

**Washington Department of Ecology
Air Operating Permit Program**

Final Audit Report

For Calendar Year 2005

Submitted by TechLaw, Inc.

Contract #30700

Work Request Number 17702, Phase I

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TechLaw
Quality & Integrity

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ABBREVIATIONS

AA = Administrative amendment
AOD = Agreement of Discontinuance
AOP = Air operating permit
BCAA = Benton Clean Air Authority
CRO = Central Regional Office
CY = Calendar year
ERO = Eastern Regional Office
EU = Emission Unit
FY = Fiscal year
HAP = Hazardous Air Pollutant
HQ = Headquarters
MACT = Maximum Available Control Technology
NA = Not applicable
NOC = Notice of Construction
NOV = Notice of Violation
NWCAA = Northwest Clean Air Agency
ORCAA = Olympic Region Clean Air Agency
PSCAA = Puget Sound Clean Air Agency
SCAPCA = Spokane County Air Pollution Control Authority
SOB = Statement of Basis
SWCAA = Southwest Clean Air Agency
TSD = Technical Support Document
USEPA = United States Environmental Protection Agency
WAC = Washington Administrative Code
WDOE = Washington Department of Ecology
YRCAA = Yakima Regional Clean Air Authority

Washington Department of Ecology
Air Operating Permit Program

Final Audit Report
For the calendar year 2005 and
The period from calendar year 2001 through 2005

1.0 EXECUTIVE SUMMARY

TechLaw, Inc. has completed the annual routine performance audits, the annual random individual permit reviews for calendar year 2005, as well as the periodic extensive performance audit for the period from calendar year 2001 through 2005. This report discusses the purpose of this project and the approach utilized to conduct the work. It then presents the results of the audits and reviews, both on program-wide and agency-specific bases. Conclusions and recommendations regarding significant issues complete this report.

Overall, the Air Operating Permit (AOP) program in the State of Washington appears to be functioning well. Many well-qualified and dedicated people ensure its success on a daily basis. Statewide, the program is fully developed and well managed, with most programs operating in a consistent and predictable manner. Most local and regional programs are fulfilling program mandates, with most activities conducted as standard practice within the various agencies. However, there remain opportunities to improve programs- both within individual programs and across programs statewide. This report will provide an assessment of individual and overall program strengths, as well as any opportunities for improvement to the State of Washington's Air Operating Permits Program. The report covers two general areas: 1) Program management- financing, administrative support, and resource allocation, and 2) Technical program elements- permit content, file management, documentation, and compliance verification activities.

In most cases, programs were able to demonstrate clear and effective management systems, with well-managed information management and accounting systems to compliment and support technical work of permitting and compliance enforcement.

The individual permits that we reviewed were generally complete, clearly written and readily enforceable. We did note a few instances where permit language may be inconsistent with statutory or rule language, but in general, Title V permits in Washington are well-written enforceable documents that meet the intent of state and federal clean air law, statues, rules and regulations. File materials were typically well organized and accessible. Any exceptions to these observations are discussed in more detail later in this report.

Our auditors also observed some specific opportunities to improve program performance.

Most notably, there does not appear to be clear guidance describing a consistent and cohesive set of overarching principles to support Title V implementation in Washington State. While a lack of statewide guidance and implementation policies may allow for greater local and regional flexibility, it also creates inconsistency in many program areas—these inconsistencies are potentially problematic. The effect is that many agencies develop unique systems for tracking program activities and finances. Program development costs associated with the development and maintenance of unique management systems can be high, and may have an adverse affect on overall program implementation. Furthermore, the absence of clear guidance often extends permit review times and increases variability among regulatory determinations, thereby reducing overall program consistency and predictability. This is particularly true where staff turnover is high.

Also WDOE needs to address their fee and expense accounting. While the individual offices seem to be funded adequately to meet program requirements, and have clear fee calculation formulas based like most local agencies on projected expenses and past emissions, it appears that the agency has never reconciled their actual AOP expenses with prior fee billing and collection. It also appears that there is no readily available workload model data indicating fee calculation prior to the CY2005 billing. This makes it impossible to determine if they have been over or under-collecting. WDOE should have an accounting system that reconciles actual expenses against fees collected, and make periodic adjustments as do most local agencies. They are undergoing a separate fiscal audit and awaiting the results to take steps to address this.

Some agencies remain understaffed relative to their current workloads, some even more so this year. Insufficient staffing affects timely permit issuance as well as the overall level and quality of compliance and enforcement activities. As requested by some agencies, we have provided a range of options and approaches agencies may take to address these staffing deficiencies.

Finally, we commend WDOE for addressing a long-standing complaint from AOP program staff and managers regarding the AOP audit process. By providing funding to revise the audit process, we believe the audits can provide a useful mechanism to support continuous improvement throughout Washington's AOP program.

2.0 INTRODUCTION

AOP Background

The State of Washington's Air Operating Permit (AOP) Program is the regulatory mechanism through which the Department of Ecology and the State's local air pollution control agencies implement the operating permits provisions of Title V of the Federal Clean Air Act Amendments of 1990. (<http://www.epa.gov/air/caa/title5.html>)

The intent of the Title V operating permits program is to increase compliance with air pollution laws and regulations among the largest emitters of air pollution. It does this by consolidating source specific requirements into a single permit. This permit then serves as both the basis for self-certification of compliance by permitted sources, as well as the enforceable document by which the public can assess and enforce compliance with the terms and conditions of the permit.

Washington's approach to implementing its AOP Program is through a combination of local/regional authorities and regional and inter-departmental Department of Ecology permitting programs. This approach has advantages and disadvantages- strengths and weaknesses- challenges and opportunities. These will be discussed in more detail throughout this report.

Successful implementation of air operating permit programs requires a combination of professional skills and capabilities, including engineering and legal expertise, as well as effective administrative and management systems. AOP programs must employ a wide range of skills necessary to effectively manage the many facets of Title V including: the federal major source requirements- MACT, emission inventory, information management, public review of permits, inspections and enforcement, and business assistance.

Although the Federal Clean Air Act requires Title V programs to "stand alone," they rarely do. Title V is nearly always implemented in conjunction with other air quality programs such as open burning and asbestos programs. This is particularly true in small and local agencies. And even in larger agencies, the reality of air pollution control, however, is that Title V permit is integral with many other efforts (e.g., New Source Review) to maintain clean air.

Washington utilizes a combination of state and local agencies to implement its AOP program with the Department of Ecology serving as the lead agency responsible for overall program development and oversight. Local agencies are generally responsible for implementing the AOP program for sources within their respective jurisdictions.

Purpose

WDOE is required to conduct periodic audits of its AOP program as directed in WAC 173-401-920. This mandate encompasses the four WDOE regions and seven delegated local agencies that manage the AOP program throughout the state.

TechLaw, Inc., was engaged to perform annual routine performance audits of these entities per WAC 173-401-920 (3)(b), as well as annual random individual permit reviews in accordance with WAC 173-401-920 (3)(c), and the periodic extensive performance audits in accordance with WAC 173-401-920 (3)(d). Our audits and reviews focused on the agencies' AOP-related work performed during calendar year 2005 and CY2001 through CY2005 for the periodic extensive performance audits.

This report describes the approach we utilized to achieve these goals, the positive practices we found at the program and agency levels, and areas for improvement as the AOP program continues to mature.

Approach

As an initial step of this project, TechLaw provided notice in the WDOE Permit Register to announce a public meeting held on March 22, 2006. Mr. Scott Dubble, TechLaw's Lead Auditor, and Dr. David Dobb, TechLaw's Project Manager, then conducted pre-audit discussions with WDOE headquarters staff on that date, and also attended the public meeting. The purposes of the public meeting were to inform interested members of the regulated community, and the public at large, about the conduct of the audit program, and to address their concerns about this matter. No representatives of industry or the public attended this meeting.

TechLaw also developed annual routine performance audit, annual random individual permit review, and periodic extensive performance audit checklists that mirrored WAC 173-401-920 (3)(b), (3)(c), and (3)(d), respectively. We then scheduled audit dates with the WDOE Regions and local agencies. We randomly selected permits for review using the high-low coin toss methodology, which repeatedly halved the population of permits until a single permit remained. In all cases, we avoided permits that were reviewed during last year's audit cycle. One random permit was reviewed in each office, with the exception of PSCAA where two permits were reviewed due to their large number of permits and a requirement to audit at least 5% of an office's permits.

We utilized a team of four main consultants in order to meet WDOE's timeframe for this phase of the project. At least one of our lead auditors, Scott Dubble and Drew Johnson, was present at all agency visits to ensure consistency in our data gathering and interpretations. Our project manager, Dave Dobb led communications, and ensured consistency in coordinating the processing of the data collected. Individual permits received additional evaluation by our senior air engineer, George Weant, who participated in preparing this report. Assistance with the report was also provided by Edlin Limmer. Table 2-1 below provides the audit schedule and auditors in attendance.

Table 2-1. Audit Schedule (2006)

Location	Date	Auditor(s)
ORCAA	April 06	Scott Dubble, Drew Johnson
NWCAA	May 02	Scott Dubble
WDOE – Industrial Section	April 07	Scott Dubble, Drew Johnson
PSCAA	May 03	Scott Dubble
SWCAA	April 20	Drew Johnson
WDOE – ERO	May 17	Scott Dubble
SCAPCA	May 18	Scott Dubble
WDOE – CRO	May 12	Drew Johnson
WDOE – Hanford	May 15, 16	Scott Dubble, Drew Johnson
YRCAA	May 11	Drew Johnson
BCAA	May 10, 16	Drew Johnson

Our auditors conducted interviews with agency representatives, and gathered and reviewed data, at each site. We used the audit templates for the annual performance audit, the randomly selected permit audit, and the extensive five year review.

Our team then analyzed the collected data and compiled it into a draft report that was delivered to WDOE on June 15, 2006. The draft report was then circulated to the various Ecology and air agency offices for comment. During the June comment period, we received replies from WDOE-CRO, WDOE-Hanford, ORCAA, & YRCAA. Their comments were addressed and incorporated into the final report. The final report was completed and submitted to Ecology HQ on June 30, 2006. Two hardcopies of this final report and 10 CD-R copies of the electronic files were delivered to Ecology HQ for distribution to the local air agencies. It is planned that TechLaw will conduct a presentation of the report and answer questions at a meeting of AOP personnel to be determined and announced by Ecology HQ.

3.0 AUDIT RESULTS

This section describes the positive practices and areas for improvement found during this engagement. We address these on both program-level and site-specific bases. Where appropriate within the audit results below, we have identified specific offices where positive practices are used or areas of improvement are needed.

Program-Wide Discoveries

Annual Audits

Positive Practices. TechLaw found that most agency locations employed the following noteworthy practices:

- Program staff we met appeared to be dedicated to, and very knowledgeable about the AOP program and the sources for which they were responsible.
- Data were generally retrievable and well organized.
- Program activities were generally well documented and maintained in well-organized filing systems.
- Most facilities reviewed appeared to be consistently operating in compliance with the terms and conditions of an AOP.
- Most agencies are actively verifying compliance through annual full compliance evaluations, reviews of compliance certifications, and additional inspections at each source, such as observation of source tests and other activities.

Improvement Opportunities. TechLaw noted some program-wide opportunities for improvement as outlined below:

- Several agencies are experiencing workload issues and/or insufficient staff. This has resulted in lapsed permits and/or reduced compliance and enforcement activities (e.g., fewer inspections and monitoring report reviews than appropriate).
- Although readily retrievable, the data at several agencies are stored in multiple systems with varying levels of access. At some locations, specific individuals were required to obtain the audit data from separate, stand-alone, and user-dependent data management systems.
- Database and spreadsheet designs, and the information stored therein, vary considerably across most agencies.
- The degree and focus of enforcement activities vary significantly from agency to agency, independent of staffing levels.

- A few NOV issuances lagged for nine months to longer than two years after a violation was identified.
- Tracking of AOP program expenditures and methods of fee assessment are highly inconsistent across the various agencies.
- Many agencies set the application deadline for renewal of permits at the minimum 6 months of the 6 to 18 months allowable per WAC 173-401-710(1), which also states an intention to “ensure that the terms of the permit will not lapse before the permit is renewed.” WAC 173-401-710(3) protects sources that have met application deadlines and completeness requirements by indefinitely extending the terms and conditions of the expiring permit. WAC 173-401-700(2) allows up to 18 months from receipt of a completed application for a permitting authority to take final action on the permit application. Combining these criteria creates a potential one-year extension in permit issuance, and possibly longer if the permitting authority exceeds the 18 months allotted, which has happened on several occasions. This in effect creates an indefinite and unlimited extension. In many cases it appears to be standard practice to allow permits to pass their expiration date before issuing the renewal. While acceptable within the above guidelines, applying an earlier deadline per WAC-401-710(1) that allows renewal issuance before expiration would more clearly meet the intent of WAC 173-401-610, which unambiguously sets permit duration to “a fixed term of five years.” See YRCAA’s comments in Table 3-4 for a recommendation to clarify language in this WAC to better reconcile it with the language in 40 CFR.
- WAC- 173-401 apparently does not clearly establish application completeness criteria, or procedures for sources that fail to submit complete timely applications, or agencies that fail to complete permit issuance within stated timelines. As WDOE-CRO points out, WAC 173-401-500 (4) states in part, “...to be deemed complete, an application must provide all information required pursuant to WAC 173-401-510...” and WAC 173-401-510 lists the specific items. Despite this direction, Agencies often deem an application complete by default at the end of the 60 day period established by WAC-401- 700 (6) without having actually evaluated submitted materials for completeness, requiring requests for additional information long after an application is deemed complete. Some agencies accept fairly incomplete applications as acceptable for activating the permit shield/application shield.

Individual Permit Reviews

Positive Practices. Our auditors noted the following positive points during this phase of the project:

- Permit files were generally well organized and complete.
- Permit writers meetings are an effective mechanism to improve inter-agency

coordination and consistency across programs.

- Permits reviewed were well written, with most being organized in simple and “user-friendly” format.
- Permit engineers appeared well qualified and very knowledgeable about their permitted sources, permit requirements and policies, regulations, and overall program requirements.
- Nearly all of the permits (and statements of basis) reviewed appeared to contain the required information. (Note: It was not possible to access with any degree of certainty, the adequacy of permit requirements without conducting something like a full compliance evaluation.)
- Several agencies were able to work with the sources on pollution prevention initiatives during the permitting process.

Improvement Opportunities. Some general areas for improvement were also found:

- Because this is a “desktop” review, evaluation of the permits relative to several of the audit criteria is somewhat subjective (e.g., if all emission units are included and all applicable requirements have been met, which might require a facility visit to verify this information).
- WAC 173-401-920 (3)(c)(xi) requires the AOP permits to state that USEPA may be petitioned to appeal permit requirements, in addition to rights to appeal to local Pollution Control Hearing Boards. In this regard, most permits stated that interested parties could appeal under Section 505(b) of the FCAA. Although this approach uses the language specified in WAC 173-401-620 (2)(i), the language is unnecessarily vague and some readers of the permits may not readily interpret this statement as intended by WAC Section 920. The WDOE Policy and Rules Unit may wish to clarify this verbiage in WAC 173-401-620 (2)(i) and future permits.
- Fee calculations can be complex and problematic. They tended to be based on emissions from a calendar year, with the actual workload from a fiscal year, and projected workloads for a future fiscal year. Calendar year fees were billed according to fiscal year schedules. There are also some inconsistencies between agencies. For example, BCAA uses a different complexity fee assessment than WDOE, and their consultant costs (not their hours) are included in the workload analysis.
- Programs could increase their efforts to identify and encourage pollution prevention during the permitting process. It is acknowledged that *requiring* pollution prevention is outside the scope of Title V permitting. However, opportunities to evaluate the benefits and to incorporate pollution prevention are not always intuitive to facility personnel and managers. So, discussions about any opportunities to reduce pollution, along with the possible economic, environmental, and regulatory benefits, are worth

considering during all permit application reviews.

Extensive Program Performance Reviews

Positive Practices. Our auditors noted the following positive points during this phase of the project:

- Agencies demonstrated an ongoing commitment to continuously improving systems and processes to make AOP program implementation as efficient and effective as possible.
- The quarterly permit writers and managers meetings are program assets that have contributed to improved inter-agency coordination and consistency across programs.
- Program publications like *Besides the Permit: A summary of Air Operating Permit Activities* (February 2006) are useful to people working within AOP programs as well as those with limited daily involvement with Title V programs.
- Many agencies have demonstrated an effort to update and improve information management systems and the use of the Internet as a communication and outreach tool is apparent.

Improvement Opportunities. Some general areas for improvement were also found:

- It appears that SCAPCA has not collected enough fees to cover the cost of Title V expenses. Every year since inception the SCAPCA AOP program has had a net cumulative deficit which had grown to (\$77,827) as of FY04, and which seems to have been at least partly covered by local assessments. The deficit was reduced to (\$25,091) by the end of FY2005 due primarily to an unexpected very large late fee and an unusually reduced workload/staffing. SCAPC's staff has developed and proposed new fee rules to address this and as of this audit are waiting for board approval.
- There is a high degree of variability in how agencies determine AOP fees. Some agencies seem to be consistently under-charging AOP sources. The inconsistency between how fees are set not only creates financial inequities among regulated businesses, it also has resulted in programs being continually under-staffed, and therefore, unable to consistently meet AOP Program requirements.
- In contrast to "air only" programs, in those instances where the AOP program is administered through a multi-media program (e.g., Industrial Section and Nuclear Waste- Hanford), it was generally more difficult to locate and review program files. This appeared to be, in part, due to the multi-media nature of the Sections managing the AOP programs. The result is that it is more difficult to demonstrate program effectiveness- a key function of Title V.

Agency-Specific Information

Annual Audits

Tables 3-1, 3-2, 3-3, and 3-4 below, along with the financial, timeliness, and enforcement information in the appendices summarize the results from the annual performance audits. Table 3-1 contains the data from the routine annual audit questionnaire, while Table 3-2 represents the randomly selected permit audit data. Table 3-3 has the data from the periodic extensive performance audit. The leftmost column in these tables follows the numbering and wording provided in WAC 173-401-920(3)(b), (3)(c), and (3)(d). Table 3-4 presents various comments made by AOP staff during the interviews.

We defined “lapsed” permits as those that were past the expiration date stated on the current permit at any point in CY2005. During this audit period, most sources in this “lapsed” category had met renewal application deadlines as determined by the relevant permitting agency and were continuing operations under the permit shield or application shield and per WAC 173-401-710(3).

A challenge with the audits was that many of the processes described in the specified audit items span periods of greater than one year. Additionally, the agencies and sources utilize varying accounting time periods including differing State and Federal fiscal years, the calendar year, and time periods based on dates of permit issuance. This presented some challenges in applying some of the audit items to a single calendar year. To the extent possible within the various accounting/timekeeping systems, the defining events that we captured occurred in calendar year 2005. For example, Item (i) in Table 3-1 refers to permits that at any point in 2005 were past expiration and had not yet had the final issue of the renewal. So a permit may have expired prior to 2005, had a timely 6 month application submitted before the deadline, and a draft renewal issued before expiration, but not been finalized until February 2005. The period in January 2005 would meet our definition for “lapsed” but the facility would have been legally operating under the permit shield.

Subsequent items generally refer to permits actively worked on at some point during 2005. So an application received, or NOV issued prior to 2005, but not finalized or resolved until 2005 or later would be considered, and the entire processing time span would be assessed, up to the time of the audit for those still in process. Since most agencies do not track expenses per source per the WAC language in routine annual audit item (viii), we collected fee assessment data, which was generally available and somewhat comparable. We also used records of the Title V expenses and the balance sheets showing that the fees covered program costs. This data is in the financial section of each Appendix.

Positive Practices. Many positive practices were noted, and are presented in no particular order:

- WDOE – CRO and SCAPCA issued all permits and mods in a timely manner.

- Most agencies provided adequate office space, equipment, and other support facilities for staff, as well as daily and ongoing program administration.
- WDOE – ERO, ORCAA, PSCAA and SCAPCA conduct multiple onsite inspections per year for their larger sources.
- Most agencies conduct compliance inspections on an unannounced basis (<24 hour notice).
- Most agencies have well organized enforcement programs.
- WDOE – Industrial and ORCAA capture AOP program expenditures as required in WAC 173-401-920 (3)(b)(viii).

Annual Routine Performance Audit Summary Report (3-1)

AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
(i) - How many permits lapsed?	8 1) Amtech 2) Crown 3) GHP 4) Simpson Door 5) Rohm & Haas 6) Weyerhaeuser Raymond 7) Nippon Paper 8) Olympic Panel Products	3 1) NW Pipeline – Sumas 2) NW Pipeline – Mt. Vernon 3) Maax Hydroswirl	4 1) Port Townsend Paper (exp. 11/14/05) Lapsed in 2005, now current: 2) Kimberly Clark 3) Simpson 4) Fort James	7 1) Mutual Materials (11568) 2) Kenworth – Renton (17796) 3) Brunswick Family Boat (20350) 4) Rexam Bev. Can (21468) 5) Puget Sound Energy, Frederickson (10028) 6) Pliant (28777) 7) Ball Metal	2 1) Northwest Pipeline - Chehalis 2) NW Pipeline – Washougal	0	0	0	0	2 1) Shields 2) Pactive	0

Annual Routine Performance Audit Summary Report (3-1)

AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
(i)(A) & (i)(B) - <i>Explanation of lapse/Comments</i>	- MACT implementation - Staff turnover - Management Priorities	1) NSPS issue, PSD & OAC amendments 2) NSPS issue, PSD & OAC amendments 3) MACT issues Add new staff in 2006	Workload prioritization and facility changes	-Engineering workload - Supervisory attention - Regulatory issues - Modifications and NOC work AOP permit application action database has been recently developed to support better timeliness tracking.	On going NSR permitting actions. 1/1/05 – 3 expired permits 12/31/05 – 5 expired permits 2 permits were expired throughout 2005 1. Hampton Lumber/Morton-ongoing facility modifications 2. Attbar-fiberglass facility with MACT incorporation issues (emission factors and requirements)	NA	NA	NA	NA	1) Shields – NSR near expiration, late renewal application, due to legal issues – PSD determination and retirement of the senior engineer. 2) Pactive – NSR	NA
(ii) - <i>What is the total number of permit applications or applications for permit modifications?</i>	1 New: 9 Renewals 1 Modification 7 Administrative Revisions	1 New 6 Renewals 5 Modifications 0 Administrative Amendments	3 New 5 Renewals 1 Modification	0 New 6 Renewals 2 Modifications 6 Administrative Amendments.	0 New 0 Renewals 2 Modifications 1 Administrative Amendment.	0 New 0 Renewals 5 Modifications 4 Administrative Amendments	0 New 1 Renewal 0 Modifications 0Administrative Amendments	1 New 1 Renewal 2 Modifications	0 New 1 Renewal 1 Modification	0 New 2 Renewals 0 Modifications 1 Administrative Revision.	Unknown

Annual Routine Performance Audit Summary Report (3-1)

AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
(ii)(A) - Average application processing time	New: Renewal: Mod: Ave = >20M	New: Nordic Tug (>17M) Renewal: PSE – Freed (29M) PSE – Whith (29M) Tenaska (8M) Whidbey NAS (25M) Mod & Renewal: NWP – Mt.V (>28M) NWP – Sumas (>23M) Mods: BP (x2) (>28M) Ershigs (>23M) Gen. Chem (??)	Ave = 16 M (approximately) Records of permit Timeliness were not complete.	Renewal: Mutual Materials >12 M (in process – cert. app. rec'd after expiration) Modifications: -Boeing-Everett 17 M -King City Natural Resources WTP 4M Administrative Amendments: -Boeing- Everett 6D -Boeing- Renton 3D -Boeing- Renton 1M -Seattle Steam 8M -Boeing-NBF 3D -Boeing-NBF 1M	Time spent on individual permit applications is not tracked.	Mod: Moses Lake Gen. 10M Boise Cascade 11M Gas Trans. NW #8 6M Vaagen Lumber 12M WSU 8M AA: Boise Plywood <1M Gas Trans. NW #72M Boise Plywood 3M Gas Trans. NW #8 8M	Renewal: Waste to Energy >10M (still in process)	New: CGEC >13M (still in process) Renewal: KPUD >12M (still in process) Sig. Mod: KPUD > 2M (still in process) GWRL 16M Ave = 3.5M	Hanford had 8 AOP modifications in the last 5 years. [Hanford AOP Revision Status Records-updated 11/15/05]	Renewal: Pactiv=11M Shields=23M Admin: Yakima Resources<2M Ave = 17M	Unknown
(ii)(B) - Number of disapproved applications	0	0	0	0	0	0	0	0	0 Renewal application received-deemed complete and timely. Current permit will be “extended” to provide sufficient processing time.	0	0
(ii)(B) - Reason(s) for disapproval	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Annual Routine Performance Audit Summary Report (3-1)

AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
(ii)(C) 1st part - <i>Number of permit applications regarding which permitting authority had to return to source to request additional information</i>	0	0 <small>(7 permits required additional info – no permits returned to source)</small>	All. Sources are routinely asked to clarify information or provide additional information.	1 Mutual Materials – not certified.	Permit reviews involve frequent requests for information and updating. Most, if not all applications include formal and informal requests for additional information and/or clarification.	Not Tracked	0	3	1 One letter requesting additional information prior to issuance of a completeness determination. The renewal application was submitted in May 2005.	2 1) Shields 2) Pactiv	
(ii)(C) 2nd Part - <i>Number of times permitting authority had to return to source before permit deemed complete.</i>	NA	NA	On-going.	1	See above. Information not tracked.	Not Tracked	NA	1 time per source	1 official request for additional information.	1) Shields>4 2) Pactiv>1	
(iii) - <i>To how many permits did the EPA object? To what percentage of permits did EPA object (including objection upon petition from public)?</i>	0	0	0	0	0	0	0	0	0	0	0
(iii)(A) - <i>Grounds for objection</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(iii)(B) - <i>Agency response</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Annual Routine Performance Audit Summary Report (3-1)

AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
(iii)(B)(I) - <i>Deficiency remedied</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(iii)(B)(II) - <i>Timeliness (That is to say, within ninety days? Did administrator issue permit?)</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(iv) 1st Part - <i>How many permits were subject to legal/administrative challenge?</i>	0	0	0	0	0	0	0	0	0	0	0
(iv) 2nd Part - <i>What percentage of permits was subject to legal and administrative challenge?</i>	0	0	0	0	0	0	0	0	0	0	0
(iv)(A) - <i>Challenging party</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(iv)(B) - <i>Grounds for challenge</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(iv)(B)(I) - <i>Substantive</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(iv)(B)(II) - <i>Procedural</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(iv)(C) - <i>Outcome of challenge and prevailing party</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
(iv)(D) - <i>Agency response</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Annual Routine Performance Audit Summary Report (3-1)

AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
(v) 1 st Part - How many administrative enforcement actions were taken for failure to meet permit requirements?	0	12 1 consent decree (new refinery) 11 NOVs w/ CP	6 Total Enforcement Actions 1) Fort James Camas (1) 2) Longview Fibre (3) 3) Port Townsend Paper and Packaging (1) 4) Kimberly-Clark (1)	14 See Appendix D	0 Agency does not issue "warnings" to Title V sources.	2 1) Guy Bennet Lumber 2) Boise Cascade Plywood	2 1) Kaiser Trentwood 2)Huntwood Ind.	2 Ecology- CRO "addressed" two enforcement actions, for which NOV were issued (pre 2005), in 2005. Settlement Agreements and Agreed Orders were issued to both GWRL and KPUD, on 3/28/05 and 10/14/05, respectively. GWRL is "resolved" (per HPV definition). KPUD is not yet "resolved" and they are still meeting a compliance schedule.	The Department of Health has issued NOV(s) under the part of the permit under their authority (See MOU between WA DOE and WA DOH)	0	1 Agrium

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AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
(v) 2nd Part - How many notices of violation were issued?	4	15 11 w/ CP 4 warnings	5 NOVs 1) Longview Fibre (3) 2) Port Townsend Paper and Packaging (1) 3) Kimberly-Clark (1) See NOV/ENF attachment in Appendix C	122	4	2 1) Guy Bennet Lumber 2) Boise Cascade Plywood	2 1) Kaiser Trentwood 2) Huntwood Ind.	0 Note: While warnings are not tracked as official enforcement actions, they are documented in writing through official correspondence.	0	5	1 Agrium
(v)(A) - Date issued; time elapsed since violation discovered	See Appendix A	See Appendix B	Most less than 1 year. Some currently open NOVs are more than 1-year old See Appendix C	See Appendix D	Cascade Coating (2/15/05) No. 3553 Trans Alta Mining (10/19/05) 3517 Noveon Kalama (1/19/05) 3515 (\$1500.00) Noveon Kalama (11/18/05) 3518 (unavoidable upset, no penalty) See Appendix E	1) 5/5/05 38D 2) 9/8/05 30D See Appendix F	1) 9/16/05 2M 2) 12/8/04 1.5M See Appendix G	See Appendix H	NA	See Appendix J	Approximately 1 yr.
(v)(B) - Reason	See Appendix A	See Appendix B	See Appendix C	See Appendix D	See Appendix E	1) Reporting/cert. Requirements. 2) Opacity violations	1) com/opacity 2) baghouse dust collector w/out permit	See Appendix H	NA	NA	NOx

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AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
<i>(v)(C) - Result (That is to say, penalties? Orders of agreement? Legal challenge?)</i>	See Appendix A	See Appendix B	Penalties See Appendix C	Penalties 2 PCHB appeals See Appendix D	See Appendix E	1) Submitted complete reports 2) paid penalty - \$9,800	1) Paid penalty - \$2,375 2) Began venting inside, paid penalty - \$1,362	See Appendix H	NA	NA	Pending
<i>(v)(D) - Source returned to compliance; date; (if not, explain)</i>	See Appendix A	See Appendix B	See Appendix C	See Appendix D	See Appendix E	1) 5/11/05 2) 1/26/06	1) Opacity – same day 8/19/05 (penalty paid 11/17/05) 2) Within days	See Appendix H	NA	See Appendix J	Unknown
<i>(vi) - What was the frequency of inspections at each facility?</i>	Annual full compliance.	Annual full compliance.	At all sites. Onsite inspection 1/yr.	Annual full compliance at all facilities.	Annual inspections.	FCE related inspection every 2 years at all facilities except WSU. (WSU on EPA performance track-MOU states no “routine” inspections required. WAC does not provide exception to FCE inspection.) See Appendix F.	9 Annual for FCE 2 Biannual for large source FCE (Mutual Materials & Gas Transmission NW/TransCanada)	Annual inspections for AOP sources	Inspections are ongoing (annual) and correspond to construction activity and changes at the facility.	Annual inspections	No data provided

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AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
(vi)(A) - <i>Announced</i>	Source testing and complaints. Number not readily available but could set up in database.	1 BP- Tank	NA	Some specific purpose inspections are announced (e.g., source test observations)	Inspections announced only for gate clearance.	Some specific purpose inspections like source test observations.	Fairchild AFB Kaiser Trentwood GTN/TransCanada Waste to Energy (As short notice as possible, usually < 1 week FCE related, FAFB at least 1 inspection <24 hours notice) Also some specific purpose inspections like source test observations.	None	All due to security and site access issues	3	1 Joint with EPA of Agrium
(vi)(B) - <i>Unannounced</i>	13	16 (All annual FCE)	All	>= 1 per year at all facilities (all FCE)	0	All FCE	Most other sources FCE related.	All	0	7	0
(vi)(C) - <i>Comparison with baseline data</i>	Same	Same	Increased review per new Title V inspection requirements.	Same	Same	Less frequent, formerly all FCE annual	Same for most sources, less frequent for large sources.	Same	Same	Same	No data provided

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<i>(vii) - How many accidental releases, as defined in Section 112(r) of the Federal Clean Air Act, occurred?</i>	NA	NA	0	Unknown/NA	0	0	Unknown, none reported in certifications.	No sources subject to 112(r)	0 Every two years the facility provides a risk response report. Incident reports are provided when there is an accidental release. Only the water treatment plant is operating and being monitored (chlorine tanks) In 2005, there were no reported releases.	0 (1 was not Title V)	Unknown
<i>(vii)(A) - Reason identified</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>(vii)(B) - Agency response</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>(vii)(C). - Resulting changes to terms of permit, if any.</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>(vii)(D) - Comparison with baseline data</i>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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AUDIT ITEM WAC 173-401- 920(3)(b)...	ORCAA	NWCAA	WA-DOE IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE-CRO	DOE- HANFORD	YRCAA	BCAA
<i>(viii) - What was the amount of the expenditures per permit issuance?</i>	See Appendix A	See Appendix B	See Appendices C & L	See Appendix D	Data not tracked- Program billing done in total. All Title V costs are tracked by program, not by permit. See Appendix E	See Appendices F & L	See Appendix G	See Appendices H & L	See Appendices I & L	See Appendix J	See Appendix K
<i>(viii)(A) – Average for program</i>	See Appendix A	See Appendix B	See Appendices C & L	See Appendix D	See Appendix E	See Appendices F & L	See Appendix G	See Appendix H	See Appendix I	See Appendix J	See Appendix K
<i>(viii)(B) - Average for source category</i>	NA	NA	See Appendices C & L	NA	NA	NA	NA	NA	NA	NA	NA

Administrative enforcement action = monetary penalties, consent orders, etc.

NOVs include warnings not resulting in penalty (except at CRO and Hanford where only HPV events generate NOVs - warnings not tracked as enforcement actions).

Random Permit Audit Summary Report (3-2)

AUDIT ITEM WAC 173-401-920 (3)(c)...	ORCAA (4/6/06) Morton International, Inc.	NWCAA (5/2/06) Tenaska Washington Partners	DOE – IND (4/7/06) Boise Cascade - Wallula	PSCAA (5/3/06) 1) Boeing- NBF Plant 2 2) Pneumatic Tube Co. (WPTC)	SWCAA (4/20/06) TransAlta Centralia Mining, LLC	DOE-ERO (5/17/06) WSU Pullman	SCAPCA (5/18/06) Melcher Manufact.	DOE – CRO (5/12/06) Greater Wenatchee Regional Landfill and Recycling Center	DOE- HANFORD (5/15/06) Hanford Permit	YRCAA (5/11/06) PACTIVE	BCAA (5/2/05) Agrium
(i) - <i>Can reviewer, from information available in permit, determine all requirements to which the source is subject?</i>	Yes. Tables containing both applicable and non-applicable requirements are included in the permit.	Yes. Tables containing both applicable and non-applicable requirements are included in the permit.	Yes. Tabular format, with the applicable requirements organized by emission unit.	1. Yes. 2. Yes.	Yes. Tabular format for applicable requirements with monitoring provisions referenced in the table. Monitoring requirements are provided in detailed in another section of the permit	Yes.	No. Although the permit references the applicable MACT standard (40 CFR 63 Subpart WWWW), the permit does not specify how the permittee will comply with monitoring requirements.	Yes. Tables containing applicable requirements are included in the permit. Basis of requirements is clearly identified. The Statement of Basis is well-written and support a conclusion that all applicable requirements are included in the permit.	Yes. (Conditional)	Yes.	Yes. Table 2 in SOB Sec. 1 and 2.
(ii) - <i>Does permit include all applicable requirements?</i>	No. The permit has expired and the source is operating under a permit shield. The application contains applicable requirements that are not included in the permit.	Yes. Current permit appears to include all applicable requirements with no outstanding actions or modifications	Yes. It appears that all applicable requirements are addressed in included in the permit. However, it is always possible that a source has either failed to properly identify all applicable requirements, or has become subject to new requirements that are not reflected in the permit.	1. Yes. 2. Yes.	Yes. Current permit appears to include all applicable requirements with no outstanding permit actions or modifications.	Yes.	Yes.	Yes. See comment above.	No. The agency has not included new applicable requirements into the permit since the source is within renewal application period. The AOP renewal application was reviewed and deemed as “complete and timely”. During the	Yes. It appears the permit includes all applicable requirements.	Yes.

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									renewal period no AOP modifications are processed to accommodate public review. The Hanford permitting activities are controlled by NOC and reporting requirements.		
<p>(iii) - Can reviewer, from information available in file, determine compliance status for each emission point?</p> <p>For facility?</p>	<p>Yes.</p> <p>Enforcement – purple folder. Emission inventory – white folder. Inspection – green folder.</p>	<p>Yes. Voluntary monthly certification w/monthly reports. Annual certification includes continuous vs. intermittent compliance status. Reports have initials indicating agency receipt and review. Inspection letter indicates evaluation. APEMAN database has electronic record w/ evaluation</p>	<p>Yes.</p> <p>Air correspondence & air reports folders. Letter dated December 20, 2005.</p>	<p>1. Yes. 2. Yes.</p> <p>For both permits, records of inspections, annual & semi-annual compliance certifications indicate an active agency evaluation of compliance status for whole facility, with no specific checklist by emission unit.</p>	<p>April 26, 2005 inspection report is included in the file (blue sheets – copy received). The report is complete and detailed with a thorough compliance evaluation of each permit term and condition. The next annual inspection is scheduled to be conducted tomorrow (April 21, 2006)</p>	<p>Yes.</p>	<p>Yes.</p>	<p>Yes.</p> <p>Received a copy of compliance certification and CRO staff review.</p>	<p>No.</p> <p>Was unable to locate compliance status files in document library. (Librarian was unavailable to assist with file review.)</p>	<p>Yes.</p>	<p>No.</p> <p>Deviation and cert reports are in file. No evidence of review at BCAA – no FCE done, ever.</p>

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		description & report attached.									
(iv) - Does the file include technical reviews, source tests, CEM performance specification tests, permit applications, record of citizen complaints, correspondence with facility and other supporting documentation?	Yes. Enforcement, Reports, Inspections, Emissions Inventory, Correspondence, Testing, Fee Invoices, Complaints, NOC, AOP Revisions.	Yes. Technical reviews, correspondence, and permit applications in main files. Source tests & CEM in Library. Complaints and electronic copies of all other documents available in database. Electronic files follow same folder structure as hard copy files.	Yes. (except permit application- could not be readily located) Files included stack test reports, MACT determinations, and general correspondence. Filing system in process of being re-organized. Not all files readily available.	1. Yes. 2. Yes. Permit files (blue folder) contain the application, permit, and process documentation. Source files (green) contain most other records. Sources tests are kept in a separate file. Complaints are tracked in CANDI database. Records are also kept in an electronic database that follows paper file format.	Yes. Technical Support Document (Basis Statement), Source Tests (maintained in a well-organized filing system), and Complaints (documented on yellow sheets in the chronological source files) comprise a good record of permit related documentation. All documentation is included in a chronological file within a well-organized and maintained filing system.	Yes. CEM tests in 2.X (Reports) file Permit, application & related correspondence in 3.X (Permit) file Source tests in 4.X (Source Test) file Complaints would be in ERTS database	Yes. Technical review incorporated in SOB Permit & application in Permit Review File Complaints, correspondence & other supporting docs in Correspondence/inspection File. Also separate complaints file.	Yes. Files appear to be well organized and complete. All information requested was readily retrievable. Files are organized chronologically by topic.	Could not be determined during site visit. Files are cataloged through a library system. Files, including the permit, application, compliance certifications, were not readily available for inspection and could not be located without the assistance of the librarian.	Yes. Files were well organized and available for review.	Yes. However, it appeared that the files were not complete or up to date. There seems to be a significant drop-off in permit documentation over the past few years.

Random Permit Audit Summary Report (3-2)

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<i>(v) - Are all major emissions points identified in permit?</i>	Yes. Statement of Basis includes good description of emission points.	Yes. 2 Gas turbines w/ exhaust stack well described.	Yes. However, this is difficult, if not impossible, to assess without a site visit and full regulatory analysis of the source.	1. Yes. 2. Yes.	Yes. Based on Title I permits, prior (to Title V) inspections, and the Title V permit application.	Yes.	Yes.	Yes. Applicable requirements organized by the three emission units (points): Source wide, Landfill, and Landfill flare.	Yes.	Yes.	Yes.
<i>(vi) - Are all pieces of control equipment identified in permit?</i>	Yes. The Statement of Basis provides a discussion about control equipment in emission unit descriptions. A table that includes control equipment would be helpful to identify control equipment.	Yes. Identified in EU specific requirements section. More detail is provided in Statement of Basis.	Unknown. There is no table listing control equipment or describing the control equipment associated with each emission unit. It does not appear that the format of this permit supports an emission inventory as required by the NEI (NIF).	Boeing- Yes. WPTC- Yes.	Yes. In the table in Section III- Emissions Unit Identification (page 2), and in the statement of basis Section II – Emission Unit Descriptions (page 3).	Unknown. Some mentioned in EU specific section, not clear if all are included.	Yes. Table I & SOB	Yes. (Flare)	Yes. In condition tables. More detail in SOB.	None at this site.	Yes

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(vii) - Does the permit specify operation and maintenance requirements?	Yes. Condition 7.9 and Table 7.1	Yes. In standard terms, NSPS, general, and EU specific sections.	Yes. General. Facility Wide General Requirement #12. WAC 173-405-040 (10). Some O&M requirements are listed in EU specific requirements.	1. Yes. General and specific requirements 2. Yes. Throughout the permit in tables and general and specific requirements.	Yes. SWCAA does not use “off-permit” O&M Plans. All operation and maintenance requirements contained in the Title I permits are included in the Title V permit.	Yes. General req’t. for O&M plan for facility, also incinerator specific CFR language.	Yes. Table II, B.1 #74 (fiberglass MACT 40 CFR 63 sub www) Also section C.3.M	Yes. The O&M manual is “off-permit.” The permit specifies certain checks on the flare for proper operation.	Yes. Table 1.3	Yes. Tables	Yes.
(viii) - Does the permit specify all monitoring, recording, reporting and certification requirements to which source is subject?	Yes.	Yes.	Yes. However some conditions (Q) are not clear as to the requirements or the monitoring required to demonstrate compliance with the applicable requirement.	1. Yes. 2. Yes.	Yes. Permits are well organized an easy to read. Again, a determination of “all requirements” to which the source is subject is beyond the scope of this audit. However, the agency reasonably relied on past experience with this facility and application materials to determine “completeness” of permit application.	Yes. Section 3.	Yes. Section C. However, The permit contains a significant number of references to documents and standards that are not included as part of the permit or statement of basis.	Yes.	Yes. Various sections.	Yes.	Yes.

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(ix) 1st Part - Are alternative operating scenarios specified in permit?	There are not any alternative operating scenarios in this permit.	There are not any alternative operating scenarios in this permit.	Yes. F2 Emissions Limits and Related Monitoring and Reporting Requirements for Hog Fuel Boiler upon completion of Overfire Air.	There are no alternative operating scenarios in these permits.	There are not any alternative operating scenarios in this permit.	There are not any alternative operating scenarios in this permit.	There are not any alternative operating scenarios in this permit.	No specific scenarios-only operational flexibility	None	None	None
(ix) 2nd Part - Are the conditions adequately specified?	NA	NA	Yes. However, this permit uses footnotes that contain key information about the permit terms and conditions. This adds an element of complexity to the permit.	NA	NA	NA	NA	NA	NA	NA	NA
(x) - Is the permit expiration date noted?	Yes. 08/15/2005	Yes. 4/22/2010	Yes. 12/01/09	1. Yes. 5/20/2007 2. Yes. 7/3/2007	Yes. 12/18/2006	Yes. 8/1/2007	Yes. 5/17/2009	Yes. 04/02/2009	Yes. 07/01/2006	Yes. 05/24/2009	Yes. 01/14/2008

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(xi) 1st Part - Does the permit indicate which requirements are enforceable by federal/state mechanisms?	Yes. Enforceability is specified with each applicable requirement.	Yes. There is also an explanation of enforceability in the Statement of Basis (5.3)	Yes. However, it is not clear which conditions are “state-only” requirements, and which are federally enforceable. For example, Order DE 96-AQ1078 is identified as federally enforceable in Condition I.G.3, and state-only in Condition I.K.1.	1. Yes. 2. Yes.	Yes. State/Local only is specified in the permit.	Yes. In text sections by reference to WAC vs. CFR, also specific column in section 2 (EU specific).	Yes.	Yes. Enforceability is specified with the applicable requirements.	Yes.	Yes.	Yes. Subtext with applicable requirement
(xi) 2nd Part - Does the permit state the existence of opportunity for PCHB and other judicial review and opportunity to petition EPA?	Yes. Section 1.11.	Yes. Section 2.2.6	Yes. However, Condition 44 of the Facility-wide General Requirements is misleading. It specifically states that the <i>permittee</i> may appeal the permit, but fails to indicate that members of the public may also appeal the permit under WAC 173-401-620(2)(i).	1. Yes. Section V.H 2. Yes.	Yes. Standard Provision P1 (i), page 3.	Yes. Section 1.23 – includes addresses for PCHB process.	Yes. Section I.A.13	Yes. Condition 1.12	Yes.	Yes.	Yes. Condition 1.9

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(xii) - Were all procedural requirements, including notice to public and affected states, satisfied in issuing/modifying permit?	Yes.	Yes. Good process checklist, but no hardcopy documentation in files indicating to whom "notice to affected States" was sent.	Yes.	1. Yes. 2. Yes.	Yes. Reviewed newspaper ad, list of process dates, and mailing list of those receiving notice of permit action.	No. Incomplete & late renewal application submittal. Subsequent steps by WDOE-ERO timely.	Yes.	Yes.	Yes.	Yes. Public notice & affected states in archives.	Unknown
(xiii) 1st Part - Did permit writer work with source to identify and consider opportunities for pollution prevention?	Yes. During NOCs/BACT.	No. Not for this facility.	Not a distinct element of Title V. Done through WDOE's P2P program.	1. Yes. Regarding reducing MEK, alternative coatings, smaller containers/batches, and boiler fuel. 2. Yes. Encouraged alternative solvent for vapor degreaser (currently uses chlorinated solvent)	No- not specifically during the Title V permitting. SWCAA conducts a pollution prevention analysis during Title I permitting as part of the start-up/shut-down, alternative operating scenarios, pollution prevention evaluations.	Not formally through AOP. Function of WDOE's P2P program.	Yes. Encouraged use of lowest styrene content materials & alternative (no-VOC) solvents.	Not during the Title V process.	Yes.	Yes. Written in permit Table 1.	Unknown

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AUDIT ITEM WAC 173-401-920 (3)(c)...	ORCAA (4/6/06) Morton International, Inc.	NWCAA (5/2/06) Tenaska Washington Partners	DOE – IND (4/7/06) Boise Cascade - Wallula	PSCAA (5/3/06) 1) Boeing- NBF Plant 2 2) Pneumatic Tube Co. (WPTC)	SWCAA (4/20/06) TransAlta Centralia Mining, LLC	DOE-ERO (5/17/06) WSU Pullman	SCAPCA (5/18/06) Melcher Manufact.	DOE – CRO (5/12/06) Greater Wenatchee Regional Landfill and Recycling Center	DOE- HANFORD (5/15/06) Hanford Permit	YRCAA (5/11/06) PACTIVE	BCAA (5/2/05) Agrium
(xiii) 2nd Part - <i>Were any pollution prevention measures implemented?</i>	Not obvious on this permit. However, due to the nature of the processes involved at this facility, pollution prevention is part of the overall environmental management program.	NA	Not specifically as part of the Title V permitting process.	1. Yes. Smaller coating batch size & switching out boiler fuels, converting to natural gas. 2. Yes. Not yet. Working on cost & FAA requirements-testing on alternative solvents has begun.	No. Title I permit indicates the source did not identify any pollution prevention measures other than required pollution controls (Technical Support Document SWCAA 05-2625 issued 9/6/05, page 12)	NA	Yes. Low styrene/VOC components adopted. P2 is a compliance option under the fiberglass MACT Standard.	Not in this permit.	Yes. Coal fired boilers were replaced. Ongoing assessment of pollution prevention opportunities.	Yes. Pollution prevention is part of the overall manufacturing process.	NA
(xiv)(A) - <i>Evaluation of overall performance:</i> <i>- Is permit complete and understandable?</i> <i>Assess completeness, clarity, etc.</i>	Yes. The permit appears to be complete and understandable to the general public. The combination of tabular and narrative formatting adds clarity and appears to be an efficient way to simplify the permit requirements for this relatively complex source.	Yes. The permit appears to be complete and understandable to the general public.	This is a complex permit and it appears that an effort was made to consolidate as much information as possible into an efficient document. However, with efficiency comes a loss of detail and clarity that reduces the overall understandability of the permit.	Yes. Both permits appear to be complete and understandable to the general public.	Yes. The permit appears to be complete and understandable to the general public.	Yes. The permit appears to be complete and understandable to the general public.	Yes. The permit appears to be complete and understandable to the general public. However, the extensive cross-referencing to documents other than the permit significantly increases the complexity of the permit.	Yes. The permit appears to be complete and understandable to the general public.	This is a very complicated source. As such, it is extremely difficult for people without first hand experience to assess the completeness of the permit. The multi-agency aspect of this permit adds to its complexity and detracts from the overall clarity of the permit.	Yes. Well written & detailed permit.	Yes. Permit is well-written. The structure is usable but a tabular format may be a more efficient way to organize the applicable requirements section.

Random Permit Audit Summary Report (3-2)

AUDIT ITEM WAC 173-401-920 (3)(c)...	ORCAA (4/6/06) Morton International, Inc.	NWCAA (5/2/06) Tenaska Washington Partners	DOE – IND (4/7/06) Boise Cascade - Wallula	PSCAA (5/3/06) 1) Boeing- NBF Plant 2 2) Pneumatic Tube Co. (WPTC)	SWCAA (4/20/06) TransAlta Centralia Mining, LLC	DOE-ERO (5/17/06) WSU Pullman	SCAPCA (5/18/06) Melcher Manufact.	DOE – CRO (5/12/06) Greater Wenatchee Regional Landfill and Recycling Center	DOE- HANFORD (5/15/06) Hanford Permit	YRCAA (5/11/06) PACTIVE	BCAA (5/2/05) Agrium
<p>(xiv)(B) - <i>Evaluation of overall performance:</i></p> <p><i>Assess procedural adequacy of permit issuance process.</i></p>	<p>ORCAA appears to have a fully functioning system for the issuance and administration.</p> <p>One apparent deficiency is that permits have been routinely allowed to expire prior to renewal.</p>	<p>NWCAA appears to have a fully functioning system for the issuance and administration of Title V permits.</p>	<p>DOE-IND appears to have an effective and functional system for the issuance and administration of Title V permits.</p> <p>See Table (3-4).</p>	<p>PSCAA appears to have a well-managed and effective AOP program.</p>	<p>SWCAA appears to be thorough and well-organized in their implementation of their AOP program.</p> <p>See Table (3-4).</p>	<p>WDOE-ERO appears to have a fully functioning system for the issuance and administration of Title V permits.</p>	<p>SCAPCA appears to have a fully functioning system for the issuance and administration of Title V permits.</p>	<p>See Table (3-4).</p>	<p>See Table (3-4).</p>	<p>See Table (3-4).</p>	<p>BCAA does not appear to have a functioning AOP program in place at the time of this audit. This is based on staff levels, qualifications and that no information about program activities or fees was received by the auditors.</p> <p>See Table (3-4).</p>

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(i) – <i>What was the number of modifications?</i>	22	13 11 Significant 2 Admin. Amendments	8	47 11 Significant 5 Minor 31 Admin. Amendments	11	16 3 Significant 6 Reopening for cause 7 Admin. Amendments	7 5 Significant 2 Admin. Amendments	17 Number includes all modifications worked on during the period 2001 to 2005, includes admin, reopening for cause, minor and significant mods Note: two sources submitted 112j applications but those were never acted on. Those are not included in the total.	116 documented permit activities 9 listed as modifications See Appendix I	1	Unknown
(i)(A) – <i>Comparison with projection?</i>	NA	NA	NA	NA we don't project modifications and are not required to do so.	No projections made.	NA	NA	17 Projects are from two year work load models and are based on FY	NA	No projection	Unknown
(i)(B) – <i>Applicable to how many sources?</i>	All	9	8	23 (currently 38 sources – high of 54 in 2002) Note – does not include actions for sources which have closed or left the program. See Appendix D	All	9	5	5	1	7	Unknown

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(ii) – <i>Did the permitting authority have personnel adequate to complete workload in a timely fashion?</i>	Yes. Timeliness issues due to workload prioritization.	No. Not during the review period. New staff hired in 2005.	Yes. Timeliness issues due to workload prioritization.	Yes – although priorities have to be adjusted continuously. Workload for AOP sources includes inspections, review of reports, enforcement, and responding to source inquiries, in addition to permit issuance effort.	Yes. Team approach. All 5 permit engineers are assigned at least on Title V source (permit, inspections, and enforcement) Staffing has remained fairly constant since Title V Program inception.	Yes.	Yes.	Yes. All work was completed in the statutorily required timeframe.	Yes. However, it was difficult to fully assess due to the number of partner agencies involved in the administration of the permit.	Yes.	No. BCAA does not currently have any permit engineers or industrial source inspectors on staff.
(iii) – <i>Were the total fees assessed adequate to fund the program?</i>	Yes. However, as with some other agencies, the need to shuffle priorities raises a question as to the adequacy of permit fees. See Appendix A	Yes. See Appendix B	See Appendices C & L	Yes See State Auditor report for Period FY00-FY04 in Appendix D.	Yes It pays for all time billed to program. See Appendix E	See Appendices F & L	Yes. Proposed revisions to SCAPCA AOP Fee regulations awaiting board approval. See Appendix G	Yes. All fee information is managed through DOE headquarters. See Appendices H & L	See Appendices I & L	Yes.	Unknown. However, BCAA faces unique challenges that may or may not be completely addressed through increased funding.
(iii)(A) – <i>Amount of shortfall or overcharge</i>	10% cash balance in reserve	Fluctuates by +/- 3%	See Appendices C & L	Operating Permit Fund Balance at the end of FY05 was \$76,744. See Appendix D	Averages about \$20-\$30K over-change	See Appendices F & L	Prior to FY05, program operated at a running deficit. This appears to have been corrected beginning in FY05. See Appendix G..	See Appendices H & L	See Appendices I & L	See Appendix J	Unknown

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(iii)(B) – <i>Explanation</i>	To maintain financial stability.	Fee based on projected FY budget, actual expenses totaled during the following FY, and rebate or shortfall surcharge applied the FY after expenses are tallied.		The challenge is to manage the fee schedule for AOP sources, which are adopted by rule in association with the Agency budget adoption each fiscal year (July-June). The invoices are sent for a calendar year (January-December). So, fees in the rule in June 2006 will be used for invoices sent in November 2006 for calendar year 2007.	Different each year. See Title V “running balance” spreadsheet used for fiscal accountability for WA state auditor.		Fees not tied to costs in current SCAPCA Fee regulation.	Each office completes its own workload model every two years, excess is rebated and shortfalls are made up in subsequent years.			
(iv) – <i>Were the total fees collected equal to the fees assessed?</i>	Yes. WA State Auditor’s Report	Yes.	Yes.	Yes.	Yes.	Yes.	Yes. During audit period, one source in 2000 skipped town.)	Yes.	Yes.	Yes.	Yes.
(iv)(A) – <i>Amount/percentage of shortfall</i>	Variable See Appendix A	NA (any FY shortfall is collected in subsequent FY)	See Appendices C & L	NA	\$43,302.75 (FY 03/04)	See Appendices F & L	NA	See Appendices H & L	See Appendices I & L	See Appendix J	NA

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(iv)(B) – <i>Reason for shortfall</i>	Due to variability in workloads, business cycles, and emissions.	NA	See Appendices C & L	NA For FY06 one invoice was not paid, but it was due to source closure which also canceled the operating permit for the facility.	Unanticipated workload, likely due to new standards and requirements for both sources and the agency (NEI, data tracking, data management, business assistance, etc)	See Appendices F & L	NA	See Appendices H & L	See Appendices I & L	NA	NA
(v) – <i>Was there a program budget increase or decrease over the period?</i>	Both.	Increase	See Appendices C & L	Increase FY01 Revenue Budget - \$1,184,433 FY05 Revenue Budget - \$1,546,265	Increases and decreases changes depending on prior year's expenditures and costs. These are set based on consistent program budgeting policies and procedures.	See Appendices F & L	Program has fluctuated around ~\$110,000 average. Decreased in past two years. See Appendix G.	See Appendices H & L	See Appendices I & L	Increase	Unknown
(v)(A) – <i>Percentage increase or decrease</i>	Variable	25%	See Appendices C & L	+30.5% (over 5 year period)	See Appendix E	See Appendices F & L	Program has fluctuated +/- 15% over period.	See Appendices H & L	See Appendices I & L	See Appendix J	Unknown

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(v)(B) – <i>Explanation (for example, sources no longer part of program; new federal requirements implemented through permit program)</i>	See State Auditor’s letters in Appendix A	Increased program admin. costs	See Appendices C & L	Increases attributable to increased costs to the Agency (e.g. inflation) and increased levels of activity to implement the program.	SWCAA uses a set budget calculation amount of \$21,500 per source when a source is added to or removed from the Title V program.	See Appendices F & L	Sources left Title V Fees tied to emissions – sources had significant emissions reductions. Variations in renewal app., inspections & compliance activity.	See Appendices H	See Appendices I & L	See Appendix J	Unknown
(vi) – <i>What was the number of instances of late fee payment?</i>	3 (5-yr period)	0	0	Zero (No one pays late as the additional late fees can be significant)	0	0	1 (2005-Kaiser)	0	0	0	0
(vi)(A) – <i>Agency Response</i>	Sent letter. Viewed as a customer service issue.	NA	NA	NA	NA	NA	Repeated attempts to contact Kaiser	NA	NA	NA	NA

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(vi)(B) – <i>Result (that is to say, was the fee paid? Penalty assessed? Time interval between payment and date fee amount due?)</i>	Late fee of 25% assessed. Invoice paid in less than 30 days.	NA	NA	NA	With a few minor exceptions (which were adequately resolved through accounting) all fees have been fully paid on time.	NA	Penalty assessed – (Fee + 3 X Fee) \$57,652	NA	NA	NA	NA
(vii) – <i>How many sources were in compliance with all applicable requirements?</i> <i>What percentage of sources was in compliance with all applicable requirements?</i> <i>How do the number and percentage of sources in compliance with all applicable requirements compare with baseline compliance data?</i>	All/none.	17 (16 current, 1 decommissioned) 100% of active sources in compliance-based on annual compliance certification. No baseline for comparison.	All	16 (54 sources maximum – 38 sources with WW/NOV) See Information in Spreadsheet Files In the 5 year period, 38 different AOP sources had either Written Warnings (WW Numbers start with a 2-___) or Notices of Violation (NOV Numbers start with 3-___) 30 % (16/54 max) In last extensive audit, this percentage was estimated to be 26%.	All sources are following the program requirements necessary to determine, document, and certify their compliance status. 100% in compliance. Overall, all sources consistently report operating in compliance with all applicable requirements. When deviations or violation occur, resolution has been timely. Frequency and nature of violations has remained fairly constant over time. Paperwork violations may have decreased over time. (See Table 3-4)	All	All	3 sources were considered HPV in the 5-yr period. All others (by default) are considered to have been in compliance during the period. Compliance status is based on High Priority Violations (HPV), as defined by EPA. 40% in compliance over the 5-yr period. A compliance baseline is not tracked; however, compliance status is available in permit and enforcement files.	All	All	Unknown

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
<p>(viii) – <i>What was the number of businesses availing themselves of services offered by the state or local business assistance programs?</i></p> <p><i>What level of effort was required to provide assistance?</i></p>	Information is not tracked.	Hundreds. Information is not directly tracked. Permit staff assist small businesses with less than 50 employees on permit applications & applicability determination s. ~ .05 FTE	NA	<p>NA</p> <p>No local business assistance program per se.</p> <p>We have no knowledge of what business assistance programs AOP sources may use, but we provide continual assistance and service to our AOP sources. There is no special business assistance program for our sources, just regular support from the fee program the source fits within.</p>	<p>650</p> <p>(The number of sources included in permit program.)</p> <p>The number would be larger if non-permitted sources were counted. Emissions inventory is an example of where sources receive business assistance</p> <p>29% of billed hours are assigned to business assistance</p>	<p>NA</p> <p>No local business assistance program per se.</p>	Not tracked.	One person in HQ is the business assistance program. (Bernard Brady)	<p>None.</p> <p>The Hanford AOP program does not offer business assistance.</p>	Unknown	Unknown
<p>(ix) – <i>Were inspection results adequately documented?</i></p>	Yes.	Yes. Annual inspection letter, monthly reports, annual and semi-annual certifications.	Yes.	Yes. Annual inspection letter, monthly reports, annual certifications, and semi-annual certification.	Yes. Blue sheets are used by agency to document all compliance, inspection, emissions inventory submittals, and other compliance related activities.	Yes.	Yes.	Yes. Permit files (received copies of inspection reports for Greater Wenatchee Landfill as an example)	Yes.	Yes.	No. Files reviewed did not contain adequate documentation of inspection activities.

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
<p>(x) – <i>Were the methods used to ascertain compliance and the frequency of required reporting and related activities appropriate for each facility?</i></p>	Yes.	Yes.	Monthly reporting requirements	Yes.	<p>Yes. Blue sheets (compliance documentation) are prepared for all inspections and compliance certification reviews</p> <p>All annual and semi-annual compliance certifications are documented on blue sheets in source files.</p> <p>Sources are complying with rules require testing frequencies (large boilers must ever two years, minimum- permits may require more frequent- annual-testing)</p>	Yes.	Yes.	Yes.	Yes.	Yes.	<p>Yes. The permits that have been written appear appropriate. The level of review by the agency, however, is insufficient due to the lack of permit staff.</p>

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(x)(A) – <i>Frequency of inspections appropriate for relevant facility (for each Source/Facility)</i>	Yes.	Yes.	Yes.	Yes.	Yes. Annual inspections for all sources.	Yes for all facilities per recent WAC change to allow inspections every two years, except WSU pending resolution of conflict between EPA performance track MOU and WAC inspection requirements.	Yes. SCAPCA has a very thorough inspection program.	Yes.	Yes.	Yes.	Yes.
(x)(B) – <i>Monitoring requirements appropriate for relevant facility (For each Source/Facility)</i>	Yes. (A thorough evaluation as to the appropriateness of monitoring for each facility was considered outside the scope of this audit.)	Yes.	Yes.	Yes.	Yes. Agency conducts more monitoring than many other agencies.	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.
(xi) – <i>Were the operation and maintenance plans adequate? (For each Source/Facility)</i>	Yes. (A thorough evaluation as to the appropriateness of operation and maintenance plans for each facility was considered outside the scope of this audit.)	Yes.	Yes.	Yes.	SWCAA has not adopted WAC rules pertaining to O&M plans. O&M requirements are specified in Title I (NSR Permits) and carried over as applicable requirements in Title V permits.	Yes.	Yes. SCAPCA conducts thorough review of all O& M plans.	Yes.	Yes.	Yes.	Yes.

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(xii) – <i>Were public information efforts adequate?</i>	Yes.	Yes.	Yes.	Yes.	Yes. SWCAA has a very good website. The information is up to date and useful to both the regulated community and the general public.	Yes. Meets minimum public notice requirements.	Yes.	Yes.	Yes. It appears that WDOE participates in a very active multi-agency public information program associated with the Hanford facility, exceeding the regulatory requirements for public involvement in AOP review.	Yes.	Yes.
(xii)(A) – <i>Public notice for actions relating to permitted sources meets/exceeds statutory requirements?</i>	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(xii)(B) – <i>Agency/permit writers accessible to regulated community, to environmental community, and to stakeholders and general public?</i>	Yes.	Yes.	Yes.	Yes. All currently issued operating permits and statements of basis documents (with attachments for both) are posted to the Agency website. This website information has all been developed since the last extensive audit. Engineers assigned to each AOP source are identified on the website along with their phone number and E-mail address.	Yes All engineers are assigned all customer service duties and are available during regular (expanded- 7 to 5:30) business hours.	Yes.	Yes.	Yes	Yes	Yes	BCAA does not currently employ any permit writers.
(xii)(C) – <i>Outreach efforts?</i>	ORCAA appears to have an adequate outreach effort in place.	Website, required notices in newspaper and permit register, and letter to affected States.	Program outreach primarily through DOE HQ.	Website & required notices in newspaper, permit register, and letter to affected States.	Local fairs, newsletter, workshops to public, and participation in multi-media business assistance workshops and seminars	Not much. Generally part of NSR process rather than Title V.	Yes.	Program outreach primarily through DOE HQ.	Program outreach primarily through DOE HQ. Hanford also participates in a multi-agency public relations effort.	Yes.	BCAA is not sufficiently staffed to provide AOP related outreach.

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(xiii) – <i>Evaluation of overall performance</i>	ORCAA’s overall performance appears to effectively balance certainty with flexibility and does a good job of demonstrating its accountability to the public through transparent systems for data and financial tracking.	Very well organized office with excellent electronic database of all related AOP records.	DOE-IND appears to effectively administer the AOP program through the Industrial Permits Section. Similar to Hanford, the mixing of programs provides unique challenges with respect to prioritization and workload tracking as well as document management.	PSCAA appears to be effectively administering an effective AOP program	SWCAA appears to be implementing an efficient and effective AOP program.	DOE-ERO appears to be issuing quality permits and administering and effective AOP program. However, the EPA Performance Track issues need to be resolved asap.	SCAPCA appears to be effectively administering an effective AOP program.	DOE – CRO is doing a very good job of implementing the AOP program in the Central Region. Permits are timely. Inspection and Compliance activity is well documented. And files and data management systems are organized and effective.	DOE – Hanford administers a unique AOP program. (1 highly complex facility with multiple permit enforcement and administration partners). Document accessibility could be improved.	YRCAA has dedicated people working hard to maintain an effective AOP program.	Given the challenges faced by BCAA in sustaining an AOP program, it is difficult to provide
(xiii)(A) – <i>Is permitting authority issuing quality permits?</i>	Yes.	Yes.	Yes.	Yes. Permits are well-written.	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.	Yes.

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
(xiii)(B) – <i>Is permitting authority issuing/renewing permits in a timely fashion?</i>	No.	No.	No.	No.	No. However, it is important to note that in some cases, extending application review beyond the permit expiration date may be the most efficient way to manage permitting resources- particularly when combining permitting actions and/or modifications. The risk is that permits may not (for a period) contain all applicable requirements or monitoring, recordkeeping, and reporting requirements.	Yes.	Yes.	Yes.	Yes.	No.	Unknown. Data not well tracked by agency.
(xiii)(C) – <i>Is permitting authority ensuring that sources are in compliance with terms and conditions of permit?</i>	Yes. ORCAA appears to utilize all program elements necessary to ensure that sources are in compliance with permit terms and conditions	Yes. NWCAA appears to have a strong program of inspection, compliance evaluation, and enforcement.	Yes. It appears that DOE-IND has a functioning system of inspection and compliance review.	Yes. PSCAA appears to have a strong program of inspection, compliance evaluation and enforcement.	Yes. SWCAA appears to have a strong program of compliance inspection and enforcement.	Yes.	Yes. However, where the permit incorporates applicable requirements and MMR conditions by reference, it can be more difficult to assess compliance.	Yes.	Yes. However, the program for ensuring compliance with the Hanford facility is a complex arrangement involving many partner agencies. [See Table 3-4 for additional comments]	Yes. Recent staffing issues appear to be resolved.	Unknown. Data provided by the agency were insufficient to fully evaluate this question.

Periodic Extensive Audit Summary Report (3-3)

AUDIT ITEM WAC 173-401-920 (3)(d)...	ORCAA	NWCAA	DOE – IND	PSCAA	SWCAA	DOE-ERO	SCAPCA	DOE – CRO	DOE- HANFORD	YRCAA	BCAA
<i>(xiii)(D) – Is permitting authority effectively using operating permit as a tool for securing environmental improvements?</i>	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.	To the extent allowed under AOP rules, laws, and statutes.
<i>(xiii)(E) – Is permitting authority efficiently administering program (includes, in the case of ecology, statewide program)? Indicate inefficiencies, where they exist.</i>	Yes.	No.									
<i>(xiii)(F) – Evaluation of particular question identified in annual report/routine performance audit for further examination</i>											

During the audit interview we heard a variety of comments considering what worked well in the Washington State Title V AOP Program, what parts were problematic, and what improvements could be made, the following observations were offered:

Table 3-4 Agency comments on AOP program

Agency	Comment
<p>ORCAA – 4/06/06:</p>	<p>ORCAA has experienced staff turn-over and increased workload. As a result, Title V permits have routinely lapsed.</p> <p>The program is working, but improvements to the audit process could help focus efforts on specific program areas.</p> <p>Program places a higher priority on new source review and construction permitting than it does on Title V permits.</p> <p>Procedures – clear, reproducible- established. EPA review – not happening AOP provides baseline for inspection. Title V allows Title IV regulation – not writing into AOP.</p>
<p>NWCAA – 5/02/06:</p>	<p>One staff hired/assigned to anchor writing of permits – “Keeper of the Boilerplate”, track NSPS/MACT, Standard Terms & Conditions and General Requirements.</p> <p>There are good/bad windows for timing of finalizing permits, it is often more efficient to wait for NSPS/MACT/GG...</p> <p>Also, boiler one-time req., if built before permit final, goes in permit, if after, goes in SOB.</p>
<p>WDOE – IND 4/07/06:</p>	<p>Lapses are due to workload management issues. Staff levels are adequate, but there are periodic staff shortages due to turnover.</p>
<p>PSCAA 5/03/06:</p>	<p>Timeliness issues related to workload prioritization, balancing other program requirements like NSR. Audit in current form provides little useful information to regulatory community, seems tailored to one set of stakeholders. Audit revision should derive information more useful to directly help air agencies improve their program, and address concerns of larger group of stakeholders.</p>
<p>SWCAA – 4/20/06)</p>	<p>SWCAA, like some other local agencies, did not seem to place a high priority on business assistance or pollution prevention as part of the AOP program. This may be an area where some of the larger agencies could benefit through collaborations or strategic partnerships with the State, other local air agencies, or other organizations with similar interests in business technical assistance. One observation by the auditors is that documentation of “non-regulatory” activity can provide both a measure of program effectiveness and hidden benefits of improved relations with both the regulated and non-regulated business communities.</p> <p>In reference to item (vii) in Table 3-3 of this report:</p> <p>Today, are all sources in compliance? “Yes, we have no outstanding compliance issues nor are we aware of any sources that are out of compliance.” Compliance is based on a variety of assessment mechanisms and compliance status may vary over time.</p>

Agency	Comment
DOE – ERO (5/17/06):	There is a conflict between the EPA’s performance track program (40 CFR 63 & 262), which seems to indicate that “routine” inspections would be waived in the absence of obvious problems, and the WAC encoded requirements for inspections as part of Full Compliance Evaluations.
SCAPCA 5/18/06:	Outreach unfunded, outside AOP. No EPA or WDOE Title V training offered. The last EPA Title V training was over 5 years ago.
DOE – CRO (5/12/06):	Staff commented that AOP audits should provide specific examples of what is working and what is not. And, lapses are an important measure of program effectiveness.
DOE – HANFORD (5/15/06 – 5/16/06):	<p>Hanford relies heavily on Health for assuring compliance with significant portions of the permit. This is because the radionuclide requirements are more stringent than the criteria pollutant requirements.</p> <p>Regarding the comment on page 53 of this report: <i>"Due to the degree of uncertainty regarding the exact composition of materials in the “incompatible” waste storage tanks and drums, and the evolving nature of the radiochemistry, a current and comprehensive assessment and analytical characterization of actual emissions would be useful. While it appears that a more comprehensive evaluation of some emission sources has begun, it is still particularly difficult to ascertain if all requirements have been included at this site."</i> - may really be outside the bounds of an assessment of execution of an AOP program. The reviewers would be advised to actually review our permits on waste retrieval with regard to analysis of air contaminants - as those permits specifically call for evolving analysis and health-based assessments.</p>
YRCAA – 5/11/06:	<p>Recent staff turnover has created problems for the agency and its efforts to issue timely permits. New Director is looking for opportunities to improve program. Staff perform many key functions beyond their primary duties. One challenge facing YRCAA is office space- although work areas are generally sufficient, the overall feel is that the agency has outgrown its current space. Some offices share space with computer servers and other space is cramped with files.</p> <p>In reference to the third paragraph on page 7 of this report:</p> <p>“Many agencies..... While acceptable within the above guidelines, applying an earlier deadline per.....”</p> <p>WAC401 should use clearer language to identify the definition of timely application to be consistent with CFR Part 70.7(c)(1)(ii).</p> <p>The following are RCW and WAC as stated:</p> <p>40 CFR Part 70.7(c)(1)(ii), "Permit expiration terminates the source's right to operate unless a timely and complete renewal application has been submitted consistent with paragraph (b) of this section and Sec. 70.5(a)(1)(iii) of this part". Sec. 70.5(a)(1)(iii) defines timely as "a timely application is one that is submitted at least 6 months prior to the date of permit expiration, or such other longer time as may be approved by the Administrator that ensures that the term of the permit will not expire before the permit is renewed. In no event shall this time be greater than 18 months.</p> <p>WAC 173-401-710 renewal application states that, "the source shall submit a complete permit renewal application to the permitting authority no later than the date established in the permit. This date shall be no less than six months prior to the expiration of the permit. The permitting authority may specify a longer time period in writing to the permitted source at</p>

Agency	Comment
	<p>least one year before the new application due date to ensure that the terms of the permit will not lapse before the permit is renewed. In no event shall the application due date be earlier than eighteen months prior to the expiration of the permit. The permitting authority shall send a permit application to each source at least six months before a complete application is due."</p>
<p>BCAA – 5/10/06 and 5/15/06:</p>	<p>Challenges:</p> <ul style="list-style-type: none"> - Loss of key staff - Insufficient staff size (two positions currently open) - Inadequate AOP fees base - Difficult to build strong technical (engineering) program without a “critical mass” of resources. <p>Opportunities:</p> <ul style="list-style-type: none"> - Strategic partnerships with other agencies - Two open positions need to be filled as soon as possible

Annual Audits (continued)

Improvement Opportunities. The following areas of concern are noted for specific organizations:

- Many agencies do not re-issue air operating permits before they expire. In general, this is a workload management decision that may be driven by insufficient staff and/or local program priorities. As a management decision however, this practice may or may not be in conflict to statutory requirements pertaining to issuance timelines. We also recognize that “lapsed” permits may or may not be an indicator of AOP program health. When lapsed permits and/or inadequate compliance verification activity are considered in combination with staff (particularly technical and engineering staff) stability and program fee assessments, a clearer picture emerges as to the overall effectiveness of an AOP program.
 - BCAA does not have a permit writer on staff. The agency is, however, currently in the process of recruiting a permit engineer. BCAA has recently relied on consultants and explored work-sharing arrangements with other agencies in an effort to meet its program obligations. Permit issuance timeframes have consistently exceeded 2 years and the files do not contain a record of recent compliance verification activity.
 - BCAA, ORCAA, SWCAA, YRCAA and WDOE–Industrial staffs are not large enough to issue all AOP renewal permits before expiration due to USEPA mandates that focus these agencies on new source review and initial permits, respectively. Many agencies rely on the permit shield as a mechanism for effectively indefinitely extending the expiration date.
 - YRCAA has experienced significant staff turnover. This has had an adverse impact on the AOP program.
- BCAA again does not appear to have an enforcement or inspection program during CY2005, and does not appear to have conducted any full compliance evaluations of any source.
- There are wide-ranging approaches to administering and tracking compliance enforcement activities. These varying approaches lead to inconsistencies in how violations, especially minor violations, are documented among the various agencies. Some agencies track ALL enforcement related activity, while others only track those enforcement activities that qualify as High Priority Violations (as defined by the USEPA). Other agencies fall somewhere in between.
- WDOE – Industrial NOV tracking system does not track links between NOV notice/discovery and issue/penalty well.
- BCAA could benefit from improved tracking of AOP program costs to ensure all

eligible fees are collected and that fees are sufficient to cover costs.

- Although WDOE – Industrial and ORCAA capture AOP program expenditures per permit issuance for WAC 173-401-920 (3)(b)(viii), these organizations, as well as all of the other agencies, do not utilize these data to manage their operations.

Individual Permit Reviews

Our random individual permit reviews revealed a high degree of consistency across many of these permits. Most of the permits met the audit criteria to a substantial degree.

We wish to note that it is quite difficult during a desktop review to determine if all emission units have been identified in the permit, if all applicable requirements have been met, etc. Nonetheless, our auditors have determined, based on the materials reviewed, that these criteria were met to a substantial degree, except where otherwise noted below.

Positive Practices. As noted earlier in the corresponding section under Program-Wide Discoveries, TechLaw observed a high degree of quality and consistency in the individual permits that we reviewed at all of the agencies.

- SWCAA, PSCAA, ORCAA, SCAPCA, and NWCAA have well organized web sites with good access to permits and pertinent information for the public and business.
- Most of the permits reviewed (including the statements of basis) were organized in an efficient format that provides an effective mechanism for verification of compliance by permittees, agency staff, and the general public.

Improvement Opportunities. Notwithstanding the prior statement, our auditors noted some opportunities to improve some permits:

- The Hanford AOP and associated documents comprise a very lengthy and complex permit that regulates the construction and operation of hundreds of individual sources of air emissions. In general, the AOP does a more than satisfactory job of documenting and assigning the necessary regulatory structure to each source. However, this detailed and complex permit needs some way to summarize the regulatory details. As a suggestion, a title summary page for the AOP and the License may be an appropriate measure. Information such as source name, issuing authority, permit number, issue date, effective date, expiration date, responsible official, source location, and legal authority could be shown.
- While it was clear that a significant effort was made to identify and include all major emission points and applicable requirements in the permit, for the Hanford AOP, we were unable to determine if all major emission points and applicable requirements were included in the AOP. Some requirements are based on a decades old initial attempt to characterize possible emissions from the mixed waste storage tanks. The initial analysis relied on incomplete information, available testing methodology, and

may have been less comprehensive than ideal, resulting in the presence of emissions that were never looked for. (Note: Ecology is addressing “non-regulated toxics” through rule-making and risk assessments until they are included in the WAC.) Also, there is a “grandfathered” (old/existing) evaporator on the site that has never been emissions tested for the permit. Due to the degree of uncertainty regarding the exact composition of materials in the “incompatible” waste storage tanks and drums, and the evolving nature of the radiochemistry, a current and comprehensive assessment and analytical characterization of actual emissions would be useful. While it appears that a more comprehensive evaluation of some emission sources has begun, it is still particularly difficult to ascertain if all requirements have been included at this site.

- Hanford is subject to both AOP requirements and Washington Department of Health radiation safety requirements. It appears that when a requirement is addressed under the Health requirements, it is often not addressed in the Ecology AOP requirements. A review of both sets of requirements, which was beyond the scope of this audit, would be needed to verify that all requirements were included and that an active program of compliance assurance (with all requirements) is in place.
- Although most permits made effective use of cross-referencing as a way to efficiently permit complicated sources, one permit reviewed (SCAPCA) referenced federal standards without providing either the standards or the interpretation (clarification) of those standards as they apply to the permitted facility. Future permits should have the standards incorporated by reference included as attachments to the permit.
- For the permit reviewed at BCAA, the files did not include enough information to substantiate the compliance status for the source and its emission units.
- Some permits had different versions of permit conditions that could be standardized throughout the state for uniformity, consistency, and streamlining of permit drafting. Specifically, we observed variability in how the opportunity to appeal the permit was incorporated into the permits. Along these lines, we encourage all AOP programs to continue self-evaluations of permit structure and content to continuously improve consistency within and between programs, and to improve the efficiency of permit drafting and issuance processes.

Fiscal Audit Review

TechLaw reviewed the most recent fiscal audits performed by the State Auditor where available. The available audit reports indicated that the accounting and financial management practices utilized by these agencies met acceptable accounting standards. The fiscal audit is fairly limited in scope, and it appears that a thorough detailed accounting audit has never been done on the program. Fee and expense data for WDOE was not readily available for the entire extensive audit period to fully evaluate the pertinent questions in the extensive audit template. The data supplied has been included in Appendix L. This would also be a good aspect of the WAC for the Rules Unit to revisit and consider redesigning the fiscal audit component as well.

4.0 CONCLUSIONS AND RECOMMENDATIONS

Based on our audits, TechLaw concludes that the AOP program continues to function as a viable mechanism for regulating the operation of major sources of air pollution throughout the State of Washington. We found that the state and local agencies are committed to the implementation of the AOP program requirements, employ competent staff, and use effective systems to achieve these goals. As last year, we commend the many people who make Washington's AOP program work.

In addition to our many positive observations, we have found a number of areas where the overall AOP program or individual agencies/Regions could improve, both in specific functional areas and in systemic or management of individual programs. Many of these are also mentioned in the Audit Results section above. Our recommendations to address the most significant issues are presented below.

In last year's audit report, we commented that "the lack of a clear program-unifying overall philosophy and communication channel between the local agencies and WDOE" was one of the most significant challenges facing Washington's AOP program. We offer a similar observation this year. However, we have also observed a number of examples of effective inter-agency coordination and efforts to address the lack of overall program coordination.

Through our interviews and review of program documents, it became clear that many program managers and staff are interested in better communication and possibly collaboration among agencies, particularly on the regional level. We also heard a consistent sentiment that the program audits should be revised to capture "true" indicators of AOP program health. To that end, we commend DOE for its efforts to initiate a process for revising the annual AOP audits.

Although the work of permit writers, inspectors, accountants, lawyers, and administrative support staff is critical to the successful implementation of Title V permitting programs, a key factor that cannot be overlooked when assessing AOP program health is the support of the agency by the elected and appointed officials on its oversight board. Political support of air pollution control programs is beyond the scope of this audit, however, we felt that it was important to point out that staffing and funding decisions made by local boards have a tremendous impact on the ability of agency managers to effectively manage air protection programs, and therefore, should not be excluded when looking for opportunities to improve overall AOP program support and functionality throughout the State. To this end, we encourage DOE and other AOP program managers to support and participate in efforts to continue educating board members and other local officials about AOP program requirements, opportunities, and challenges.

Air quality protection is a highly specialized field, and air quality programs are variable in both statutory bases and implementation strategies. Nonetheless, implementation of a

comprehensive air quality protection program requires a variety of staff specializations and capabilities. The range of technical expertise necessary to carry out air quality protection creates unique challenges and opportunities for those charged with management of air quality programs. These challenges and opportunities are clearly demonstrated by current state of the air quality program in Benton County, and are also lying just under the surface at many other smaller agencies.

BCAA is a small agency that lacks the “critical mass” of resources needed to support a fully functional air quality program, and it is unlikely that, given the current organizational constraints, BCAA will re-establish a robust AOP program without the management support of DOE and other local agencies in Washington. In short, we believe that, although the BCAA AOP program currently appears to be falling short of meeting its statutory obligations, there are numerous ways in which collaborations and/or strategic partnerships may provide a short-term remedy, while re-building long-term stability in major source permitting capabilities for both BCAA and other agencies in the Eastern part of the State.

To illustrate the value that may be created through increase collaboration and partnering among AOP programs we looked at the organizational capabilities that may be shared under a creative partnering arrangement. Among the capabilities that could conceivably be shared or contracted between those agencies with limited budgets and financial resources are: accounting and human resource management; database management and systems for activity tracking; business assistance and technical outreach; burning programs; asbestos programs; web development and other data management systems development and maintenance; public relations; and permitting.

Although stylistic differences will always exist, continued efforts to improve permit consistency and uniform approaches to application processing, permit styles and formats, attachments and the SOB, compliance verification procedures, and fees/cost tracking will improve overall AOP program performance.

Through our review of financial records we found it difficult to confirm that adequate fees are being collected to fund the AOP program in many of the offices. The amount of fee data available, and how well it is organized and presented varies widely by office to office as is illustrated by comparing the fee data in the various appendices to this document.

At the local agency level there is a perception that WDOE-HQ is not particularly responsive to issues brought forward by them or this audit.

SCAPCA has been under-collecting fees for years, but has taken action taken to address their fee structure to actually collect enough fees to pay all of the program’s expenses, and remove the long-time program deficit. The new proposed fee structure rule has been presented to their board and is contingent on approval.

There seems to be much good work happening and interest among all parties to move

forward with standardizing around some of the issues raised during this audit, including revising this audit itself. WDOE-HQ should increase emphasis on fostering a sense of team unity between WDOE and the local agencies.

In conducting our audits, we had the opportunity to independently experience the intangible elements that seems to contribute to program success. Work environment, relative level of organizational stability, teamwork attitude, and lower stress levels among staff are common among the more successful offices.

Standardization of as many procedures related to data collection, analysis, and validation as practical is a common quality assurance goal, and could be better applied to enforcement approach and tracking, fee calculation and the necessary expense tracking, and better clarity of what constitutes Title V activity. The program would benefit from a specific and focused effort to produce tangible changes in problematic sections of the governing WAC, like this audit, and methods to address funding issues like the cost of enforcement that isn't returned via penalties.

As noted previously in the Audit Results section, several organizations appear to be understaffed relative to their ongoing workloads. This is especially true for BCAA and YRCAA. However, YRCAA has begun to address this, hiring a new permit engineer in the past year. Furthermore, BCAA has a small number of AOP sources, which creates challenges in setting their fees to cover even minimum staffing because general and administrative costs can be spread across only a few permitted sources. SCAPCA faces similar situations.

These agencies should thoroughly evaluate their current and expected workloads, and hire additional resources as needed. Another alternative to consider is contracting for these resources if they comprise less than a full-time equivalent (FTE), or are only required for temporary workload leveling.

Some of the agencies we audited expressed interest in sharing personnel across multiple agencies. This option should be explored for hiring new employees where two or more agencies are located within a reasonable travel distance. Another possibility would be to share contracted resources, which could allow sharing across a larger geographical area.

We understand that some agencies may have difficulty estimating their personnel needs, even when their workloads can be predicted accurately. We encourage the audited agencies to cooperatively develop staffing guidelines for various workload scenarios, based on their past successes.

Most agencies also indicated that USEPA mandates such as new source review requirements, and the lack of USEPA review during AOP issuance, have negatively impacted their overall AOP program performance.

Although the information management systems we observed seemed to function well, we believe there are many opportunities to improve how data and information is managed by

agencies. Two particular areas stand out: Internal data- time tracking, permit tracking, and accounting systems are highly variable and user dependent.

Several of the agencies were found to maintain their AOP data on multiple systems in multiple formats. While this information was readily retrieved, it appeared that only certain individuals could access some of the data. Experience shows that such data management practices can lead to problems if key personnel depart. Therefore, some consolidation of, and expanded access to, these systems seems warranted. This may be one area where improved inter-agency coordination could prove beneficial.

One observation on the limitation of the audit as currently conducted is highlighted by the question, “How many notices of violation were issued?” This question produces an ambiguous answer. For example, WDOE – CRO and WDOE-Hanford issued no NOVs in 2005, while PSCAA issued 122. Measures such as these should be normalized based on the number and complexity of AOP sources regulated by each agency.

Another consideration for improvement of the overall program would be to encourage the USEPA to provide the benefit of their review or give a timely notice of their decision to not review a permit.

Authority to monitor Section 112[r] releases and related responsibilities are not delegated to local agencies, although they would be in a position to help coordinate rapid local response. The Policy and Rules Unit should determine if there are sufficient potential Section 112[r] sources to justify including local agencies in the process, or they may want to eliminate this audit item due to its general inapplicability.

WAC 173-401-920(3)(b)(viii) does not state the purpose of the specified expenditure tracking. Moreover, most of the local authorities do not capture these data, and none of the agencies utilize this information to manage their organizations. Therefore, the Policy and Rules Unit should assess the overall usefulness of this information. We feel this requirement could be eliminated if it delivers little or no value to the agencies, the regulated community, and the public. If these requirements are kept in place, the State Auditor may be a more appropriate party to perform a thorough review of these costs as part of the required fiscal audits.

Among the audit other issues to address are the definition of ‘lapsed’ in Routine (3)(b) item (i), item (ii)(A) has at least 4 categories, new, renewal, mod (the definition of which is another issue), and administrative amendment. The percentage asked for in item (iv) has little value, item (v) does not address the ambiguousness of the various dates in the process of processing an NOV, or in defining an NOV. The frequency in item (vi) has changed for the first time, but doesn’t address the current language change from inspection to evaluation. Item (viii)(B) could be useful if appropriate categories allowed better inter-agency comparison. Similarly many items in the random audit (3)(c) provide little value or use language that does not reflect current program practices, as in random item (v) asking if all major emission points are described in the permit, when they are often in the SOB or attachments.

In conclusion, we encourage WDOE and the delegated local agencies to review and revise the audit items in WAC 173-401-920 (3)(b), (c) and (d) so that they better portray the condition of the AOP program at its present level of advancement. The new study by WDOE to revise the audit program is certainly a step in the right direction. The study will ensure the AOP audit process is adding value to the AOP program.