited to, costs and expenses for the following: gardening and landscaping; premiums for liability, property damage, fire and other types of casualty insurance on the Common Areas and workers' compensation insurance; all property taxes and assessments levied on or attributable to the Leased Premises/Common Areas and all Common Area improvements; all personal property taxes levied on or attributable to personal property used in connection with the Common Areas; straight-line depreciation on personal property owned by Landlord which is consumed in the maintenance of the Common Areas; rental or lease payments paid by Landlord for rented or leased personal property used in the maintenance of the Common Areas; fees for required licenses and permits; repairing, resurfacing, repaving, maintaining, painting, lighting, cleaning, refuse removal, snow removal, security and similar items; and other appropriate reserves; and a reasonable allowance to Landlord for Landlord's supervision of the Common Areas (not to exceed five percent (5%) of the gross rents of IHCA/IHBP for the calendar year). Landlord may cause any or all of such services to be provided by third parties and the cost of such services shall be included in Common Area costs. Common Area costs shall not include depreciation of real property which forms part of the Common Area, nor shall it include real property taxes and/or assessments on any parcel within IHCA/IHBP before said parcel becomes improved with one or more structures, to ensure that Landlord bears the burden of such taxes and/or assessments upon unimproved land not subject to lease and participation in allocation of Common Area Maintenance charges.

4. **BUSINESS PURPOSE AND USE**.

4.1 ***Permitted Use***. Tenant shall use the Premises for office use, including office and accessory uses associated with Tenants operation as the Yakima Regional Clean Air Agency, and for no other purpose without the written consent of Landlord, which consent shall not be unreasonably withheld.

4.2 ***Condition of Premises / Landlord Representations***. Landlord represents, covenants, and warrants (i) that it has lawful title to the real property and improvements, which includes the Premises and has the full right, power, and authority to enter into the Lease, (ii) that the building and Premises are or will be in compliance with all applicable handicapped access laws, including the Americans With Disabilities Act ("ADA") as of the Commencement Date of this Lease, (iii) that the permitted "use" of the Premises does not currently violate the terms of any of Landlord's insurance policies, (iv) that so long as Tenant pays all monetary obligations due under the Lease and performs all other covenants contained in the Lease, Tenant shall peacefully and quietly have, hold, occupy, and enjoy the Premises during the Term of the Lease and its use and occupancy thereof shall not be disturbed, and (v) that (a) the Premises has the proper zoning and legally adequate number of parking spaces for Tenant's permitted use, and (b) that Tenant's permitted use does not violate any other contracts or agreements to which the Landlord is a party or any other covenants, conditions, restrictions or agreements applicable to the real property or the Building located on the Property. Landlord covenants and agrees that it shall take no action that will interfere with Tenant's intended use of the Premises. Landlord shall indemnify and hold harmless Tenant and its officers, partners, agents, and employees from and against any and all loss, costs, liability, damage or expense arising out of (i) Landlord's operation of the Iron Horse Business Park and Common Areas, (ii) Landlord's breach in the performance of any of its obligations under this Lease, including the representations or warranties set forth in this paragraph, or (iii) any violation of law by Landlord or any other act or omission of Landlord or its contractors, agents or employees. The foregoing indemnification shall survive the expiration or termination of this Lease.

4.3 ***Compliance with Laws***. In connection with its use, Tenant shall comply, at its expense, with all applicable laws, regulations and requirements of any public authority, including those regarding maintenance, operation and use of the Premises and any appliances on the Premises (including signs).

4.4 ***Insurance***. Tenant shall not conduct or permit any other activities on the Premises which will increase the property insurance rate upon the Leased Premises or Iron Horse Business Park, cause a cancellation of the property insurance policy on the Premises, or create a nuisance or damage the reputation of the Iron Horse Business Park in which the Premises is located.

4.5 ***Supervision***. Tenant shall keep the Premises clean and orderly and will cause its employees, agents and invitees to conduct themselves in a professional manner. Tenant shall supervise its employees and cause Tenant's agents, independent contractors, employees, customers, suppliers and invitees to conduct their activities in such a manner as to comply with the requirements of this Lease.

4.6 ***Storage, Trash***. Tenant shall not store anything outside the building except in areas screened from the view of public or private roads serving the Premises. Tenant shall dispose of trash and other matter in compliance with applicable law, at Tenant's expense.

5. **UTILITIES, TAXES AND ASSESSMENTS**:

5.1 ***Utilities***. Tenant shall pay all charges for utilities and services supplied to the Premises, including (without limitation) hook up and service charges for electricity, gas, telephone, water, sewer, garbage collection and janitorial service. Prior to occupancy, Landlord shall separately meter utilities serving only the Leased Premises if commercially practical. If consumption is not separately metered to the Premises, Tenant shall pay Landlord for all utilities consumed on the Premises at a rate which nearly as possible represents the actual cost to Landlord of providing such utilities to Tenant. Payments shall be made within ***ten (10) days*** after billings from Landlord, or within the time permitted for payment by the utility company or service provider where Tenant is directly billed.

5.2 ***Taxes and Assessments***.

5.2.1 ***Taxes and Other Payments***. Except for the initial and final partial calendar years of the Lease term (which shall be apportioned between Landlord and Tenant to date of Lease commencement and termination) Landlord shall pay, prior to delinquency, all real property taxes and other charges and assessments of any kind or nature which shall be levied or assessed against the Leased Premises during the term of this Lease, including any common area maintenance assessments payable pursuant to the restrictive covenants applicable to the IHCA/IHBP. Landlord shall provide Tenant with copies of the tax statements or other sufficient documentation of the amount and due date of all such taxes and assessments, which shall then be timely paid by Landlord.

5.2.2 ***Personal Property Taxes***. Tenant shall pay, before delinquency, any and all taxes levied or assessed on or as a result of Tenant's leasehold improvements, equipment, furniture, fixtures and any other personal property located on the Leased Premises. In the event any or all of Tenant's leasehold improvements, equipment, furniture, fixtures, and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within ***ten (10) days*** after delivery to Tenant from Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

6. **INSURANCE AND INDEMNITY PROVISIONS**:

6.1 ***Liability Insurance***. Tenant, at its expense, shall obtain and keep in force during the entire term of this Lease a broad form policy of commercial general liability insurance insuring Landlord and Tenant against all liability arising out of the ownership, use, occupancy, or maintenance of the Leased Premises and all areas appurtenant thereto. Landlord, at its expense, shall obtain and keep in force during the entire term of this Lease a policy of commercial general liability insurance insuring Landlord and Tenant against all liability arising out of the ownership, use, occupancy, or maintenance of the Common Areas, or portions of the Premises required to be maintained by Landlord. Such policy or policies shall provide for liability coverage with minimum combined single limits for bodily injury and property damage per occurrence in amounts not less than ***One Million Dollars ($1,000,000)***. The parties' liability insurance required by this paragraph shall be made on an "occurrence" basis and not on a "claims made" basis. The liability insurance referred to in this paragraph 5.1 may be provided under (i) an individual policy covering the Leased Premises, or (ii) a blanket policy or policies that include other liabilities, properties and locations of the parties; so long as the amount and coverage of insurance required to be carried under this paragraph 5 is not diminished, or (iii) a combination of the foregoing insurance programs. To the extent any deductible is permitted or allowed as part of any insurance policy carried by Landlord or Tenant in compliance with this paragraph 5, the parties shall be deemed to be covering the amount of such deductible under an informal plan of self-insurance.

6.2 ***Property Insurance***. Landlord, as a portion of the CAM fee, shall maintain in effect a property insurance policy using the "Causes of Loss - Special Form" on all buildings and improvements on the Premises for their full replacement value. Such policy shall contain an inflation guard endorsement and shall provide protections against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (all risk) and any other perils which Landlord deems reasonably necessary. In addition, the policy shall contain a provision or endorsement for Building Ordinance or Law coverage with coverage maintained at a minimum of ten percent (10%) of the building limit. The applicable proceeds of such insurance, so long as this Lease remains in effect, shall be used to repair or replace the Premises, leasehold improvements, fixtures and equipment so insured in accordance with this Lease.

Tenant, at its expense, shall maintain in effect a renter's insurance policy covering all Lessee owned furnishings and equipment "Contents" on the Premises.

6.3 ***Insurance Policies***. All liability insurance policies shall name Landlord and Tenant as an additional or named insured and the property insurance policy on the building and improvements (as opposed to its contents) shall name Landlord as the sole named insured and shall be with companies and with loss-payee clauses reasonably satisfactory to Landlord. Copies of all policies or certificates evidencing such insurance shall be delivered to the other party prior to Tenant's occupancy of the Premises and annually thereafter. All policies shall bear endorsements requiring ***thirty (30) days*** written notice to Landlord or Tenant prior to any change or cancellation. Tenant agrees to meet with Landlord at Landlord's request to review the then current insurance policy. If Landlord deems Tenant's insurance to be out of compliance with section 5.2 above, Tenant agrees to make required changes within 10 days of notification by Landlord that the insurance is not sufficient. Upon making such change, Tenant shall gain Landlord's endorsement in accordance with this section 5.3 of the Lease Agreement.

6.4 ***Waiver of Subrogation***. Tenant and Landlord each waive any and all rights of recovery against the other, or against the employees, agents and representatives of the other, for loss of or damage to such waiving party, property, or property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage. Landlord and Tenant shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease. The foregoing waiver shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Landlord or Tenant.

6.5 ***Tenant's Indemnity***. Tenant shall indemnify, defend, and hold Landlord harmless from any and all claims arising from Tenant's use of the Premises or from the conduct of its business or from any activity, work, or things which may be permitted or suffered by Tenant on or about the Leased Premises, and shall further indemnify, defend and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation of Tenant set forth in this Lease, or arising from any negligence of Tenant or any of its agents, contractors, employees, or invitees, and from any and all costs, attorney's fees, expenses, and liabilities incurred in the defense of any such claim, action, or proceeding.

6.6 ***Landlord's Indemnity***. Landlord shall defend, indemnify, and hold Tenant and its agents harmless from all liability, claims or damages of every kind or nature whatsoever that may be claimed or accrue by reason of any act or omission of Landlord or its agents. Landlord shall have no obligation to defend or indemnify Tenant for claims caused by the negligent or intentional acts of Tenant or its agents. In case Tenant is without fault on its part, made a party to any litigation related to any act or omission of Landlord or Landlord's agents, then Landlord shall defend, indemnify and hold Tenant harmless and shall pay all costs, expenses, and reasonable attorney's fees incurred or paid by Tenant in connection with such litigation.

6.7 ***Indemnity Survival***. Landlord and Tenant's indemnity obligations set forth in paragraph 6.5 and 6.6 above, to indemnify and hold the other harmless, shall survive the expiration or earlier termination of this Lease.

7. **MAINTENANCE, REPAIRS AND ALTERATIONS.**

7.1 ***Landlord's Obligations***. Landlord, at Landlord's expense, shall keep in good order, condition, and repair the foundations, all structural components the Building, exterior walls, utility installation, pipes and lines up to the building walls, and the exterior roof (including roof skin) of the Leased Premises, except for damage caused by negligent or intentional acts of Tenant. Landlord shall be responsible for Common Area Maintenance of the Leased Premises as referenced in Section 3 above. Landlord shall have no obligation to make repairs under this paragraph 7.1 until a reasonable time after receipt of written notice of the need for such repairs. If Landlord fails to commence repairs within such time, Tenant may, after ***thirty (30) days*** additional written notice to Landlord, or without prior notice if an emergency exists, put the Leased Premises in good order, condition and repair and withhold or offset rent for the actual cost of such repairs.

7.2 ***Tenant's Obligations***. Tenant, at Tenant's expense, shall keep in good order, condition the Leased Premises and every part or portion thereof not specifically required to be repaired and maintained by Landlord. Tenant shall be responsible to maintain and keep in a good working state the Leased Premises, including without limitation the maintenance of the interior of the Premises. It is also Tenant's responsibility to maintain and repair any and all improvements installed by Tenant. Tenant shall be fully responsible for all utility expenses, including but not limited to water, sewer, gas, power, internet, phone and garbage/recycle services. If Tenant is not billed directly, Tenant agrees to reimburse Landlord in full within thirty (30) days of being invoiced for such services.

7.3 ***Surrender of Leased Premises***. On the last day of the term of this Lease, or on any sooner termination, Tenant shall surrender the Leased Premises to Landlord in good condition, ordinary wear and tear excepted. Tenant shall repair any damage to the Leased Premises occasioned by Tenant's use thereof or by the removal of Tenant's trade fixtures, furnishings, and equipment, which repair shall include the patching and filling of holes and repair of any structural damage.

7.4 ***Landlord's Rights if Tenant Fails To Perform Tenant's Obligations***. Under this paragraph 7, Landlord may, at its option (*but shall not be required to*), enter upon the Leased Premises, after ***thirty (30) days'*** prior written notice to Tenant or with no prior written notice if an emergency exists, and put the Leased Premises in good order, condition, and repair. The cost of such repairs, together with interest thereon at the rate of ***twelve percent (12%)*** per annum, shall become due and payable as Additional Rent to Landlord, together with Tenant's next rental installment.

7.5 ***Alterations and Additions***. Tenant may make nonstructural alterations and improvements to the Premises costing less than ***Five Thousand and 00/100 Dollars ($5,000.00)***, and may make all initial Tenant improvements authorized in this Lease without Landlord's consent. Except for the foregoing, Tenant shall make no alterations, additions or improvements in, on, to or about the Leased Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. As a condition to giving any such consent, Landlord may require Tenant to remove any alterations, improvements, additions, or utility installations at the expiration of the lease term and to restore the Leased Premises to its prior condition. Before commencing any work relating to such alterations, additions, and improvements affecting the Leased Premises (*none of which are required or requested by the Landlord, nor are any alterations the obligation of Tenant under this Lease*), Tenant shall notify Landlord in writing of the expected date of commencement and completion thereof and shall provide Landlord the plans for the work, and if approved by Landlord, Tenant shall perform the work in strict accordance with the approved plans using contractors reasonably approved by Landlord. Tenant shall pay, when due, all claims for labor, materials furnished for or to Tenant or for use in or on the Leased Premises. Tenant shall not permit any mechanics or materialman liens to be levied against the Leased Premises for any labor or material furnished to Tenant or claimed to have been furnished to Tenant or Tenant's agents or contractors in connection with work of any character performed or claimed to have been performed on the Leased Premises by or at the direction of Tenant; provided, Tenant may in good faith contest any claim of lien so long as it prevents foreclosure and, in such event, Tenant shall defend and hold Landlord harmless from any consequences of such action, including costs and reasonable attorney's fees incurred. Unless Landlord requires their removal, all alterations, improvements, or additions that may be made on the Leased Premises shall become the property of Landlord and remain upon and be surrendered with the Leased Premises at the expiration of the lease term. Notwithstanding the foregoing, Tenant's machinery, equipment, and trade fixtures shall remain the property of the Tenant and may be removed by Tenant subject to the provisions of paragraph 6.3 above.

7.6 ***Entry and Inspection***. Landlord or its agents may enter the Premises during normal business hours upon reasonable advance notice of no less than ***one (1) business day*** to determine Tenant's compliance with this Lease, to make necessary repairs, or to show the Premises to prospective tenants or purchasers. Landlord shall not interfere with Tenant's business operations when exercising the entry and inspection rights set forth in this paragraph.

8. **RECONSTRUCTION AND RESTORATION**:

8.1 ***Minor Damage***. If during the term hereof the Leased Premises are damaged by fire or other perils and such damage is not "substantial" (as defined in paragraph 8.2 below), Landlord shall promptly repair such damage after the application of all available insurance proceeds(less any deductible for which an insured is responsible), including, but not limited to, those provided for in paragraph 6 hereof, and this Lease shall continue in full force and effect, provided, however, that the requirement to rebuild and restore the Leased Premises shall not extend to any furnishings, fixtures or equipment which Tenant has previously installed in the Leased Premises, whether or not title to such items had passed to the Landlord under other provisions of this Lease. Notwithstanding the foregoing, if there are insufficient insurance proceeds available to Landlord to rebuild and restore the Leased Premises damaged by casualty arising out of an act or omission by Tenant, Tenant shall pay the deficiency within ***thirty (30) days*** of substantial completion of the restoration. Landlord shall have ***twenty (20) days*** to commence the repair work and ***ninety (90) days*** from the date of commencement of work to finish the repair work, or Tenant may complete the work, upon ten days written notice to the Landlord of its intent to complete repairs and withhold or offset against rent the amount of the actual costs of the repairs.

8.2 ***Substantial Damage***. If during the term hereof the Leased Premises are destroyed or damaged by fire or other insured perils and the damage is "substantial," Landlord shall proceed with reasonable diligence to restore the Leased Premises to a condition comparable to that existing prior to the damage. Tenant shall reimburse Landlord for any deductible for which an insured is responsible. For purposes of this paragraph, damage shall be "substantial" if (1) ***fifteen percent (15%)*** or more of the floor area of the Premises is rendered untenantable, (2) if repairs are estimated to exceed ***thirty-five percent (35%)*** of the full construction/replacement cost of the Building, or (3) if, regardless of the estimated amount of the repairs, the Premises is rendered untenantable for Tenant's authorized use set forth in this Lease. Notwithstanding the foregoing, in the event of substantial damage caused by an insured event and where repair or restoration of the Premises is reasonably estimated to take longer than ***one hundred eighty (180) days*** from the date of the damage or destructive event, then Tenant may elect to terminate this Lease by giving Landlord written notice of such termination within ***thirty (30) days*** after receiving from Landlord, Landlord's estimated reconstruction and restoration schedule. Tenant shall cooperate with Landlord during the period of repair and vacate all or any part of the Leased Premises to the extent necessary for the performance of the required work. If Landlord repairs or rebuilds, all insurance payments for fire damage or destruction to the improvements on the Leased Premises shall be used for the sole purpose of repairing, rebuilding and/or restoring the improvements on the Leased Premises, unless this Lease is terminated as the result of such damage or destruction. If the improvements on Leased Premises are not rebuilt or restored, the insurance proceeds for loss of Landlord's building and property and loss of rent shall become the sole property of Landlord, and the Lease shall terminate effective as of the date of such damage or destruction. Tenant shall release its interest and endorse all insurance proceed checks to Landlord (except for Tenant's own business interruption insurance) when no rebuilding is undertaken, or for the payment of rebuilding and restoration costs when such is undertaken. Property insurance on Tenant's trade fixtures, equipment and personal property shall be the property of Tenant.

If during the term hereof the Leased Premises are destroyed or substantially damaged as defined above by an uninsured event, and where repair or restoration of the Premises is reasonably estimated to take longer than ***one hundred eighty (180) days*** from the date of the damage or destructive event, then either the Landlord or the Tenant may elect to terminate this Lease by giving the other written notice of such termination within ***thirty (30) days*** of the damage or destruction event.

8.3 ***Abatement of Rent***. The Base Rent shall be abated during the period of damage to the extent the Leased Premises are not reasonably available for Tenant's use in accordance with paragraph 2.6 above.

8.4 ***Repair of Tenant's Property***. Repair, replacement, or restoration of any fixtures, equipment and personal property owned by Tenant and Tenant improvements shall be the responsibility of Tenant.

8.5 ***Damage During Last Year of the Initial Term or During the Last Year of an Option Term***. If the improvements on the Leased Premises are destroyed or substantially damaged during the last Lease year of the Initial Lease Term or the last Lease year of an Option Term, then either Landlord or Tenant shall have the right, at its option, to terminate this Lease by written notice to the other party, unless Tenant unconditionally exercises any remaining option to extend the Lease Term.

9. **ASSIGNMENT AND SUBLETTING**. Tenant shall not (voluntarily or by operation of law) assign, mortgage, pledge, encumber the Leased Premises or Tenant's leasehold estate or sublet any portion of the Leased Premises, or otherwise transfer any interest in the Premises or right to possess the Premises without Landlord's prior written consent in each instance, which consent shall not be unreasonably withheld, conditioned or delayed. Any transfer by Tenant to an approved or permitted transferee shall not act to release Tenant from its obligations under this Lease and Tenant shall remain primarily liable for the performance of each and every term and condition of this Lease. Landlord may, at any time, transfer or assign any or all of its interest in the Property and/or this Lease so long as the transferee or assignee agrees to continue this Lease in accordance with its remaining terms.

10. **CONDEMNATION**:

10.1 ***Entire or Substantial Taking***. If all or any "substantial portion" of the Premises shall be taken under the power of eminent domain (sometimes hereinafter referred to as "condemnation"), Landlord or Tenant shall have the right at its option to terminate this Lease effective on the date the condemning authority takes possession. Upon such termination, Tenant shall surrender possession of the Premises to Landlord. Landlord or Tenant may exercise their termination rights by notifying the other party in writing of its option to terminate the Lease within ***sixty (60) days*** following the date on which the parties receive notice of the proposed taking. For purposes of this paragraph, a sale by Landlord to any authority with power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain under this paragraph.

10.2 ***"Substantial" Taking***. For purposes of this paragraph, a condemnation of "substantial" portion of the Premises shall mean any of the following:

10.2.1 If any portion of the floor area of the building located on the Premises is taken in the condemnation;

10.2.2 If ***twenty-five percent (25%)*** or more of the value of the Premises is taken in the condemnation; or

10.2.3 If, regardless of the value of the amount of the Premises taken, the cost of repairing and restoring the remainder of the Premises for Tenant's authorized use exceeds ***twenty-five percent (25%)*** of the value of the entire Premises prior to condemnation.

10.3 ***Partial Taking***. In the event of any condemnation which does not result in a termination of this Lease, this Lease shall remain unaffected except the Base Rent shall be equitably abated to the extent that Tenant is deprived of use of the Premises. In the event the Lease is not terminated following a condemnation, Landlord will, at its expense, restore with reasonable diligence the remaining portions of the Premises to as near its former condition as is reasonably possible; provided, however, that there are sufficient condemnation proceeds available to Landlord to restore the Premises, and provided further that the requirement to restore the Premises shall not extend to any furnishings, fixtures or equipment which Tenant had previously installed in the Premises, whether or not title of such items had passed to Landlord under other provisions of this Lease.

10.4 ***Awards***. Any award for taking of all or any part of the Premises under the power of eminent domain shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for taking of the fee. Nothing herein, however, shall be deemed to preclude Tenant from obtaining, or to give Landlord an interest in, any award to Tenant for loss of, damage to, cost of removal of Tenant's trade fixtures and removable personal property, or for damages for cessation or interruption of Tenant's business.

11. **SIGNS**. Tenant may, with Landlord's consent, which consent shall not be unreasonably withheld, install and maintain interior and exterior signs on the Leased Premises, provided that such signs are installed and maintained in compliance with any applicable requirements of any governmental authorities having jurisdiction and that Tenant obtain and keep in force any licenses required for such signage. All such signage shall be at the sole cost and expense of Tenant. Landlord will fully cooperate with Tenant in filing any required signage application, permit and/or variance for Tenant's signage with respect to the Leased Premises. At Landlord's request, Tenant shall remove any and all signs upon the expiration of the Lease Term.

12. **OTHER OBLIGATIONS OF PARTIES**:

12.1 ***Liens***. Tenant shall pay as due all claims for work done on the Premises or for services rendered or materials furnished to the Premises and shall keep the Premises free from any liens other than liens created by Landlord. If Tenant fails to pay such claim or to discharge any lien, Landlord may do so and collect such amount as Additional Rent. Amounts paid by Landlord shall bear interest and be repaid by Tenant as provided in paragraph 12.3 below. Such payment by Landlord shall not constitute a waiver of any right or remedy Landlord may have because of Tenant's default.

12.2 ***Holding Over***. If Tenant does not vacate the Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month to month, subject to all of the provisions of this Lease or to eject Tenant from the Premises and recover damages caused by wrongful hold over.

12.3 ***Non-Merger***. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Landlord, terminate any existing sub-tenancies, or may, at the option of Landlord, operate as an assignment to it of any and all such sub-tenancies.

12.4 ***Priority of Lease***. This Lease shall be subject and subordinate at all times to the lien of all mortgages and deeds of trust subsequently placed upon the Leased Premises, all without the necessity of having further instruments executed on the part of Tenant to effectuate such subordination. Provided, however, the subordination of Tenant's rights hereunder is conditioned upon the mortgagee or beneficiary under any deed of trust agreeing that Tenant's peaceable possession of the Leased Premises and its rights under this Lease will not be disturbed so long as Tenant is not in default under this Lease. If any party providing financing or funding to Landlord requires, as a condition of such financing or funding, that Tenant send such party written notice of any default by Landlord under this Lease, giving such party the right to cure such default until it has completed foreclosure and prevent Tenant from terminating this Lease unless such default remains uncured after foreclosure has been completed, Tenant will execute and deliver any agreement required by such party in order to accomplish this purpose. Landlord agrees to obtain a Non-Disturbance Agreement from all superior priority lien holders, if any, and deliver same to Tenant within ***ten (10) days*** from the date hereof, and from any future lender within ***thirty (30) days*** from the date of any such encumbrance.

12.5 ***Estoppel Certificate***. Within ***ten (10) days*** after Landlord's written request, Tenant shall deliver a written statement stating the date to which the rent and other changes have been paid and whether the Lease is unmodified and in full force and effect. The form of the estoppel certificate shall be prepared by Landlord at its sole cost and expense and reviewed and reasonably approved by Tenant.

12.6 ***Tenant's Financial Condition.***
Within Ten (10) days after written request from Landlord, Tenant shall deliver to Landlord such financial statements as Landlord reasonably requires upon the initial lease term to verify the net worth of Tenant or any assignee, subtenant, or guarantor of Tenant. In addition, Tenant shall deliver to landlord such financial statements as required for any term renewal. Tenant represents and warrants to Landlord that each such financial statement is a true and accurate statement as of the date of such statement. All financial statements shall be confidential and shall be used only for the purposes set forth in this Lease.

13. **DEFAULTS; REMEDIES**:

13.1 ***Default***. The following shall be events of default:

13.1.1 ***Payment Default***. Failure of Tenant to make any Base or Additional Rent or other payment under this Lease within ***ten (10) days*** after notice from Landlord that such payment is past due.

13.1.2 ***Unauthorized Transfer***. Tenant makes any transfer without Landlord's prior written consent as required under paragraph 8.

13.1.3 ***Default In Other Covenant***. Failure of Tenant to comply with any other term or condition or fulfill any other obligation of this Lease within ***thirty (30) days*** after written notice by Landlord specifying the nature of the default with reasonable particularity and providing Tenant a reasonable opportunity to cure.

13.1.5 ***Insolvency Defaults***. Dissolution, termination and existence, insolvency on a balance sheet basis or business failure of Tenant; the commencement by Tenant of a voluntary case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Tenant in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief;

the appointment of or the consent by Tenant to the appointment of a receiver, trustee or custodian of Tenant or of any of Tenant's property; an assignment for the benefit of creditors by Tenant; Tenant's failure generally to pay its debts as such debts become due; the making or suffering by Tenant of a fraudulent transfer under applicable federal or state law; concealment by Tenant of any of its property in fraud of creditors; the making or suffering by Tenant of a preference within the meaning of federal bankruptcy law; or the imposition of a lien through legal proceedings or distraint upon any of the property of Tenant which is not discharged or bonded. During any period in which there is a Guarantor(s) of this Lease, each reference to "Tenants" in this paragraph shall be deemed to refer to "Guarantor or Tenant", separately.

13.2 ***Remedies on Default***. Upon default, Landlord may exercise any one or more of the following remedies or any other remedy available under applicable law:

13.2.1 ***Termination of Lease***. Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder. In the event that Landlord shall elect to terminate this Lease, Landlord may recover from Tenant: (i) the amount of any unpaid rent which has been earned at the time of such termination; plus (ii) the amount by which the unpaid rent which would have been earned after termination less the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) any interest charged on delinquent rent.

13.2.2 ***Retake Possession***. To the extent permitted by law, Landlord may re-enter and retake possession of the Premises either by summary proceedings or any other applicable action or proceeding, or otherwise. Landlord may use the Premises for Landlord's own purposes or relet it upon any reasonable terms without prejudice to any other remedies that Landlord may have by reason of Tenant's default. None of these actions will be deemed an acceptance or surrender by Tenant.

13.3 ***Cure of Default***. Without prejudice to any other remedy for default, and subject to the notice requirements set forth in this Lease, Landlord or Tenant may perform any obligation or make any payment required to cure a default by the other. The cost of performance, including attorney's fees and all disbursements, shall immediately be repaid by the responsible party upon demand, together with interest from the date of expenditure until fully paid at the rate of ***twelve percent (12%) per annum***, but not in any event at a rate greater than the maximum rate of interest permitted by law.

13.4 ***Remedies Cumulative***. Any right or remedy Landlord or Tenant may have under this Lease arising out of other's breach of any covenant of this Lease shall be in addition to any other right or remedy for such breach provided by law.

13.5 ***Remedies for Landlord's Default***. If Landlord defaults in the performance of any covenant or agreement under this Lease and the default continues for ***thirty (30) days*** after Tenant's written notice specifying the default, or if the default is of a type which is not reasonably curable within ***thirty (30) days***, if Landlord fails to commence to cure the default within ***thirty (30) days*** after receipt of the notice or fails to diligently pursue the curing of default to completion, Tenant, so long as the default continues, may incur any reasonable expense necessary to perform the covenant or agreement and, if Landlord fails to reimburse Tenant for such expense within ***fifteen (15) days*** after receipt of Tenant's written demand (which demand shall be accompanied by documentation evidencing the expense), or if Landlord fails to reimburse Tenant for any other amount owing under this Lease within ***fifteen (15) days*** after receipt of Tenant's written demand, Tenant may deduct the amount which Landlord has failed to reimburse from any sums payable by Tenant under this Lease.

14. **ENVIRONMENTAL PROVISIONS**:

14.1 ***Definition of Hazardous Substances***. For purposes of this Paragraph 14, the term "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive, or that is regulated by any local government, the state of Washington, or the United States government according to environmental laws or regulations now in effect, or which may hereafter be enacted. "Hazardous Substance" includes any and all materials or substances that are defined as "hazardous waste," "dangerous waste," "extremely hazardous waste," or "hazardous substance" pursuant to state, federal, or local environmental laws and regulations. The term "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs"), and petroleum and petroleum products.

14.2 ***Restrictions on Hazardous Substances***. Tenant shall not cause or permit any Hazardous Substance to be brought upon, used, stored, generated, or disposed of on or in the Leased Premises by Tenant, its agents, employees, contractors, or invitees, except for such Hazardous Substances as are necessary or useful to Tenant's authorized business. Any Hazardous Substances permitted on the premises, and all containers therefore, shall be used, kept, stored, and disposed of in a manner that complies with all federal, state, and local laws or regulations applicable to the particular Hazardous Substance. Tenant shall not release or permit to be released any Hazardous Substance in violation of federal, state or local environmental laws or regulations, or which may adversely affect (a) the health, welfare, or safety of persons, whether located on the Leased Premises or elsewhere, or (b) the condition, use, or enjoyment of the Leased Premises or any other real or personal property.

14.3 ***Tenant's Indemnity***. Tenant agrees to indemnify, defend (*with counsel satisfactory to Landlord*) and hold Landlord and its officers, employees, contractors and agents harmless from any claims, judgments, damages, penalties, fines, expenses, liabilities or losses arising during or after the term of this Lease, or the presence, release or disposal of Hazardous Substances on the Leased Property which are present solely as a result of the actions of Tenant, its officers, employees, contractors or agents. Such indemnity shall cover, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency. Such costs may include, but not be limited to, diminution in the value of the Leased Property, damages for the loss or restriction on the use of rentable or other useable space, or of any amenity of the Property, sums paid in settlement of claims, attorney's fees, consultant's fees and expert fees. The foregoing environmental indemnity shall survive the expiration or termination of this Lease and/or any transfer of all or any portion of the Leased Property or any interest in this Lease, and shall be governed by the laws of the State of Washington.

14.4 ***Landlord's Indemnity***. Landlord agrees to indemnify, defend (*with counsel reasonably satisfactory to Tenant*) and hold Tenant and its officers, employees, contractors and agents harmless from any claims, judgments, damages, penalties, fines, expenses, liabilities, or losses arising during or after the term of this Lease out of or in any way relating to the presence, release or disposal of Hazardous Substances on or from the Property, unless the Hazardous Substances are present solely as a result of the actions of Tenant, its officers, employees, contractors or agents. Such indemnity shall include, without limitation, costs incurred in connection with:

(a) Hazardous Substances present or suspected to be present in the soil, groundwater or soil vapor on or under the Property before Tenant occupies the Property or the lease term commences;

(b) Hazardous Substances that migrate, flow, percolate, diffuse, or in any way move onto or under the Property during Tenant's occupancy of the Property after the Lease term commences; or

(c) Hazardous Substances present on or under the Property as a result of any discharge, dumping, spilling (*accidental or otherwise*) onto the Property during Tenant's occupancy of the Property or after the Lease term commences by any person, corporation, partnership, or entity other than Tenant, its officers, employees, contractors or agents.

The indemnification provided by this section shall also specifically cover, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party because of the presence or suspected presence of Hazardous Substances in the soil, groundwater, or soil vapor on or under the Property, unless the Hazardous Substances are present solely as a result of the actions of Tenant, its officers, employees, contractors or agents. Such costs may include, but not be limited to, diminution in the value of the Tenant's Property, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, sums paid in settlements of claims, attorney's fees, consultant's fees, and expert fees.

The foregoing environmental indemnity shall survive the expiration or termination of this Lease and/or any transfer of all or any portion of the Property, or of any interest in this Lease. It shall be governed by the laws of the state of Washington.

14.5 ***Notification Requirements***. Landlord and Tenant shall notify each other in writing within ***thirty (30) days*** of all spills or releases of any Hazardous Substances, all failures to comply with any federal, state, or local law, regulation or ordinance, all inspections of the Property by any regulatory entity concerning the same, all notices, orders, fines or communications of any kind from any governmental entity or third party that relate to the presence or suspected presence of any Hazardous Substances on the Property or the migration or suspected migration of any Hazardous Substances from other property onto or beneath the Property or to other property from the Property, and all responses or interim cleanup action taken by or proposed to be taken by any government entity or private party on the Property.

14.6 ***Corrective Action***. In the event that any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work (*the "Remedial Work"*) of any kind is necessary under any applicable local, state, or federal laws or regulations, or is required by any governmental entity or other third person because of or in connection with the presence or suspected presence of Hazardous Substances on or under the Property, Landlord shall assume responsibility for all such Remedial Work and all costs and expenses of such Remedial Work shall be paid by Landlord, unless the Hazardous Substances are present solely as a result of the actions of Tenant, in which case Tenant shall, at its own cost and expense, perform the required Remedial Work.

15. **GENERAL PROVISIONS**:

15.1 ***Waivers***. No waiver by Landlord of performance of any provision of this Lease shall be deemed to neither be a waiver of nor prejudice Landlord's right to otherwise require performance of the same provision or any other provision.

15.2 ***Recording***. This Lease shall not be recorded; however, to establish the status of Landlord's title to the Premises and to establish the priority of this Lease, Landlord and Tenant, simultaneously with the execution of this Lease, shall execute a Memorandum of Lease, which shall be recorded by Tenant, at the expense of Landlord.

15.3 ***Notices***. All notices under and payments made pursuant to this Lease shall be given or made to the respective parties at the following addresses:

**Landlord:** **TERRACE HEIGHTS DEVELOPMENT, LLC**
111 University Parkway Suite 200
Yakima, Washington 98901
Telephone: 509/453-9166
Fax: 509/453-9349

**Tenant:** **YAKIMA REGIONAL CLEAN AIR AGENCY**
186 Iron Horse Court – Suite 101
Yakima,WA 98901
Telephone: 509/834-2050
Fax: 509/834-2060

Notices under this Agreement shall be in writing and, unless otherwise required by law, may be delivered (1) personally; (2) by U.S. mail, certified or registered; (3) by a nationally recognized overnight courier service; or (4) by facsimile transmission, if a facsimile number has been provided by the party receiving notice, with a copy to be sent by U.S. first class mail. Mailed notices shall be deemed effective on the third day after deposited as registered or certified mail, postage prepaid, directed to the other party at the address shown above. Couriered notices shall be deemed delivered when the courier's records indicate that delivery has occurred. Facsimile notices shall be effective when actually transmitted to the facsimile number provided. Either party may change its address for notices by written notice to the other.

15.4 ***Exhibits and Riders***. Exhibits and riders, if any, initialed or signed by Landlord and Tenant, and attached or affixed to this Lease, are a part hereof as if set forth in full herein.

15.5 ***Construction***. (a) This Lease shall be construed and governed by the laws of the State of Washington; (b) the invalidity or unenforceability of any provision hereof shall not affect or impair any other provision hereof; (c) this Lease constitutes the entire agreement of the parties and supersedes all prior agreements or understandings between the parties with respect to the subject matter hereof; (d) this Lease may not be modified or amended except by written agreement signed and acknowledged by both parties; (e) if there is more than one tenant, the obligations hereunder imposed upon Tenant shall be joint and several; (f) time is of the essence of this Lease in each and every provision hereof; and (g) nothing contained herein shall create the relationship of principal and agent or of partnership or of joint venture between the parties hereto and no provisions contained herein shall be deemed to create any relationship other than that of Landlord and Tenant.

15.6 ***Successor***. Subject to any limitations on assignments herein, all of the provisions of this Lease shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

15.7 ***Attorney's Fees***. In the event of any dispute arising out of or relating to this Lease, whether or not suit or other proceedings is commenced, and whether in mediation, arbitration, at trial, on appeal, in administrative proceedings, or in bankruptcy (*including, without limitation, any adversary proceeding or contested matter in any bankruptcy case*), the prevailing party shall be entitled to its costs and expenses incurred, including reasonable attorney fees. Venue shall be in Yakima County, Washington.

15.8 ***Quiet Title and Possession***. As long as Tenant is not in default beyond any applicable cure period under this Lease, Tenant shall and may peacefully and quietly have, hold and enjoy the Premises and enjoy all rights granted in this Lease free from interference, eviction, or disturbance by Landlord or by any other person, persons, or entity.

15.9 ***Waiver of Landlord's Lien***. Landlord agrees that none of the Tenant's property, including furniture, trade fixtures, machinery and equipment, or the proceeds thereof, placed or permitted upon the Premises ("Tenant's Property") during the term of this Lease, or any extension thereof, is subject to any contractual Landlord's lien; or any liens created in favor of Landlord pursuant to state or local law for the collection of rent, and that all of Tenant's Property shall remain under the ownership, possession and control of Tenant during the Term of this Lease and may be removed by Tenant, at Tenant's discretion, from time to time during and after the Term of this Lease. Landlord agrees, upon request by Tenant, to sign and deliver such documents and/or instruments evidencing the waiver of any such lien to any bank, other lending institution or third party. Landlord agrees to execute such documents within ***fifteen (15) days*** of the time originally requested by Tenant.

15.10 ***Commission / Agency Disclosure***. Kim Yeager, Real Estate Manager for Terrace Heights Development is a licensed Real Estate Broker and any Agency representation shall be governed by separate Agency Agreement.

WHEREFORE, the parties have executed this Lease this ____ day of ______________, 2018.

| | |
|---|---|
| **LANDLORD:** | **TENANT:** |
| **TERRACE HEIGHTS DEVELOPMENT, LLC** | **YAKIMA REGIONAL CLEAN AIR AGENCY** |
| By:______________________________ | By:______________________________ |
| **NICHOLAS B. TEMPLE, JR.**<br>**Manager/Member** | **KEITH M. HURLEY**<br>**Executive Director** |

STATE OF WASHINGTON )<br>
) ss.<br>
County of Yakima )

I certify that I know or have satisfactory evidence that **NICHOLAS B. TEMPLE, JR.** is the person who appeared before me, and said person acknowledged that he was authorized to execute the instrument, and acknowledged it as Manager/Member of **TERRACE HEIGHTS DEVELOPMENT, LLC, a Washington limited liability company,** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED:__________________

______________________________________<br>
Print Name:______________________________<br>
Notary Public in and for the State of Washington,<br>
Residing in ______________________________<br>
My Commission Expires: ____________________

STATE OF WASHINGTON )
) ss.
County of Yakima )

I certify that I know or have satisfactory evidence that **KEITH M. HURLEY** is the person who appeared before me, and said person acknowledged that he was authorized to execute the instrument, and acknowledged it as authorized representative of **YAKIMA REGIONAL CLEAN AIR AGENCY, a Washington governmental entity,** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED:____________________

Print Name:________________________________
Notary Public in and for the State of Washington,
Residing in ____________________________
My Commission Expires: ____________________

# EXHIBIT A

## Legal Description

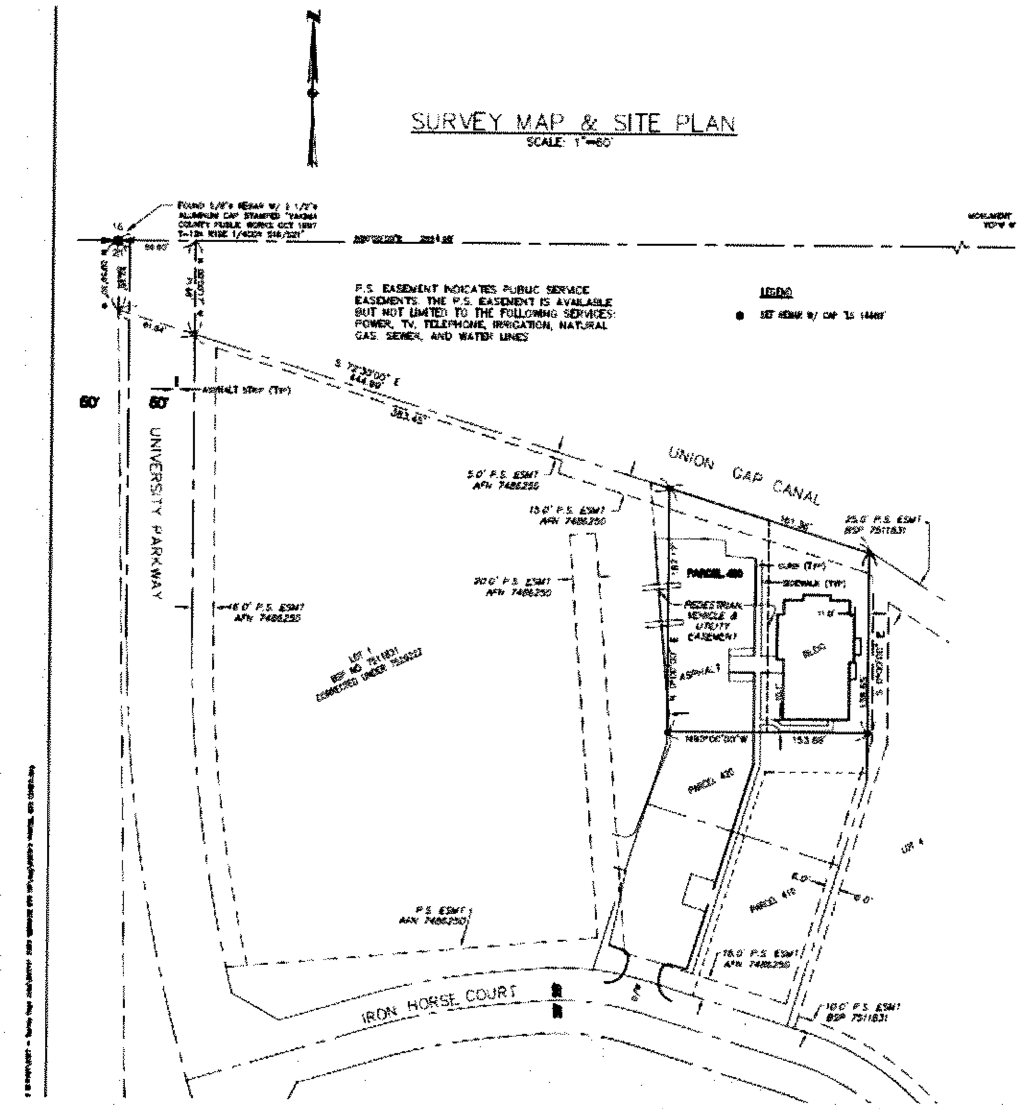
186 IRON HORSE COURT – YAKIMA,WA 98901

UNIT 101, IRON HORSE CONDOMINIUM, RECORDED AUGUST 10, 2009, UNDER AUDITOR'S FILE NO. 7663403, RECORDS OF YAKIMA COUNTY, WASHINGTON.

TOGETHER WITH that portion of limited common elements as provided in Declaration of Condominium for Iron Horse Condominium recorded August 10, 2009, under Auditor's File No. 7663404.

# EXHIBIT B

## Site Map



# EXHIBIT C

## Parking Lot