



Yakima Regional Clean Air Agency

Fiscal Year 2026-27 Budget

Final

June 11, 2026

Table of Contents

YRCAA Comparative Budget FY 2026-27	3
Revenue – Base Operations	3
Revenue – Grant Operations	3
Revenue – Enterprise Operations	4
Expenses – Base Operations.....	4
Expenses – Grant Operations.....	4
Expenses – Enterprise Operations	5
Summary.....	6
Reserve Fund Allocation	6
Charts	7
Revenue - Base Operations.....	7
Expenses - Base Operations	7
Revenue - Total	8
Expenses - Total	8
Budget Notes	9
Revenue – Base Operations	9
Revenue – Grant Operations	11
Revenue – Enterprise Operations	12
Expenses – Base Operations.....	12
Expenses – Grant Operations.....	16
Expenses – Enterprise Operations	17
Reserve Fund Allocation	18

YRCAA Draft FY 2026-27 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.

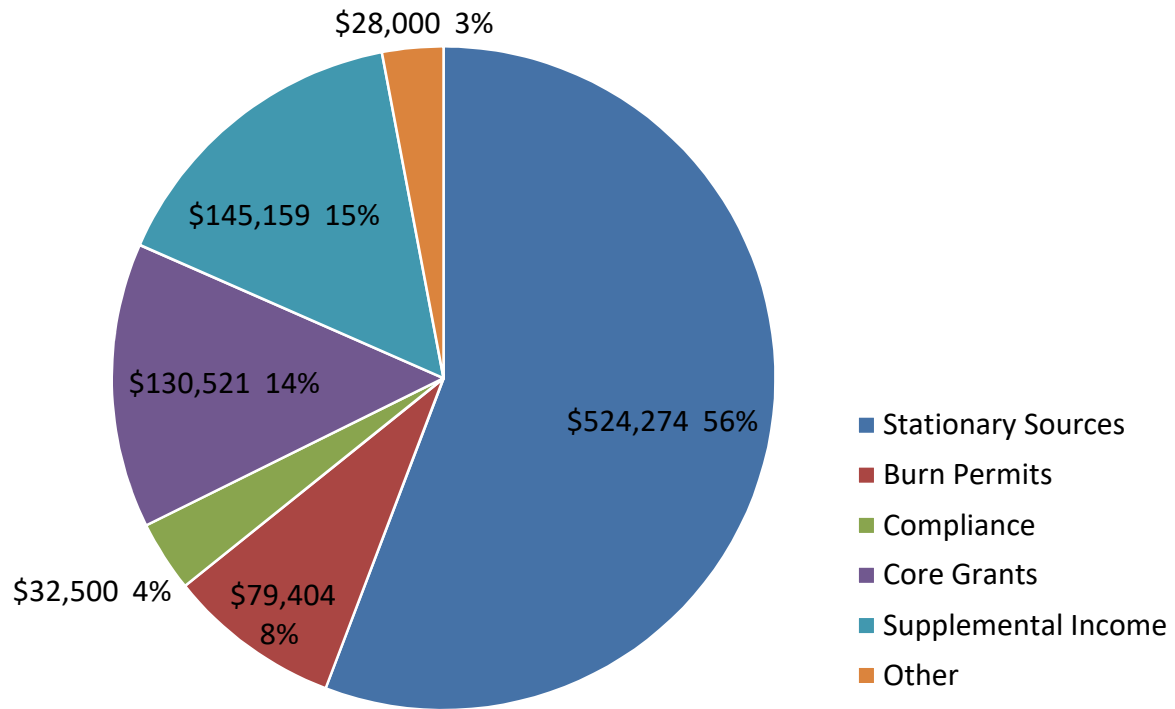
YRCAA Comparative Budget		Actual FY 2024-25	Budget 2025-26	Projected Actual FY 2025-26	Proposed Budget FY 2026-27
<u>REVENUE – Base Operations</u>					
<u>Stationary Sources</u>					
32199001	Minor Sources	\$ 331,865	\$ 373,847	\$ 401,660	\$ 376,674
32199002	New Source Review	13,876	52,000	28,596	30,000
32199005	Synthetic Minor Sources	39,592	38,308	49,700	42,600
32290001	Major / Title V Sources	104,671	95,000	56,697	75,000
	<i>Subtotal – Stationary Sources</i>	\$ 490,003	\$ 559,155	\$ 536,653	\$ 524,274
<u>Burn Permits</u>					
32290005	Residential Burn Permits	\$ 31,115	\$ 46,750	\$ 49,074	\$ 60,500
32290007	Agricultural Burn Permits	16,761	15,500	16,011	16,000
32290011	Conditional Use Burn Permits	2,904	1,500	2,670	2,904
	<i>Subtotal – Burn Permits</i>	\$ 50,780	\$ 63,750	\$ 67,755	\$ 79,404
<u>Compliance</u>					
32199003	Asbestos Removal Fees	\$ 27,620	\$ 26,000	\$ 26,733	\$ 26,000
32199007	Construction Dust Control Fees	8,290	6,500	6,420	6,500
	<i>Subtotal – Compliance</i>	\$ 35,910	\$ 32,500	\$ 33,153	\$ 32,500
<u>Core Grants (FCAA Section 105)</u>					
33366001	EPA Core	\$ 28,319	\$ 113,275	\$ 103,758	\$ 103,758
33403101	Ecology Local Partner Core	18,879	75,516	26,763	26,763
	<i>Subtotal – Base Grants</i>	\$ 47,198	\$ 188,791	\$ 130,521	\$ 130,521
<u>Settlements and Penalties</u>					
35990001	Settlements and Penalties	\$ 28,508	\$ 0	\$ 59,485	\$ 0
	<i>Subtotal – Settlements and Penalties</i>	\$ 28,508	\$ 0	\$ 59,485	\$ 0
<u>Supplemental Income</u>					
36850003	Supplemental Income	\$ 131,036	\$ 142,904	\$ 145,159	\$ 145,159
	<i>Subtotal – Supplemental Income</i>	\$ 131,036	\$ 142,904	\$ 145,159	\$ 145,159
<u>Other Income</u>					
36111001	Interest	\$ 30,492	\$ 19,500	\$ 31,362	\$ 28,000
36991011	Miscellaneous	4,294	0	519	0
	<i>Subtotal – Other Income</i>	\$ 34,786	\$ 19,500	\$ 31,881	\$ 28,000
	<i>Subtotal – Base Operations</i>	\$ 818,221	\$ 1,006,600	\$ 1,004,606	\$ 939,858
<u>REVENUE – Grant Operations</u>					
<u>Wood Smoke Education</u>					
33403105	Wood Smoke Education	\$ 0	\$ 5,129	\$ 4,822	\$ 4,822
	<i>Subtotal – Wood Smoke Education</i>	\$ 0	\$ 5,129	\$ 4,822	\$ 4,822
<u>Wood Smoke Reduction</u>					
33403107	Wood Smoke Reduction	\$ 423,084	\$ 437,500	\$ 573,562	\$ 501,438
	<i>Subtotal – Wood Smoke Reduction</i>	\$ 423,084	\$ 437,500	\$ 573,562	\$ 501,438

YRCAA Comparative Budget		Actual FY 2024-25	Budget 2025-26	Projected Actual FY 2025-26	Proposed Budget FY 2026-27
Particulate Matter 2.5 (FCAA Section 103)					
33403108	Ecology Local Partner PM 2.5	\$ 8,949	\$ 36,000	\$ 36,000	\$ 36,000
	<i>Subtotal – Particulate Matter</i>	<u>\$ 8,949</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>
	<i>Subtotal – Grant Operations</i>	<u>\$ 432,033</u>	<u>\$ 478,629</u>	<u>\$ 614,384</u>	<u>\$ 542,260</u>
REVENUE – Enterprise Operations					
Visible Emission Certification					
34517001	Visible Emission Certification	\$ 70,605	\$ 80,000	\$ 78,525	\$ 77,500
	<i>Subtotal – Visible Emission Cert.</i>	<u>\$ 70,605</u>	<u>\$ 80,000</u>	<u>\$ 78,525</u>	<u>\$ 77,500</u>
	<i>Subtotal – Enterprise Operations</i>	<u>\$ 70,605</u>	<u>\$ 80,000</u>	<u>\$ 78,525</u>	<u>\$ 77,500</u>
Total Revenue		\$ 1,320,859	\$ 1,565,229	\$ 1,697,515	\$ 1,559,618
EXPENSES – Base Operations					
Wages and Benefits					
553701001	Wages and Salaries	\$ 451,832	\$ 659,810	\$ 467,700	\$ 674,787
553702001	Benefits	147,801	275,444	98,000	235,387
553703001	Overtime	0	2,000	0	2,000
	<i>Subtotal – Wages and Benefits</i>	<u>\$ 599,633</u>	<u>\$ 937,254</u>	<u>\$ 565,700</u>	<u>\$ 912,174</u>
Supplies					
533703101	Office Supplies	\$ 3,859	\$ 4,000	\$ 4,390	\$ 4,600
533703102	Safety Equipment	0	1,000	0	1,000
533703201	Vehicles	3,759	4,200	2,060	4,200
533703501	Small Tools and Equipment	808	2,700	190	2,200
533703502	Technology Systems	2,203	5,000	690	5,000
533703503	Office Furnishings	0	750	0	750
	<i>Subtotal – Supplies</i>	<u>\$ 10,629</u>	<u>\$ 17,650</u>	<u>\$ 7,330</u>	<u>\$ 17,750</u>
Services					
553704101	Professional Services	\$ 76,402	\$ 45,000	\$ 87,012	\$ 91,200
553704102	Laboratory Analyses	24	500	0	0
553704192	Yakima County Services	0	0	0	0
553704201	Communications and Technology	11,329	12,700	12,423	12,700
553704202	Postage and Freight	2,6320	1,800	2,169	2,230
553704301	Travel and Related	0	5,000	24	2,500
553704401	Public Notices and Education	1,043	3,500	2,224	2,290
553704501	Rents and Leases	61,600	64,000	60,056	64,500
553704601	Insurance	18,472	18,500	19,029	19,600
553704701	Utilities	5,422	5,600	5,141	5,290
553704801	Maintenance – Vehicles/Equipment	2,181	2,700	1,664	1,710
553704802	Maintenance – Building	4,711	4,500	5,827	6,000
553704901	Miscellaneous	18,129	12,000	18,671	19,230
553704902	Ecology Oversight and Admin. Fee	3,128	3,500	5,283	5,440
	<i>Subtotal – Services</i>	<u>\$ 205,074</u>	<u>\$ 179,300</u>	<u>\$ 219,523</u>	<u>\$ 232,690</u>
Capital Projects/Fixed Assets					
594536401	Capital Projects/Fixed Assets	\$ 0	\$ 0	\$ 0	\$ 0
	<i>Subtotal – Base Operations</i>	<u>\$ 815,337</u>	<u>\$ 1,134,204</u>	<u>\$ 792,553</u>	<u>\$ 1,162,614</u>
EXPENSES – Grant Operations					
Wood Smoke Education					
Wages and Benefits					
553701002	Wages and Salaries	\$ 1,978	\$ 3,028	\$ 4,017	\$ 2,900
553702002	Benefits	964	1,293	1,553	1,160
553703002	Overtime	0	0	0	0

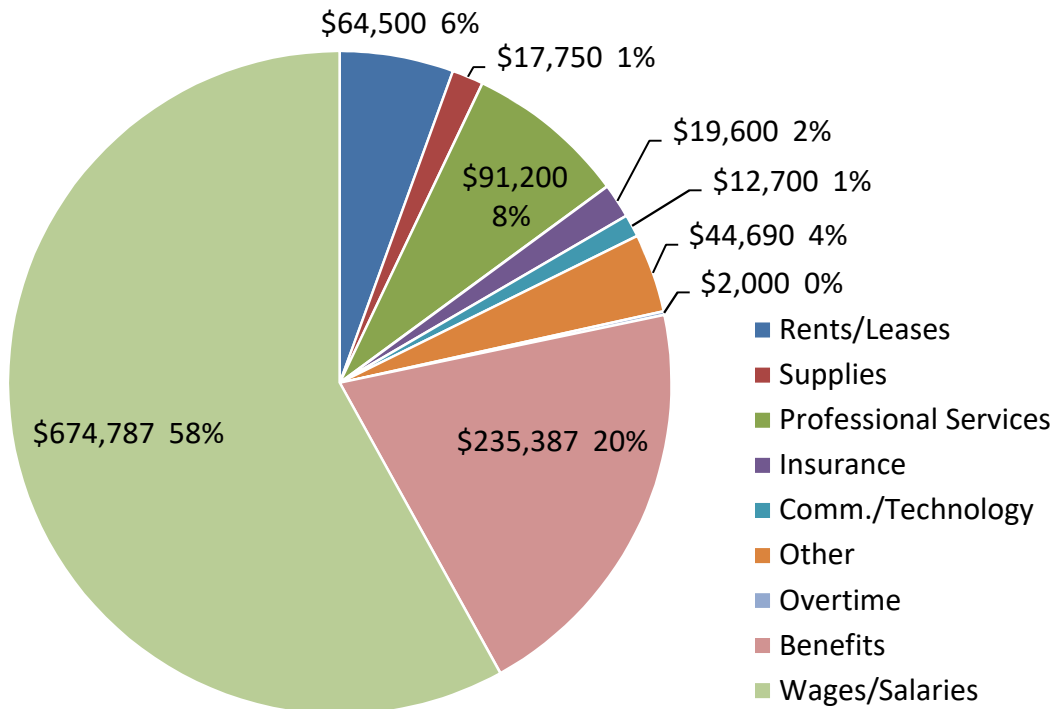
YRCAA Comparative Budget		Actual FY 2024-25	Budget 2025-26	Projected Actual FY 2025-26	Proposed Budget FY 2026-27
<i>Subtotal – Wages and Benefits</i>		\$ 2,943	\$ 4,321	\$ 5,570	\$ 4,060
<u>Supplies</u>					
553703103	Office Supplies	\$ 0	\$ 0	\$ 0	\$ 0
<i>Subtotal – Supplies</i>		\$ 0	\$ 0	\$ 0	\$ 0
<u>Services</u>					
553704139	Professional Services	\$ 750	\$ 750	\$ 1,000	\$ 1,030
553704203	Postage	104	0	0	0
<i>Subtotal – Services</i>		\$ 854	\$ 750	\$ 1,000	\$ 1,030
<i>Subtotal – Wood Smoke Education</i>		\$ 3,796	\$ 5,071	\$ 6,570	\$ 5,090
<u>Particulate Matter 2.5</u>					
<u>Wages and Benefits</u>					
553701003	Wages and Salaries	\$ 17,846	\$ 25,054	\$ 10,254	\$ 19,100
553702003	Benefits	6,126	10,941	7,279	8,000
553703003	Overtime	0	0	0	0
<i>Subtotal – Wages and Benefits</i>		\$ 23,972	\$ 35,995	\$ 17,533	\$ 27,100
<u>Supplies</u>					
553703104	Office Supplies	\$ 0	\$ 0	\$ 0	\$ 0
<i>Subtotal – Supplies</i>		\$ 0	\$ 0	\$ 0	\$ 0
<u>Services</u>					
553704104	Professional Services	\$ 0	\$ 0	\$ 0	\$ 0
<i>Subtotal – Services</i>		\$ 0	\$ 0	\$ 0	\$ 0
<i>Subtotal – Particulate Matter 2.5</i>		\$ 23,972	\$ 35,995	\$ 17,533	\$ 27,100
<u>Wood Smoke Reduction</u>					
<u>Wages and Benefits</u>					
553701004	Wages and Salaries	\$ 80,640	\$ 62,851	\$ 60,696	\$ 64,500
553702004	Benefits	19,295	24,649	20,977	22,900
553703004	Overtime	0	0	0	0
<i>Subtotal – Wages and Benefits</i>		\$ 99,935	\$ 87,500	\$ 81,673	\$ 87,400
<u>Supplies</u>					
553703105	Office Supplies	\$ 0	\$ 0	\$ 0	\$ 0
<i>Subtotal – Supplies</i>		\$ 0	\$ 0	\$ 0	\$ 0
<u>Services</u>					
553704105	Professional Services	\$ 213,498	\$ 350,000	\$ 491,889	\$ 414,038
<i>Subtotal – Services</i>		\$ 213,498	\$ 350,000	\$ 491,889	\$ 414,038
<i>Subtotal – Wood Smoke Reduction</i>		\$ 313,433	\$ 437,500	\$ 573,500	\$ 501,438
<i>Subtotal – Grant Operations</i>		\$ 341,201	\$ 478,566	\$ 453,479	\$ 533,628
<u>EXPENSES – Enterprise Operations</u>					
<u>Visible Emission Certification</u>					
<u>Wages and Benefits</u>					
553701005	Wages and Salaries	\$ 17,105	\$ 38,920	\$ 16,720	\$ 17,580
553702005	Benefits	6,118	15,635	5,670	6,560
553703005	Overtime	0	0	0	0
<i>Subtotal – Wages and Benefits</i>		\$ 23,223	\$ 54,555	\$ 22,390	\$ 24,140
<u>Supplies</u>					
553703106	Office Supplies	\$ 207	\$ 925	\$ 769	\$ 1,000
553703206	Vehicles	446	1,400	1,105	1,500

YRCAA Comparative Budget		Actual FY 2024-25	Budget 2025-26	Projected Actual FY 2025-26	Proposed Budget FY 2026-27
553703506	Small Tools and Equipment	197	100	279	200
	Subtotal – Supplies	\$ 850	\$ 2,425	\$ 2,153	\$ 2,700
Services					
553704106	Professional Services	\$ 404	\$ 1,900	\$ 353	\$ 400
553704206	Postage	0	0	0	0
553704306	Travel and Transportation	5,739	6,000	10,472	10,800
553704506	Rents and Leases	3,161	3,500	3,972	4,100
553704806	Maintenance – Vehicles/Equipment	290	800	4,320	4,500
553704906	Miscellaneous	33	400	7,081	7,300
	Subtotal – Services	\$ 9,626	\$ 12,600	\$ 26,198	\$ 27,100
Capital Projects/Fixed Assets					
553706406	Capital Projects/Fixed Assets	\$ 0	\$ 0	\$ 0	\$ 0
	Subtotal – Capital Proj./Fix. Assets	\$ 0	\$ 0	\$ 0	\$ 0
	Subtotal – Enterprise Operations	\$ 33,699	\$ 69,580	\$ 50,741	\$ 53,940
Total Expenses		\$ 1,190,237	\$ 1,682,350	\$ 1,440,959	\$ 1,750,182
Summary					
Total Revenue		\$ 1,320,859	\$ 1,565,229	\$ 1,697,515	\$ 1,559,618
Total Expenses		1,190,237	1,682,350	1,440,952	1,750,182
Contribution to Reserves		\$ 130,622	\$ (117,121)	\$ 256,563	\$ (190,564)
Beginning Reserve Balance		\$ 1,338,999	\$ 1,767,897	\$ 1,469,621	\$ 1,726,184
Contribution to Reserves		130,622	(117,121)	256,563	(190,564)
Ending Reserve Balance		\$ 1,469,621	\$ 1,650,776	\$ 1,726,184	\$ 1,535,620
Reserve Fund Allocation					
Operating Reserve (min. 25% base operating exp.)		\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Legal Reserve (min. \$200,000)		250,000	270,000	270,000	300,000
Capital Reserve (min. 10% asset replacement cost)		30,000	30,000	30,000	50,000
Vehicle Replacement		120,000	140,000	140,000	215,000
Major Vehicle Repairs		0	10,000	10,000	10,000
Equipment Acquisition		5,000	35,000	35,000	55,000
Building Acquisition		500,000	550,000	550,000	550,000
Employee Cash-out Liability		7,000	15,000	15,000	50,000
Unallocated		254,217	300,776	376,184	5,620
Total		\$ 1,469,621	\$ 1,650,776	\$ 1,726,184	\$ 1,535,620

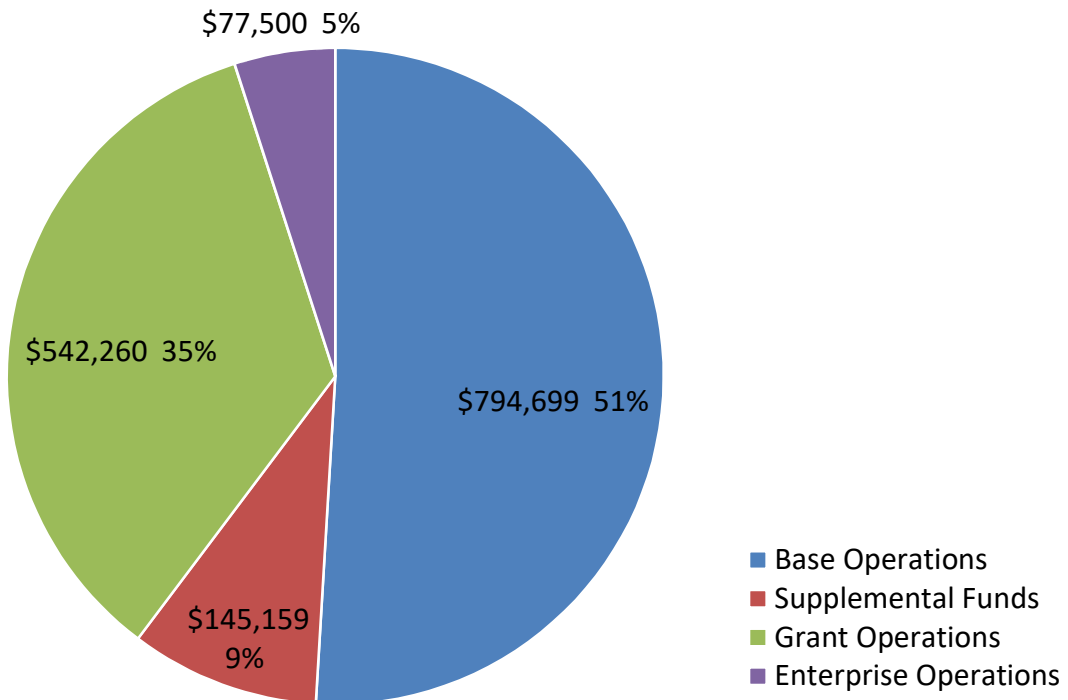
Revenue - Base Operations



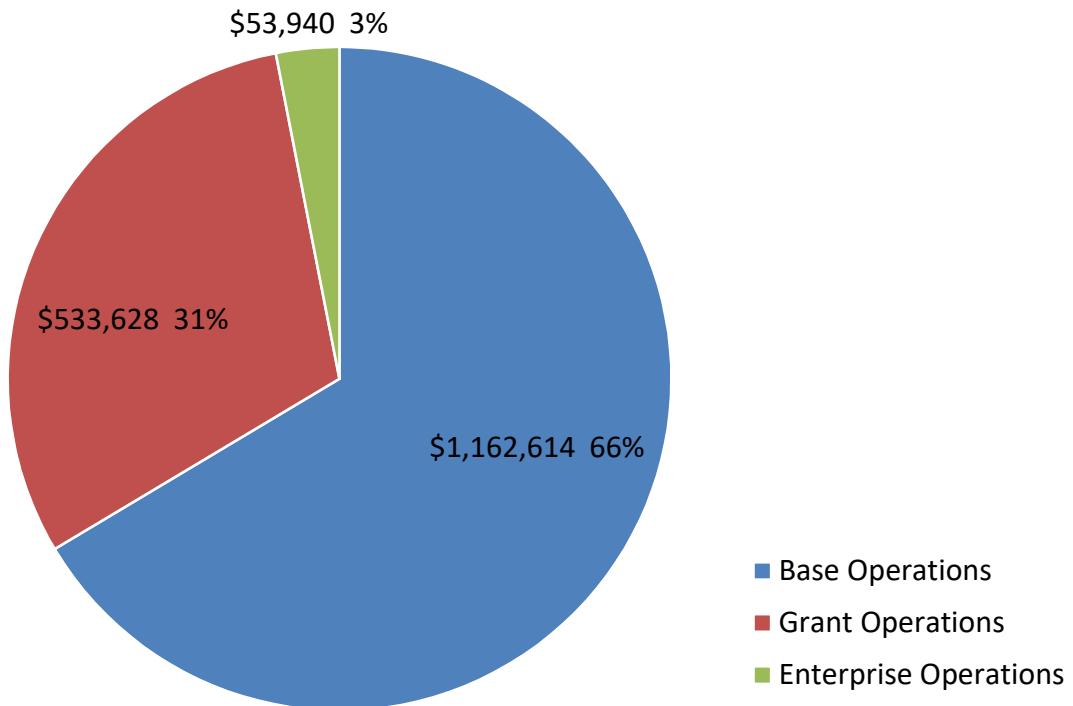
Expenses - Base Operations



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 actual and potential reductions in funding—were considered in preparing this budget. However, while actual funding reductions have been included in revenue calculations, at the direction of the Board, no other changes in revenue or expenses were planned with reserve funds utilized to cover any shortfall.

The reader should understand the Projected Actual FY 2025-26 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) 2026-27. A seven and six tenths percent (7.6%) increase for synthetic minor sources and a two and six-tenths percent (2.6%) increase for all other minor sources were adopted for CY 2026 (the latter being less than the rate of inflation).

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 accounts for the higher projected revenue. The expected addition of several sources and the planned closure of others resulted in a negligible net increase in future revenue.

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 application fee for a Notice of Construction is due at the time of submission. The actual 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. Because it is dependent upon the applicant and the project (elements outside the control of the Agency), it is difficult to project possible revenues.

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 2026-27.

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. The difference between the projected actual and proposed budget amounts is due largely to timing where revenue from the permits sold in May is not received until the new fiscal year (after June 30).

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. The reduction shown is due to the limitation imposed by the Dept. of Ecology as a result of a shortfall in the Model Toxics Control Act (MTCA) account.

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 no change in the \$0.55 per capita rate.

YRCAA CY 2025 Supplemental Income Assessments

City / Town	2024 Pop. Estimate	3rd-4th Qtr. 2026 Assessment	2025 Pop. Estimate	1st-2nd Qtr. 2027 Assessment	% of Total
Grandview	11,680	\$ 3,212.00	11,950	\$3,286.25	4.44%
Granger	3,815	1,049.13	3,775	1,038.13	1.45%
Harrah	585	160.88	590	162.25	0.22%
Mabton	1,965	540.38	1,990	547.25	0.75%
Moxee	4,820	1,325.50	4,825	1,326.88	1.83%
Naches	1,125	309.38	1,150	316.25	0.43%
Selah	8,620	2,370.50	8,655	2,380.13	3.28%
Sunnyside	16,570	4,556.75	16,690	4,589.75	6.30%
Tieton	1,600	440.00	1,635	449.63	0.61%
Toppenish	8,915	2,451.63	8,925	2,454.38	3.39%
Union Gap	6,660	1,831.50	6,670	1,834.25	2.53%
Wapato	4,625	1,271.88	4,615	1,269.13	1.76%
Yakima (city)	99,370	27,326.75	100,000	27,500.00	37.75%
Zillah	3,215	884.13	3,225	886.88	1.22%
Unincorporated Yakima County	89,635	24,649.63	89,955	24,737.63	34.06%
Total	263,200	\$ 72,380.00	264,650	\$ 72,778.75	100%

Based on a \$0.55 per capita rate for 2026 and 2027

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 be received, but a significant shortfall in state revenues could 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 2025-27 biennium the Agency was awarded \$1.075 million. The difference between the projected actual and proposed budget amounts is due to the accelerated use of funds to address demand in the first half of the state biennium (FY 2025-26) which results in a lower percentage of funds available in the last half of the biennium (FY 2026-27).

33403108 — Ecology Local Partner Particulate Matter 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 translates into a higher reported revenue in each of these four fiscal years. However, this is currently set to expire in 2028 and it is expected revenue in FY2028-29 will return to a level similar to that in FY 2023-24.

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. The availability of similar training and certification using virtual reality technology may result in a reduction in future revenues and, if adopted by a majority of Agency participants, eventual shuttering of the program.

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 trained and possessing all qualifications 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 and/or employees may not have received all the necessary training and/or skills. When, and to the extent, one or both of these conditions exist, the actual wages and benefits expense in a given fiscal year will be lower than the budgeted amount. Were the budget 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.

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 2026 (the most recent month for which stable data is available) the CPI-U grew to 326.785 (an inflation rate of 9.17%). A four and one-half percent (4.5%) and a three percent (3.0%) COLA were adopted in FY 2024-25 and FY 2025-26.

Continued impacts from the implementation of tariffs on various goods and recent world events indicate a substantial likelihood inflation will grow substantially with current estimates pointing to a one percent (1%) increase in inflation in the month of March alone. The three percent (3%) calculation is based on the current rate of inflation noted above plus an amount anticipated to cover near-term expected increases. Nevertheless, an adjustment may be required before the final budget is adopted.

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). On average, plan premiums increased seven and seven-tenths percent (7.7%) over CY 2025. The amounts appearing in the budget include an estimated five percent (5%) increase in health insurance premiums expected to be effective January 1, 2027 (for the last half of FY 2026-27). The figures below show the actual CY 2025 and CY 2026 premiums (not taking into account the projected CY 2027 rates):

Plan / Monthly Premium	Employee Only		Employee +Spouse		Employee +Children		Full Family	
	2025	2026	2025	2026	2025	2026	2024	2025
Kaiser Permanente WA Classic	\$1,058.89	\$1,152.64	\$1,946.17	\$2,125.64	\$1,724.35	\$1,882.39	\$2,611.64	\$2,611.64
Kaiser Permanente WA Value	1,049.17	1,161.56	1,926.73	2,143.48	1,707.34	1,898.00	2,584.91	2,584.91
Kaiser Permanente WA CDHP	960.86	1,041.73	1,748.76	1,902.56	1,566.37	1,701.94	2,295.94	2,295.94
Uniform Medical Plan Classic	1,064.01	1,156.32	1,956.42	2,133.00	1,733.32	1,888.83	2,625.73	2,625.73
Uniform Medical Plan Select	1,013.41	1,093.39	1,855.22	2,007.14	1,644.77	1,778.70	2,486.58	2,486.58
Uniform Medical Plan Plus*	1,088.86	-	2,006.12	-	1,776.81	-	2,694.07	-
Uniform Medical Plan CDHP	981.90	1,073.72	1,790.86	1,966.54	1,603.21	1,757.92	2,353.83	2,353.83
<i>Maximum</i>	<i>\$1,088.86</i>	<i>\$1,161.56</i>	<i>\$2,006.12</i>	<i>\$2,143.48</i>	<i>\$1,801.40</i>	<i>\$1,898.00</i>	<i>\$2,741.00</i>	<i>\$2,625.73</i>
<i>Average</i>	<i>\$1,031.01</i>	<i>\$1,113.23</i>	<i>\$1,890.04</i>	<i>\$2,046.39</i>	<i>\$1,679.45</i>	<i>\$1,817.96</i>	<i>\$2,521.81</i>	<i>\$2,731.69</i>

* No longer available in 2026

The monthly amount paid by the Agency is shown below:

CY 2026 Actual Rates	Enrolled Employees	Maximum Premium	Agency Percentage	Agency Contribution
Employee (only)	8	\$1,161.56	95%	\$1,103.48
Employee and spouse	1	\$2,143.48	65%	\$1,393.26
Employee and child(ren)	1	\$1,898.00	70%	\$1,328.60
Employee full family	0	\$2,625.73	55%	\$1,444.15
<i>Agency Monthly Cost (at CY 2026 rates)</i>				<i>\$12,885.06</i>
<i>Agency Annual Cost (at CY 2026 rates)</i>				<i>\$154,620.72</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. Increased permitting and inspection activity has increased fuel costs and other consumables linked to miles traveled.

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 acquire portable computing for use in monitoring and inspection work.

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.). Work has started on improvements to the Agency paper filing system and future years will likely require funds to acquire new or additional cabinets and related items.

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 to the Pollution Control Hearings Board. The budgeted amount anticipates the possibility the Agency may need to address two other appeals.

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.

533704902 — 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.

Particulate Matter 2.5

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 2025-26 funds were added to the reserves. However, the deficit anticipated in the proposed budget will require some reserves to be withdrawn in FY 2026-27.

Reserve Fund Allocation

With the exception of the operating reserve (which is set forth in policy adopted by the Board), the identification of reserve funds as described in the budget is a recommendation by staff and does not

constitute a commitment of these funds to the purposes described nor does it constrain the Board from using any of the reserve funds available as it sees fit.

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 federal, state, and local regulations.

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

The Agency expects to replace its aging vehicle fleet in the coming fiscal year. 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. Additional funds have been added to account for the substantial increase in vehicle acquisition costs that have taken effect in the last year. 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, 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 identified for a specific purpose. These funds may be used, in tandem with identified 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.