



Yakima Regional Clean Air Agency

Fiscal Year 2025-26 Budget

Final

June 12, 2025

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YRCAA Proposed FY 2025-26 Budget

The Yakima Regional Clean Air Agency (YRCAA) is required to have an annual budget that “contain[s] adequate funding and provide[s] for staff sufficient to carry out the provisions of all applicable ordinances, resolutions, and local regulations related to the reduction, prevention, and control of air pollution” pursuant to RCW 70A.15.1590. The following budget meets these requirements, aligns all expenditures with their appropriate revenue sources, and contains an itemized accounting of both with respect to the Agency’s base, grant, and enterprise operations.

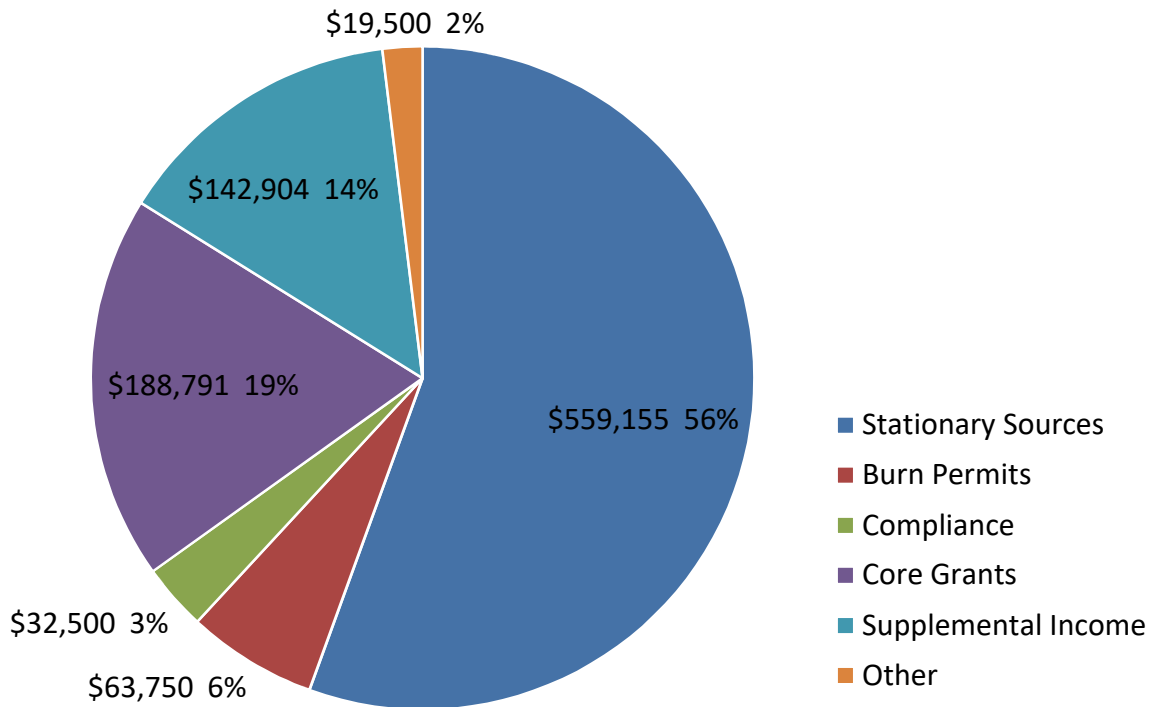
YRCAA Comparative Budget		Actual FY 2023-24	Projected Actual FY 2024-25	Proposed Budget FY 2025-26
<u>REVENUE – Base Operations</u>				
<u>Stationary Sources</u>				
32199001	Minor Sources	\$ 332,944	\$ 439,878	\$ 373,847
32199002	New Source Review	87,694	17,061	52,000
32199005	Synthetic Minor Sources	40,139	37,192	38,308
32290001	Major / Title V Sources	98,460	42,141	95,000
	<i>Subtotal – Stationary Sources</i>	\$ 559,237	\$ 536,272	\$ 559,155
<u>Burn Permits</u>				
32290005	Residential Burn Permits	\$ 49,401	\$ 49,335	\$ 46,750
32290007	Agricultural Burn Permits	15,655	16,694	15,500
32290011	Conditional Use Burn Permits	1,452	1,936	1,500
	<i>Subtotal – Burn Permits</i>	\$ 66,508	\$ 67,965	\$ 63,750
<u>Compliance</u>				
32199003	Asbestos Removal Fees	\$ 27,269	\$ 18,902	\$ 26,000
32199007	Construction Dust Control Fees	8,318	5,850	6,500
	<i>Subtotal – Compliance</i>	\$ 35,587	\$ 24,752	\$ 32,500
<u>Core Grants (CAA Section 105)</u>				
33366001	EPA Core	\$ 149,350	\$ 114,038	\$ 113,275
33403101	Ecology Local Partner Core	38,167	76,026	75,516
	<i>Subtotal – Base Grants</i>	\$ 187,518	\$ 190,064	\$ 188,791
<u>Fines and Penalties</u>				
35990001	Fines and Penalties	\$ 35,519	\$ 8,204	\$ 0
	<i>Subtotal – Fines and Penalties</i>	\$ 35,519	\$ 8,204	\$ 0
<u>Supplemental Income</u>				
36850003	Supplemental Income	\$ 93,272	\$ 136,333	\$ 142,904
	<i>Subtotal – Supplemental Income</i>	\$ 93,272	\$ 136,333	\$ 142,904
<u>Other Income</u>				
36111001	Interest	\$ 9,710	\$ 23,126	\$ 19,500
36991011	Miscellaneous	2,140	0	0
	<i>Subtotal – Other Income</i>	\$ 11,851	\$ 23,126	\$ 19,500
	<i>Subtotal – Base Operations</i>	\$ 989,491	\$ 986,716	\$ 1,006,600
<u>REVENUE – Grant Operations</u>				
<u>Wood Smoke Education</u>				
33403105	Wood Smoke Education	\$ 9,232	\$ 3,526	\$ 5,129
	<i>Subtotal – Wood Smoke Education</i>	\$ 9,232	\$ 3,526	\$ 5,129
<u>Wood Smoke Reduction</u>				
33403107	Wood Smoke Reduction	\$ 855,145	\$ 394,855	\$ 437,500
	<i>Subtotal – Wood Smoke Reduction</i>	\$ 855,145	\$ 394,855	\$ 437,500

YRCAA Comparative Budget		Actual FY 2023-24	Projected Actual FY 2024-25	Proposed Budget FY 2025-26
Particulate Matter (CAA Section 103)				
33403108	Ecology Local Partner PM 2.5	\$ 14,321	\$ 26,313	\$ 36,000
	<i>Subtotal – Particulate Matter</i>	<u>\$ 14,321</u>	<u>\$ 26,313</u>	<u>\$ 36,000</u>
	<i>Subtotal – Grant Operations</i>	<u>\$ 878,699</u>	<u>\$ 424,694</u>	<u>\$ 478,629</u>
REVENUE – Enterprise Operations				
Visible Emission Certification				
34517001	Visible Emission Certification	\$ 61,710	\$ 83,295	\$ 80,000
	<i>Subtotal – Visible Emission Certification</i>	<u>\$ 61,710</u>	<u>\$ 83,295</u>	<u>\$ 80,000</u>
	<i>Subtotal – Enterprise Operations</i>	<u>\$ 61,710</u>	<u>\$ 83,295</u>	<u>\$ 80,000</u>
Total Revenue		\$ 1,929,900	\$ 1,494,705	\$ 1,565,229
EXPENSES – Base Operations				
Wages and Benefits				
553701001	Wages and Salaries	\$ 402,850	\$ 461,786	\$ 659,810
553702001	Benefits	116,449	161,079	275,444
553703001	Overtime	0	0	2,000
	<i>Subtotal – Wages and Benefits</i>	<u>\$ 519,299</u>	<u>\$ 622,865</u>	<u>\$ 937,254</u>
Supplies				
533703101	Office Supplies	\$ 5,810	\$ 2,463	\$ 4,000
533703102	Safety Equipment	0	0	1,000
533703201	Vehicles	4,315	3,900	4,200
533703501	Small Tools and Equipment	0	0	2,700
533703502	Technology Systems	3,933	2,664	5,000
533703503	Office Furnishings	2,542	0	750
	<i>Subtotal – Supplies</i>	<u>\$ 16,600</u>	<u>\$ 9,027</u>	<u>\$ 17,650</u>
Services				
553704101	Professional Services	\$ 34,746	\$ 74,277	\$ 45,000
553704102	Laboratory Analyses	196	62	500
553704192	Yakima County Services	0	0	0
553704201	Communications and Technology	9,635	12,487	12,700
553704202	Postage and Freight	447	1,417	1,800
553704301	Travel and Related	435	0	5,000
553704401	Public Notices and Education	1,672	536	3,500
553704501	Rents and Leases	61,328	60,182	64,000
553704601	Insurance	16,184	18,472	18,500
553704701	Utilities	4,919	4,878	5,600
553704801	Maintenance – Vehicles/Equipment	2,239	2,127	2,700
553704802	Maintenance – Building	3,259	4,250	4,500
553704901	Miscellaneous	11,359	2,169	12,000
553704902	Ecology Oversight and Admin. Fee	3,148	0	3,500
	<i>Subtotal – Services</i>	<u>\$ 149,567</u>	<u>\$ 180,858</u>	<u>\$ 179,300</u>
Capital Projects/Fixed Assets				
594536401	Capital Projects/Fixed Assets	\$ 0	\$ 0	\$ 0
	<i>Subtotal – Base Operations</i>	<u>\$ 685,466</u>	<u>\$ 812,751</u>	<u>\$ 1,134,204</u>
EXPENSES – Grant Operations				
Wood Smoke Education				
Wages and Benefits				
553701002	Wages and Salaries	\$ 8,723	\$ 3,028	\$ 3,028
553702002	Benefits	3,461	1,293	1,293
553703002	Overtime	0	0	0
	<i>Subtotal – Wages and Benefits</i>	<u>\$ 12,184</u>	<u>\$ 4,321</u>	<u>\$ 4,321</u>

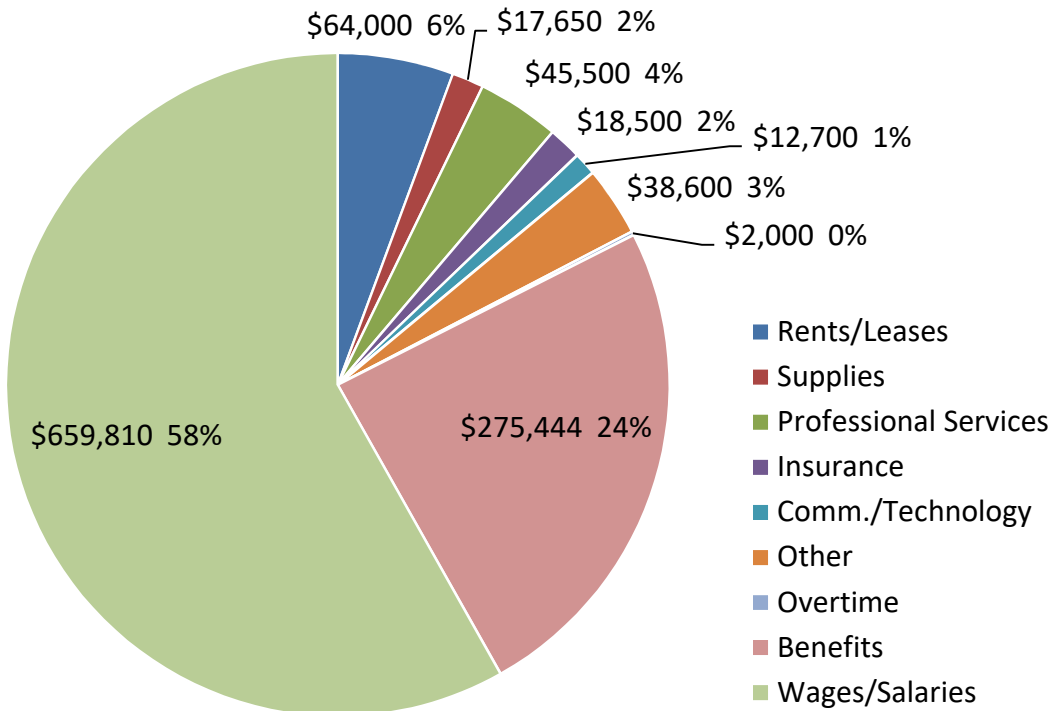
YRCAA Comparative Budget		Actual FY 2023-24	Projected Actual FY 2024-25	Proposed Budget FY 2025-26
<u>Supplies</u>				
553703103	Office Supplies	\$ 0	\$ 0	\$ 0
	<i>Subtotal – Supplies</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
<u>Services</u>				
553704139	Professional Services	\$ 1,500	\$ 750	\$ 750
553704203	Postage	0	0	0
	<i>Subtotal – Services</i>	<i>\$ 1,500</i>	<i>\$ 750</i>	<i>\$ 750</i>
	<i>Subtotal – Wood Smoke Education</i>	<i>\$ 13,684</i>	<i>\$ 5,071</i>	<i>\$ 5,071</i>
<u>Particulate Matter</u>				
<u>Wages and Benefits</u>				
553701003	Wages and Salaries	\$ 57,536	\$ 8,983	\$ 25,054
553702003	Benefits	15,796	1,925	10,041
553703003	Overtime	0	0	0
	<i>Subtotal – Wages and Benefits</i>	<i>\$ 73,332</i>	<i>\$ 10,907</i>	<i>\$ 35,995</i>
<u>Supplies</u>				
553703104	Office Supplies	\$ 0	\$ 0	\$ 0
	<i>Subtotal – Supplies</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
<u>Services</u>				
553704104	Professional Services	\$ 0	\$ 0	\$ 0
	<i>Subtotal – Services</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
	<i>Subtotal – PM 2.5</i>	<i>\$ 73,332</i>	<i>\$ 10,907</i>	<i>\$ 35,995</i>
<u>Wood Smoke Reduction</u>				
<u>Wages and Benefits</u>				
553701004	Wages and Salaries	\$ 61,439	\$ 62,851	\$ 62,851
553702004	Benefits	20,064	24,649	24,649
553703004	Overtime	0	0	0
	<i>Subtotal – Wages and Benefits</i>	<i>\$ 81,503</i>	<i>\$ 87,500</i>	<i>\$ 87,500</i>
<u>Supplies</u>				
553703105	Office Supplies	\$ 0	\$ 0	\$ 0
	<i>Subtotal – Supplies</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>
<u>Services</u>				
553704105	Professional Services	\$ 806,151	\$ 350,000	\$ 350,000
	<i>Subtotal – Services</i>	<i>\$ 806,151</i>	<i>\$ 350,000</i>	<i>\$ 350,000</i>
	<i>Subtotal – Wood Smoke Reduction</i>	<i>\$ 887,654</i>	<i>\$ 437,500</i>	<i>\$ 437,500</i>
	<i>Subtotal – Grant Operations</i>	<i>\$ 974,671</i>	<i>\$ 453,479</i>	<i>\$ 478,566</i>
<u>EXPENSES – Enterprise Operations</u>				
<u>Visible Emission Certification</u>				
<u>Wages and Benefits</u>				
553701005	Wages and Salaries	\$ 38,869	\$ 52,100	\$ 38,920
553702005	Benefits	10,173	8,290	15,635
553703005	Overtime	0	0	0
	<i>Subtotal – Wages and Benefits</i>	<i>\$ 49,042</i>	<i>\$ 60,390</i>	<i>\$ 54,555</i>
<u>Supplies</u>				
553703106	Office Supplies	\$ 695	\$ 850	\$ 925
553703206	Vehicles	1,401	937	1,400
553703506	Small Tools and Equipment	73	0	100
	<i>Subtotal – Supplies</i>	<i>\$ 2,168</i>	<i>\$ 1,787</i>	<i>\$ 2,425</i>

YRCAA Comparative Budget		Actual FY 2023-24	Projected Actual FY 2024-25	Proposed Budget FY 2025-26
Services				
553704106	Professional Services	\$ 1,791	\$ 296	\$ 1,900
553704206	Postage	0	0	0
553704306	Travel and Transportation	8,654	4,500	6,000
553704506	Rents and Leases	3,051	2,501	3,500
553704806	Maintenance – Vehicles/Equipment	170	170	800
553704906	Miscellaneous	352	0	400
	Subtotal – Services	\$ 14,018	\$ 7,467	\$ 12,600
Capital Projects/Fixed Assets				
553706406	Capital Projects/Fixed Assets	\$ 0	\$ 0	\$ 0
	Subtotal – Capital Projects/Fixed Assets	\$ 0	\$ 0	\$ 0
	Subtotal – Enterprise Operations	\$ 65,227	\$ 69,644	\$ 69,580
Total Expenses		\$ 1,725,364	\$ 1,335,873	\$ 1,682,350
Summary				
Total Revenue		\$ 1,929,900	\$ 1,494,705	\$ 1,565,229
Total Expenses		1,725,364	1,335,873	1,682,350
Contribution to Reserves		\$ 204,536	\$ 158,832	\$ (117,122)
Beginning Reserve Balance		\$ 1,404,530	\$ 1,609,066	\$ 1,767,897
Contribution to Reserves		204,536	158,832	(117,122)
Ending Reserve Balance		\$ 1,609,066	\$ 1,767,897	\$ 1,650,776
Reserve Fund Allocation				
Operating Reserve (min. 25% of base operating exp.)		\$ 300,000	\$ 300,000	\$ 300,000
Legal Reserve (min. \$200,000)		275,000	275,000	275,000
Capital Reserve (min. 10% of asset replacement cost)		30,000	30,000	30,000
Vehicle Replacement		140,000	140,000	140,000
Major Vehicle Repairs		10,000	10,000	10,000
Equipment Acquisition		35,000	35,000	35,000
Building Acquisition		550,000	550,000	550,000
Employee Cash-out Liability		15,000	15,000	15,000
Unallocated		254,066	412,074	295,776
Total		\$ 1,609,066	\$ 1,767,897	\$ 1,650,776

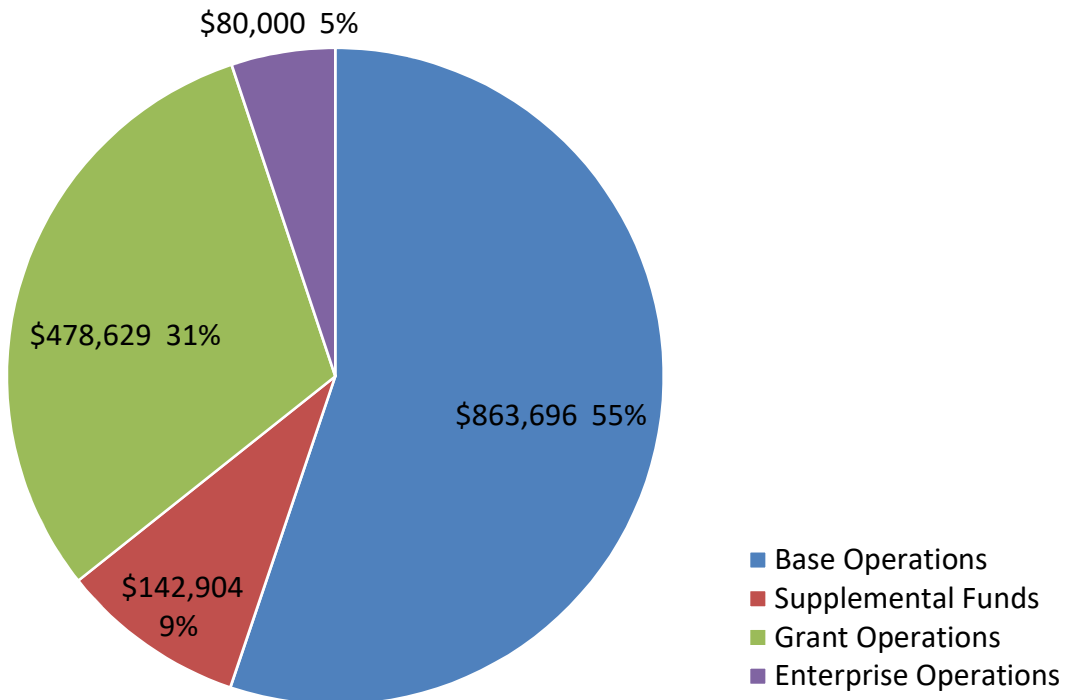
Revenue - Base Operations



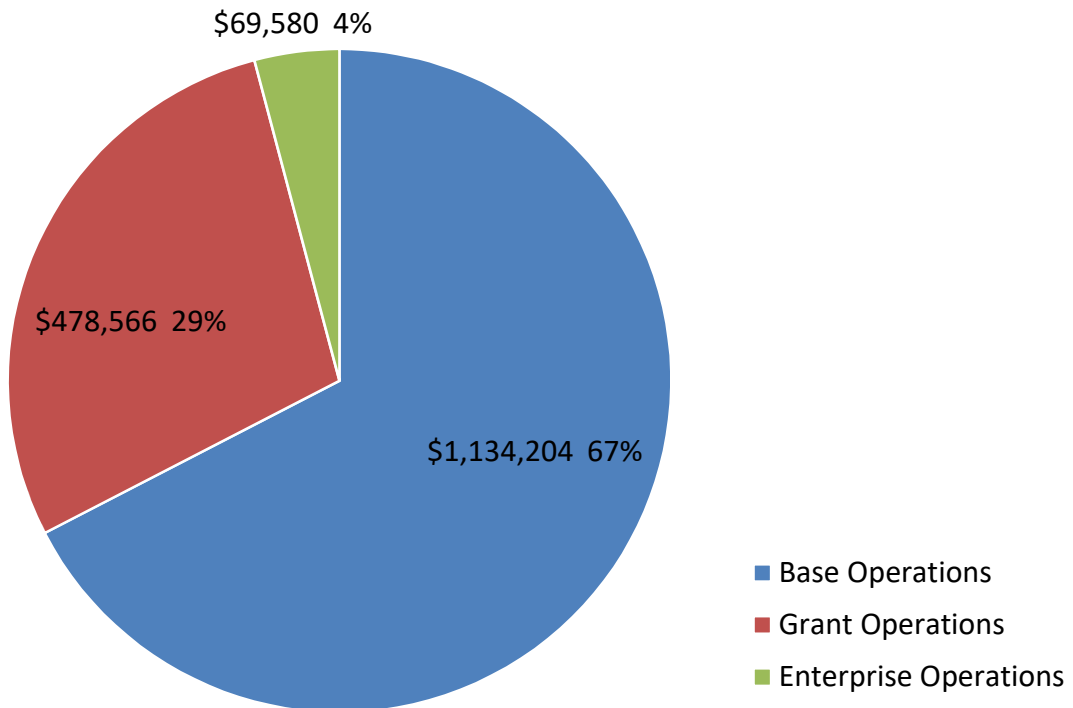
Expenses - Base Operations



Revenue - Total



Expenses - Total



Budget Notes

The following notes describe the accounts used by the Agency, the revenues and expenses they represent, and any significant factors affecting, or expected to affect, them during the budget year. Significant changes to the operation of the federal government and the substantial shortfall in State revenues—including the resulting potential for reductions in funding—were considered in preparing this budget. Staff elected to take a cautious approach—accounting for potential revenue reductions so the Board can understand the potential impact—without recommending drastic cuts that may prove unnecessary. In the event circumstances negatively affect the financial state of the Agency, vacant positions may be left vacant until financial conditions improve.

The reader should understand the Projected Actual FY 2024-25 figures provided are comprised of actual amounts for the first nine months of the fiscal year (July 1 through March 31) plus a projected amount for the remaining three months (April 1 through June 30). The projected amount may be based on an actual amount if the future revenue/expense is known and not subject to change, a percentage of the prior nine months revenue/expense equal to that of the previous fiscal year if the revenue/expense is seasonal, an estimate if the future revenue/expense is largely known but subject to change, another reasonable basis upon which to anticipate the final revenue/expense for special circumstances, or simply one third of the prior nine months revenue/expense if no other basis for calculation exists.

Revenue – Base Operations

Stationary Sources

Because minor and synthetic minor source fees are billed on a calendar year basis and due in the first half of the calendar year, this revenue will be realized in the second half of fiscal year (FY) 2025-26. Annual fee adjustments prevent future large increases (such as those in FY 2022-23 and FY 2023-24) made necessary by multiple years in which no change was made. No increase in registration fees was adopted for CY 2025. The modest increase in revenue budgeted for FY 2025-26 is based on a *minimum* three percent (3%) adjustment to take effect CY 2026 (the last half of FY 2025-26).

32199001 — Minor Sources

Revenue from sources not otherwise classified as Synthetic Minor and collected pursuant to Revised Code of Washington (RCW) 70A.15.2200, Washington Administrative Code (WAC) 173-400-099, and Yakima Regional Clean Air Agency (YRCAA) Regulation 1 Section 4.01. The amount shown reflects a modest increase as described. Additional monies received as the result of work to secure payments of amounts owed and not received and the identification of facilities that should have been, but were not, registered with the Agency accounts for the greater-than-normal projected actual revenue shown.

32199002 — New Source Reviews

Revenue from stationary sources subject to a New Source Review (NSR) pursuant to Chapter 173-400 WAC, Chapter 173-460 WAC, 40 Code of Federal Regulations (CFR) Part 60, and 40 CFR Part 61. The cost of a New Source Review is billed to the applicant when an Order of Approval or Denial is issued or when the proposed project is abandoned. Several projects for which a Notice of Construction has been received have been placed on hold by the applicant or the Agency is currently awaiting further information. As a result, though costs have been incurred, receipt of the commensurate revenue is delayed and not expected until FY 2025-26, reducing the projected actual amount shown. Because projects that involve substantial delay are at greater risk of abandonment, this anticipated revenue is not included in the proposed revenue for FY 2025-26. However, at the end of FY 2025-26 at least some

portion of this anticipated revenue is expected to be realized including costs already incurred for projects subsequently abandoned.

32199005 — Synthetic Minor Sources

Revenue from sources that have chosen to avoid classification as a major (aka Title V) source by accepting restrictive operating and permit conditions that limit emissions.

32290001 — Title V Sources

Revenue from major sources that directly emit, or have the potential to emit, 100 tons per year (TPY) or more of any air pollutant as defined in 40 CFR Part 70. The Agency currently has three (3) major sources and does not anticipate any change in FY 2025-26.

Burn Permits

32290005 — Residential Burn Permits

Revenue from residential burn permits pursuant to RCW 70A.15.5070, Chapter 173-425 WAC, and YRCAA Regulation 1 Section 3.03.

32290007 — Agricultural Burn Permits

Revenue from agricultural burn permits pursuant to RCW 70A.15.5090, Chapter 173-430 WAC, and YRCAA Regulation 1 Section 3.03. Rates are established by the Agricultural Burning Practices and Research Task Force pursuant to RCW 70A.15.5090(6) and have not been adjusted for several years. Agricultural burn permit revenue has declined over several years from a high of approx. \$47,000 in FY 2019-20. Following this trend, the figure shown includes a small reduction in revenue. It should be noted the prevalence of agricultural burning from year to year is significantly influenced by the availability and financial feasibility of alternatives and market demand for chipped vegetative material.

32290011 — Conditional Use Burn Permits

Revenue from conditional use burn permits issued for burning that is not residential or agricultural in nature (e.g. firefighter training and land clearing).

Compliance

32199003 — Asbestos Removal

Revenue from fees required pursuant to the National Emission Standards for Hazardous Air Pollutants (NESHAP) and YRCAA Regulation 1, Section 3.07 used to process notifications and conduct inspections of demolition and renovation activity with the potential to release asbestos fibers.

32199007 — Construction Dust Control Plans

Revenue from dust control plans (including master and site plans) pursuant to WAC 173-400-040 and YRCAA Regulation 1 Section 3.08.

Core Grants

33366001 — EPA Core

Funds awarded through the federal Performance Partnership Grant (PPG) program pursuant to federal Clean Air Act Section 105. These funds support the Agency's core air quality programs and are distributed through the Wash. Dept. of Ecology on behalf of the U.S. Environmental Protection Agency. This grant is biennial and the figure shown is one-half the amount awarded for the two-year period.

33403101 — Ecology Local Partner Core

Funds awarded through the federal Performance Partnership Grant (PPG) program pursuant to federal Clean Air Act Section 105. These funds are a portion of the monies granted to the State of Washington by the U.S. Environmental Protection Agency.

Fines and Penalties

35990001 — Civil Penalties

Civil penalties assessed for violations of air pollution regulations with amounts determined on a case-by-case basis depending upon various factors including the type and severity of the violation, culpability of the source, and the potential impact on human health. Although most years see receipts for penalties, the Agency objective is for full compliance resulting in zero civil penalties. As a result, no amount is budgeted for this item. When received, penalties are used to provide additional financial support for compliance, education, outreach, and other one-time expenses.

Supplemental Income

36850003 — Supplemental Income

Assessments paid to YRCAA by cities, towns, and Yakima County pursuant to RCW 70A.15.1590 and RCW 70A.15.1600. The proportionate share of supplemental income for each entity is shown below. The budget includes a one cent increase from \$0.54 to \$0.55 per capita.

YRCAA CY 2025 Supplemental Income Assessments

City / Town	2023 Pop. Estimate	3rd-4th Qtr. 2025 Assessment	2024 Pop. Estimate	1st-2nd Qtr. 2026 Assessment	% of Total
Grandview	11,250	\$ 3,037.50	11,680	\$3,212.00	4.37%
Granger	3,775	1,019.25	3,815	1,049.13	1.45%
Harrah	580	156.60	585	160.88	0.22%
Mabton	1,965	530.55	1,965	540.38	0.75%
Moxee	4,785	1,291.95	4,820	1,325.50	1.83%
Naches	1,120	302.40	1,125	309.38	0.43%
Selah	8,450	2,281.50	8,620	2,370.50	3.26%
Sunnyside	16,530	4,463.10	16,570	4,556.75	6.31%
Tieton	1,545	417.15	1,600	440.00	0.60%
Toppenish	8,900	2,403.00	8,915	2,451.63	3.40%
Union Gap	6,660	1,798.20	6,660	1,831.50	2.54%
Wapato	4,620	1,247.40	4,625	1,271.88	1.76%
Yakima (city)	98,650	26,635.50	99,370	27,326.75	37.76%
Zillah	3,215	868.05	3,215	884.13	1.23%
Unincorporated Yakima County	89,155	24,071.85	89,635	24,649.63	34.09%
Total	261,200	\$ 70,524.00	263,200	\$ 72,380.00	100%

Based on \$0.54 (2025) and \$0.55 (2026) per capita rates

Other Income

36111001 — Interest

Interest income earned on funds (primarily reserve funds) held by the Agency. The amount shown reflects high interest rates that are expected to remain relatively stable through the fiscal year in tandem with more active investment management of the Agency's reserve funds.

36991011 — Miscellaneous

Revenue not otherwise allocated such as tax-deductible donations or fees related to public records requests.

Revenue – Grant Operations

33403105 — Wood Smoke Education

Grant funds provided by the Wash. Dept. of Ecology supporting the Agency’s wood smoke education program including advertising and public service announcements concerning the dangers of smoke, fine particulate matter, and alternatives to burning. It is assumed the amount awarded will remain the same in the new FY 2025-27 biennium. However, a shortfall in state revenues may result in cuts to funding for this program.

33403107 — Wood Smoke Reduction

Grant funds provided by the Wash. Dept. of Ecology to support the Agency’s Wood Stove Replacement program. The program provides rebates for, or fully funds for low-income persons, replacement of older, polluting wood-burning stoves with new EPA-certified wood stoves or other heating devices. In the FY 2023-25 biennium the Agency was awarded \$1.25 million—a substantially larger amount than in prior biennia. Given the shortfall in state revenues (recently estimated at \$16 billion over four years), it is expected the funds available for award in the FY 2025-27 biennium will be reduced and an estimated thirty percent (30%) cut has been included in this budget.

33403108 — Ecology Local Partner PM 2.5

Funds awarded through the Wash. Dept. of Ecology pursuant to federal Clean Air Act Section 103 and used to operate and maintain two air quality monitor systems (located in the cities of Yakima and Sunnyside) that measure fine particulate matter equal to or smaller than 2.5 microns (PM_{2.5}). A one-time increase in the amount of this grant for the 2024-28 fiscal quadrennium resulted in a higher reported revenue in each of the four years. However, this is currently set to expire in 2028 and it is expected revenue in FY2028-29 will return to the level in FY 2023-24. As it is in the middle of its quadrennial cycle, it is assumed the amount will not be altered. However, significant changes occurring in the federal government could result in these funds being reduced or eliminated without warning.

Revenue – Enterprise Operations

34517001 — Visible Emissions Certification

Revenue from training and registration fees paid by persons participating in the Agency’s Northwest Opacity Certification (NOC) program. The NOC program provides training, testing, and certification for participants who must be certified to conduct Visible Emission Evaluations in accordance with Method 9 and Method 22 as described in 40 CFR 60. Certification must be renewed every six months.

34517002 — Other Revenue

Revenue from any other enterprise operation.

Expenses – Base Operations

Wages and Benefits

553701001 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency. The amount shown assumes all ten (10) positions within the Agency are filled with employees fully qualified for the position held and, therefore, making the target wage for that position. In practice, employees change so that, in any given year, one or more positions may be vacant for a period of time. Furthermore, new

employees may not be fully qualified at the time of hire—reaching that point only after completing training and gaining experience.

When, and to the extent, one or both of these conditions exist, the actual wages and benefits expense in any given fiscal year will be lower than the budgeted amount. The presence of several vacant positions in FY 2023-24 and FY 2024-25 accounts for the lower actual and projected costs shown. However, as positions are filled and/or qualifications are gained, the total expense for wages and benefits will grow until it reaches the budgeted amount. If the budget were based only on the actual wages and benefits expenses at the beginning of the fiscal year and projected forward, there would be insufficient funds available when, during the budget period, replacement personnel are hired or pay is adjusted for the training and experience gained.

The amount shown includes a three percent (3%) annual cost-of-living-adjustment (COLA) for all positions. The purpose of a COLA is to help ensure wages remain competitive with the general labor market during the period between compensation analyses and to help prevent wages from falling behind over time, resulting in the need for substantial future increases (as was necessary in FY 2022-23 and FY 2023-24).

The median wages determined by the September 2022 analysis serve as the basis for the proposed wages and benefits. At the time the analysis was completed, the Consumer Price Index—All Urban Consumers (CPI-U) as calculated by the U.S. Bureau of Labor Statistics was 296.808. During the intervening months through February 2025 (the most recent month for which stable data is available) the CPI-U grew to 319.082—an increase of seven and one-half percent (7.5%). A four and one-half percent (4.5%) COLA was adopted for FY 2024-25, leaving the three percent (3%) difference noted above.

The implementation of a federal minimum ten percent (10%) tariff on all goods from countries other than Mexico and Canada that occurred April 2 may substantially increase inflation during the coming fiscal year. For example, an article by Barbiero and Stein appearing on the Federal Reserve Bank of Boston web site (<http://www.bostonfed.org/publications/current-policy-perspectives/2025/the-impact-of-tariffs-on-inflation.aspx>) suggests the initial impact of these tariffs could be an added inflationary increase of two and two-tenths percent (2.2%). As a result, a more substantial COLA for FY 2026-27 should be anticipated.

533702001 — Benefits

Expenses for employment benefits including employer contributions for medical and dental insurance, unemployment insurance, Medicare, Social Security or similar program, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS). While the highest cost health insurance plan premiums declined in CY 2025, the average cost of all plans rose five percent (5%) over CY 2024. The amounts appearing in the budget include an estimated five percent (5%) increase in health insurance premiums expected to be effective January 1, 2026 (for the last half of FY 2025-26). The figures below show the actual CY 2024 and CY 2025 premiums (not taking into account the projected CY 2026 rates):

Plan / Monthly Premium	Employee Only		Employee +Spouse		Employee +Children		Full Family	
	2024	2025	2024	2025	2024	2025	2024	2025
Kaiser Permanente WA Classic	\$1,096.70	\$1,058.89	\$2,036.30	\$1,946.17	\$1,801.40	\$1,724.35	\$2,741.00	\$2,611.64
Kaiser Permanente WA Value	1,082.51	1,049.17	2,007.91	1,926.73	1,776.56	1,707.34	2,701.97	2,584.91
Kaiser Permanente WA CDHP	902.12	960.86	1,645.77	1,748.76	1,474.44	1,566.37	2,159.77	2,295.94
Uniform Medical Plan Classic	994.82	1,064.01	1,832.54	1,956.42	1,623.11	1,733.32	2,460.83	2,625.73
Uniform Medical Plan Select	929.75	1,013.41	1,702.41	1,855.22	1,509.24	1,644.77	2,281.90	2,486.58
Uniform Medical Plan Plus	979.64	1,088.86	1,802.18	2,006.12	1,596.55	1,776.81	2,419.09	2,694.07
Uniform Medical Plan CDHP	910.93	981.90	1,663.40	1,790.86	1,489.87	1,603.21	2,184.01	2,353.83
Maximum	\$1,096.70	\$1,088.86	\$2,036.30	\$2,006.12	\$1,801.40	\$1,776.81	\$2,741.00	\$2,694.07
Average	\$985.21	\$1,031.01	\$1,812.93	\$1,890.04	\$1,610.17	\$1,679.45	\$2,421.22	\$2,521.81

The amount paid by the Agency is shown below:

CY 2025 Actual Rates	Enrolled Employees	Maximum Premium	Agency Percentage	Agency Contribution
Employee (only)	8	\$1,088.86	95%	\$1,034.42
Employee and spouse	1	\$2,006.12	65%	\$1,303.98
Employee and child(ren)	1	\$1,776.81	70%	\$1,243.77
Employee full family	0	\$2,694.07	55%	\$1,481.74
<i>Agency Monthly Cost (at CY 2025 rates)</i>				<i>\$10,823.11</i>
<i>Agency Annual Cost (at CY 2025 rates)</i>				<i>\$129,877.32</i>

533703001 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week). The Agency typically limits overtime to urgent and special situations. The amount shown reflects potential overtime costs resulting from unexpected events (e.g. compliance, enforcement, and complaint response) occurring during non-working hours.

Supplies

533703101 — Office Supplies

Expenses for consumables and other supplies valued at less than \$5,000 and not otherwise allocated to the capital asset account including toilet paper, light bulbs, toner, writing instruments, paper, etc. The amount shown supports continuing work on paper file organization (e.g. hanging files, file folders, labels, etc.).

533703102 — Safety Equipment

Expenses for safety equipment such as boots, eye protection, safety vests, etc. used for compliance inspections and other field work.

533703201 — Vehicles

Expenses for consumables related to vehicle operation such as gasoline, wiper blades, wiper fluid, etc.

533703501 — Small Tools and Equipment

Expenses for small tools and equipment not otherwise allocated to another account. The amount shown reflects costs for the potential acquisition of equipment that may be needed to support the Agency's compliance, inspection, and enforcement efforts.

533703502 — Technology Systems

Expenses for computer software (such as applications, upgrades, user licenses, etc.), computer hardware (such as computers, monitors, keyboards, network, devices, printers, etc.), printers, scanners, phone system equipment (such as desksets, software, blades, etc.), and other similar equipment. The amount shown reflects the need to replace several workstations—some of which have been in service for over a decade.

533703503 — Office Furnishings

Expenses for office and conference room furnishings (such as task chairs, desks, file cabinets, chair mats, guest seating, tables, white boards, projection screens, etc.). It is expected additional funding will be required in future years to acquire needed furnishings—particularly with respect to planned improvements to paper file management and needed repair/replacement of some conference room chairs.

Services

553704101 — Professional Services

Expenses for all professional services including legal services, technical support, janitorial services, engineering review, and other similar services. A majority of the expenses incurred in the prior year were related to legal costs associated with one appeal involving all local clean air agencies in Washington and one appeal to the Pollution Control Hearings Board. The latter remains active to date.

553704102 — Laboratory Analyses

Expenses for laboratory analyses of various samples as needed. Costs have typically involved analysis of potential asbestos containing materials (PACM).

553704192 — Yakima County Services

Expenses for any service provided to the Agency by Yakima County, typically through an intergovernmental agreement. No need for such services is anticipated at this time.

553704201 — Communications and Technology

Expenses (typically recurring) for communications services including telephone service, Internet service, web site hosting, e-mail hosting, anti-virus, consulting, and other similar services.

553704202 — Postage and Freight

Expenses for stamps, postage, express mail, freight carrier (UPS, FedEx) services, etc.

553704301 — Travel and Related

Expenses for transportation including travel costs (e.g. meals and lodging), private vehicle use reimbursement, and other travel costs except where they are more appropriately included as part of another charge allocated elsewhere.

553704401 — Public Notices and Education

Expenses for required publication of notices, announcements, or reports (including public notices concerning board and administrative meetings as well as public hearings) and public education (such as flyers, guides, and various advertisements).

553704501 — Rents and Leases

Expenses related to the rent or lease of (primarily office) equipment not otherwise allocated to another account (e.g. copiers, binding machines, postage machines, etc.) and office space including fire insurance, property taxes, and common area and certain landscape maintenance costs.

553704601 — Insurance

Expenses for public liability, property and casualty, errors and omissions, and money insurance policies. Coverage protects and Agency from loss due to accident, fire, theft, burglary, vandalism, auto accident, theft of funds, mistakes, and negligence. The amount shown reflects a modest increase consistent with the trend for annual insurance rates.

553704701 — Utilities

Expenses for utilities including water, sewer, electric power, natural gas, and garbage disposal. The amount shown reflects a modest increase consistent with expected rate increases for these services.

553704801 — Maintenance – Vehicles/Equipment

Expenses for maintaining and repairing vehicles, field equipment, technology systems, and other office equipment not allocated to another maintenance account (e.g, office furnishings, copy machines, etc.).

553704802 — Maintenance – Building

Expenses for carpet cleaning, electrical, mechanical, and other maintenance and repair work on the office building.

553704901 — Miscellaneous

Expenses for Agency membership in regulatory, professional, and other associations and organizations; staff education, training, seminars, and other professional development; bank service charges, interest charges, etc.; and other miscellaneous expenses. The amount shown reflects the expectation of additional training expenses related to (relatively) new staff and continuing inspection efforts.

553704902 — Ecology Oversight and Admin. Fee

Expenses for the Ecology oversight and administration fee for Air Operating Permit (aka Title V) sources.

Capital Projects/Fixed Assets

594536401 — Capital Projects/Fixed Assets

Expenses for the acquisition of tangible property valued at \$5,000 or more with a useful life of at least two years. Assets are depreciated over the useful life of the asset.

Expenses – Grant Operations

Wood Smoke Education

553701002 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency as permitted under the terms of the grant.

553702002 — Benefits

Expenses for employment benefits including employer contributions for employee health insurance, unemployment insurance, Medicare, Social Security or other supplemental retirement savings, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS) as permitted under the terms of the grant.

553703002 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week) as permitted under the terms of the grant.

553703103 — Office Supplies

Expenses for office supplies. These are typically used in such small quantities as to make tracking and cost allocation impractical.

553704139 — Professional Services

Expenses for various professional or special services as permitted under the terms of the grant.

553704203 — Postage

Expenses for stamps, postage, and similar delivery costs as permitted under the terms of the grant.

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553701003 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency as permitted under the terms of the grant.

553702003 — Benefits

Expenses for employment benefits including employer contributions for employee health insurance, unemployment insurance, Medicare, Social Security or other supplemental retirement savings, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS) as permitted under the terms of the grant.

553703003 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week) as permitted under the terms of the grant.

553703104 — Office Supplies

Expenses for office supplies. These are typically used in such small quantities as to make tracking and cost allocation impractical.

553704104 — Professional Services

Expenses for various professional or special services as permitted under the terms of the grant.

Wood Smoke Reduction

553701004 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency as permitted under the terms of the grant.

553702004 — Benefits

Expenses for employment benefits including employer contributions for employee health insurance, unemployment insurance, Medicare, Social Security or other supplemental retirement savings, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS) as permitted under the terms of the grant.

553703004 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week) as permitted under the terms of the grant.

553703105 — Office Supplies

Expenses for office supplies. These are typically used in such small quantities as to make tracking and cost allocation impractical.

553704105 — Professional Services

Expenses for various professional or special services as permitted under the terms of the grant. This is comprised primarily of payments to third-party vendors for the replacement or conversion of older wood burning devices (including acquisition, permitting, and installation) under the low-income wood stove change-out program.

Expenses – Enterprise Operations

Visible Emission Certification

553701005 — Wages and Salaries

Expenses for wages and salaries paid to full-time and part-time employees of the Agency. Training of a new staff member to replace a retiring one in FY2024-25 resulted in a one-time increase in this cost during that period and is expected to return to normal in FY2025-26

553702005 — Benefits

Expenses for employment benefits including employer contributions for employee health insurance, unemployment insurance, Medicare, Social Security or other supplemental retirement savings, industrial insurance (aka Workers' Compensation), and Public Employees Retirement System (PERS).

553703005 — Overtime

Expenses for overtime (or time worked in excess of 40 hours in a work week).

553703106 — Office Supplies

Expenses for office supplies.

553703206 — Vehicles

Expenses for consumables related to vehicle operation such as gasoline, wiper blades, wiper fluid, etc.

553703506 — Small Tools and Equipment

Expenses for small tools and equipment needed to operate the mobile testing facility.

553704106 — Professional Services

Expenses for various professional or special services.

553704206 — Postage

Expenses for stamps, postage, and similar delivery costs.

553704306 — Travel and Transportation

Expenses for travel (e.g. meals and lodging) incurred as a result of providing training and testing.

553704506 — Rents and Leases

Expenses related to the rent or lease of space to conduct training and testing in various locations throughout Washington and Oregon as well as storage space for the mobile testing equipment.

553704806 — Maintenance – Vehicles/Equipment

Expenses for maintaining and repairing vehicles and equipment related to, and used in, the Visible Emissions Certification program.

553704906 — Miscellaneous

Expenses for other various expenses related to the Visible Emissions Certification program and not otherwise allocated.

Capital Projects/Fixed Assets

553706406 — Capital Projects/Fixed Assets

Expenses for the acquisition of tangible property valued at \$5,000 or more with a useful life of at least two years. Assets are depreciated over the useful life of the asset.

Contribution to Reserves

In years with higher revenues, this amount increases the reserves held by the Agency while in years with higher expenses, this amount is drawn from reserves. In FY 2024-25 funds were added to the reserves and these are being withdrawn for use in FY 2025-26, leaving the balance essentially the same as it was at the conclusion of FY 2023-24.

Reserve Fund Allocation

Operating Reserve

The Board has set a minimum operating reserve equal to 25% of the Agency's base operating expenses. The amount shown meets this requirement. These funds are used to cover Agency operating expenses during periods of significant, unanticipated economic impact such as the loss of grant funds or reduced revenues.

Legal Reserve

These funds are held to pay unanticipated legal service fees such as those related to an appeal regarding an order of approval, a lawsuit regarding an enforcement action, or to compel compliance with Agency regulations. Staff recommends a \$250,000 balance with a minimum of \$200,000.

Capital Reserve

The Board has set a minimum capital reserve equal to 10% of the Agency's asset replacement cost. The amount shown meets that requirement. These funds are used to replace capital items (e.g. desks, file cabinets, and other capitalized assets) lost or destroyed and not otherwise covered by insurance or at the end of their useful life.

Vehicle Replacement

Plans call for replacement of the Agency's aging vehicles in the near future. It is expected these new vehicles will be fuel-efficient, plug-in hybrid models that meet the statutory requirements pertaining to public agency vehicles and are better able to operate in areas without paved roads and (particularly) in winter weather conditions. These funds are held to pay for acquisition of these vehicles and any related items (such as markings, safety equipment, charging infrastructure, etc.).

Major Vehicle Repairs

These funds are held to pay for major vehicle repairs if needed for existing vehicles. Upon replacement of the Agency fleet (see above), these funds will not be required until the vehicles have aged and are no longer under warranty.

Equipment Acquisition

These funds are held to acquire specialized equipment and clothing necessary to carry out the mission of the Agency.

Building Acquisition

These funds are held to acquire the building the agency occupies or another building in the event the Board elects to do so (at a future date).

Employee Cash-out Liability

Under Agency policy, departing employees may be entitled to cash-out a defined portion of the unused sick and vacation leave they have accrued. Employee departures are not typically planned sufficiently in advance to allow for inclusion in the budget and these funds assist in meeting what can be a sudden and unexpected demand for funds to meet the Agency's obligation.

Unallocated

Any funds held in reserve and not otherwise allocated for a specific purpose. These funds may be used, in tandem with other allocated reserve funds, to take advantage of unique opportunities, provide match funds in support of grant applications, address emergency circumstances (such as theft or vandalism), or provide additional monies to other budget line items or for any other purpose approved by the Board. Disproportionately higher revenue realized through the wood stove change-out program in the first half of the 2023-25 state biennium significantly increased reserves in FY2024-25. However, most of these excess funds will be used to make up for the disproportionately lower revenue that will, as a result, be realized in FY2025-26.