



Final Report

Phase I of the Libby, Montana Woodstove Changeout Program

Prepared for
United States Environmental Protection Agency
109 T.W. Alexander Drive, OAQPS/ITPID
Research Triangle Park, NC 27711

on behalf of
Ron Anderson
Program Manager
Lincoln County Department of Environmental Health

Prepared by
Brian Eagle and James E. Houck
OMNI Environmental Services, Inc.
5465 SW Western Ave, Suite G
Beaverton, OR 97005

Revised
September 5, 2007

Table of Contents

List of Tables	iii
List of Figures	iv
List of Appendices	v
1. Introduction.....	1
2. Stakeholder Involvement	6
2.1. United States Environmental Protection Agency	6
2.2. Hearth Patio and Barbecue Association.....	7
2.3. Lincoln County Department of Environmental Health.....	11
2.4. State of Montana	16
3. Dealer Involvement.....	17
4. Community Outreach and Homeowner Education.....	22
5. Summary.....	23
6. Lessons Learned.....	25

List of Tables

Table 1. Typical Cost Breakdown per Installation for Phase I	2
Table 2. Initial Estimate of Wood-Burning Appliances in the Greater Libby Valley.....	5
Table 3. Lincoln County Phase I Woodstove Changeout Timeline.....	6
Table 4. HPBA Contributors.....	8
Table 5. Number of Installations per Dealer/Installer.....	18
Table 6. Phase I Woodstove Installations Completed by Month.....	24

List of Figures

Figure 1. Libby, Montana and Lincoln County Air Quality Control District Map	4
Figure 2. Initial Boundaries for Phase I Woodstove Changeouts	14
Figure 3. Phase I Woodstove Changeout Process Flowchart	15
Figure 4. Photographic Documentation of Typical Woodstove Changeout	19

List of Appendices

- A. EPA Assistance Grant XA-83252001-0 to Lincoln County
- B. Phase I Grant Agreement Between Lincoln County and HPBA
- C. Northwest Montana Human Resources Low Income Verification Form
- D. Phase I Letter to Landlord
- E. Updated Lincoln County Air Regulation
- F. Grant DEQ 505043 Agreement between Montana DEQ and Lincoln County
- G. Dealer Non-Binding Agreement with HPBA and Lincoln County for Phase I
- H. Examples of Community Outreach Flyer, Poster, and an Informative Newspaper Article

1. Introduction

Starting in 2005, the United States Environmental Protection Agency (EPA) began working with the Lincoln County Department of Environmental Health (Lincoln County), the Hearth Patio and Barbecue Association (HPBA), and the State of Montana to design and implement a woodstove changeout project with the goal of improving air quality for Libby, Montana and the Greater Libby Valley. EPA approved \$100,000 in funding as a grant to proceed with the first phase of the project (Phase I), which changed out uncertified cordwood stoves being used in low-income households with new, EPA certified woodburning stoves. In addition, funding, stoves, and other stove related accessories were contributed by members of HPBA. This report provides a summary of Phase I of the Libby, Montana Woodstove Changeout Program. A report describing the subsequent Phase II of the program is provided in a companion document submitted separately to the EPA

Stakeholders in the Libby Woodstove Changeout Program are described in detail as Section 2 of this report, and include the EPA, HPBA, Lincoln County, and the State of Montana. Their roles in funding, organizing, and executing the woodstove changeout are included. Along with the stakeholders, the role of dealers in the program, and a description of community outreach conducted to involve the community in the program are shown in Section 3 and Section 4, respectively. A program summary showing the outcomes of the project is provided as Section 5, and the lessons learned from conducting the woodstove changeout for help with possible future analogous programs in other communities are shown in Section 6.

Libby is located in a narrow valley near the Canadian border in the northwest corner of Montana. As of the 2000 census, the town population was 2,626 with a median age of 43 and a per capita income of \$13,090. The population of the Greater Libby Valley, which is affected by the woodstove changeout, is 11,675. Ten percent of the families and 16.3% of the population of Libby live below the poverty line, primarily due to the lack of employment opportunities. Historically, mining and the wood products industry had been Libby's main sources of employment. The largest mining operation, a now-closed vermiculite mine, was operated from the early 1900's and produced almost 80% of the world's vermiculite until its closure in 1990. The other main employer for Libby, a local lumber mill, was fully closed in December 2002, with the sawmill being closed in October 1993.

In 1997, the EPA finalized ambient air quality standards for airborne particles smaller than 2.5 microns in diameter, known as PM_{2.5}. The standard consisted of two parts; an annual standard of 15 µg/m³, and a twenty-four hour standard of 65 µg/m³. EPA determined that Libby would not meet the annual standard, and as such Libby was designated as nonattainment. Additionally, in 2006 the EPA revised the twenty-four hour standard by lowering it to 35 µg/m³. There has been concern that without measures such as the Woodstove Changeout Program, the Libby area might also violate the new more restrictive twenty-four hour standard.

Combined with the increased incidence of pulmonary disease from asbestos due to past mining activities, the elevated particulate matter poses an increased health risk in the Libby area. High levels of PM_{2.5} occur in the winter months, and it has been estimated that as much as 83% of the PM_{2.5} emitted during the heating season results from residential woodstove smoke. As Libby is

not served by a natural gas line, home heating is accomplished using electric, propane, oil, or wood-burning heating devices. About 1500 homes in the town and surrounding area use wood as a primary or secondary source of heat. The town's geographic placement limits atmospheric transport into and out of the valley and there are no contributing major stationary sources of PM_{2.5} in the Libby valley. Therefore, air monitoring data being collected in parallel with the woodstove changeouts will be important in documenting the particulate and toxic emission reductions expected from the woodstove changeouts. It was estimated that approximately 900 woodstoves in total would have to be upgraded in order to bring the area into attainment with the PM_{2.5} annual standard. The EPA, HPBA, Lincoln County, the state of Montana, and the town of Libby, Montana cooperated to undertake the replacement of 300 existing uncertified woodstoves located in low-income Phase I households with efficient EPA-certified woodstoves.

Due to its location and demographics, EPA believed Libby would serve as a laboratory for demonstrating and documenting the methodology, costs, and benefits of a woodstove changeout program that could help other PM_{2.5} nonattainment areas elsewhere in the country reach attainment. Wood smoke is a contributor to airborne particulate matter in many areas nationwide. However, most areas, particularly urban areas, are impacted by numerous PM_{2.5} sources aside from residential wood combustion, and it is difficult to demonstrate what air quality improvements result solely from upgrading woodstoves. It is hoped that the quantification of PM_{2.5} and air toxic reductions from the Libby project can be applied to these other areas and provide a quantifiable and relatively inexpensive tool to assist state and local governments in meeting the ambient air quality standards.

EPA and Lincoln County collaborated with HPBA, the State of Montana, Lincoln County, and involved the wood stove industry and the people of Libby in designing a program for changing out uncertified woodstoves. An on-site coordinator helped residents select the appropriate stove size and design, assessed special installation concerns (such as vermiculite insulation that contains asbestos), and provided support to determine the apportionment of heating equipment and stove accessories according to need.

Phase I of the Woodstove Changeout Program utilized 300 donated stoves, as well as chimneys, hearth pads, and installation funding provided by HPBA, EPA, and Montana Department of Environmental Quality (DEQ). Eligible low-income families in the Libby area applied for these stove packages and surrendered their non-certified wood stoves to the program for demolition and recycling. The value of these installations averaged \$2900, depending on the installation complexity, as broken down in Table 1.

Table 1
Typical Cost Breakdown per Installation for Phase I

Component	Cost
Stove	\$1500
Installation (labor)	\$800
Chimney	\$500
Hearth Pad	\$100
Average Cost per Installation	\$2900

The second phase of the Woodstove Changeout Program (Phase II) began in January 2006, and addressed 900 uncertified wood-burning devices remaining in the Libby area. Although there were no donated stoves or accessories for Phase II, a portion of Interior Appropriations bill for fiscal year 2006 through the EPA budget, made a grant (XA-97831701-0) available to assist the remaining 900 Libby-area households in replacing their uncertified wood burning appliances with certified woodstoves or other low emission, high efficiency home heating devices. In addition, a stove rebuild/catalytic unit replacement program was used to rebuild or refit up to 100 existing certified stoves that were still usable, but not properly operating due to their condition. A voucher system was utilized to distribute funds directly for replacement heating appliance purchase and installation. The Lincoln County management structure developed for Phase I continued through Phase II. It should be noted that, while not part of the Woodstove Changeout Program specifically, the State of Montana offered a tax credit program to all who installed a new, certified woodstove or other approved, high efficiency, non-fossil fuel home heating appliances, and participants in Phase II of the Woodstove Changeout Program were encouraged to apply. The area covered by the Libby Woodstove Changeout Program is the Lincoln County Air Quality Control District, outlined in Figure 1.

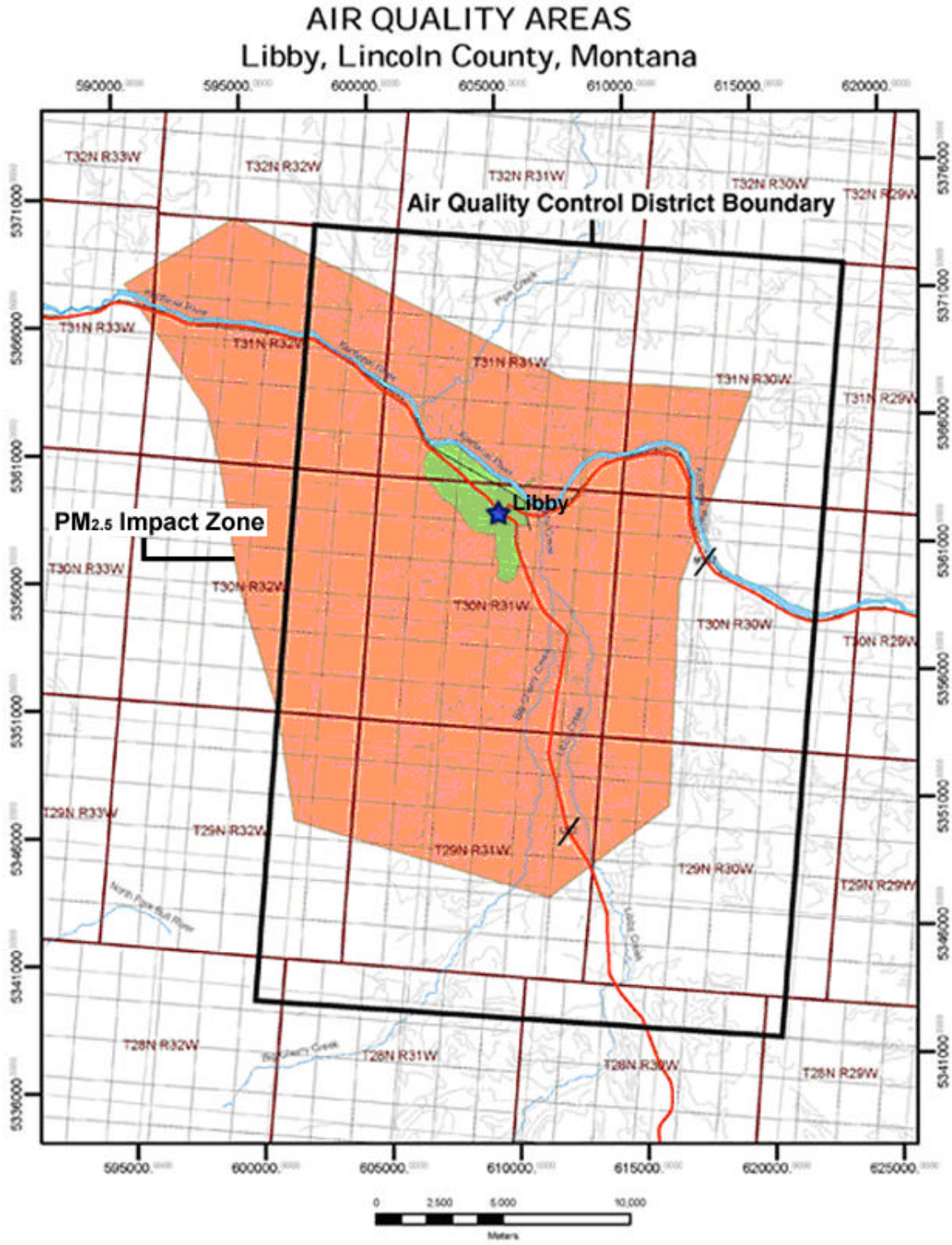


Figure 1. Libby, Montana and Lincoln County Air Quality Control District Map

Determining the number of uncertified woodstoves to be replaced is an integral step in planning an effective woodstove changeout program. For the Libby Woodstove Changeout Program, there were eight sources of data used by OMNI Environmental Services (OMNI) to estimate appliance numbers by category. These include (1) a 1988 survey conducted for the Montana Air Quality Bureau, (2) a 2005 Low Income Energy Assistance Program (LIEAP) survey, (3) a 2005 Global Engineering and Technology (GET) survey, (4) the Lincoln County woodstove permit records, (5) the DEQ/EPA asbestos home inspection list, (6) U.S. Census Bureau Data, (7) general nationwide home heating patterns from various surveys, and (8) OMNI's field observations in Libby.

The report describing the source of data and the method used by OMNI to estimate the number of wood-burning appliances by category in the Greater Libby Valley is provided in the companion Phase II report. Table 2 is a compilation of the initial estimate of wood-burning appliances by category. Table 3 summarizes the timeline of key Phase I events and project milestones.

Table 2
Initial Estimate of Wood-Burning Appliances in the Greater Libby Valley

Category	Number
Households in Greater Libby Valley	4864
Wood-burning appliances	2073
Total cordwood stoves and fireplace inserts plus Pellet stoves and fireplace inserts	1846
Old technology (uncertified cordwood)	1175
New technology (certified cordwood and pellet)	671
Phase 1 and Oregon	101
Phase 2 and pellet	570
Catalytic (phase 2)	171
Non-catalytic (phase 2) and pellet	399
Total fireplaces without inserts	82+
Supplemental heat use	27+
Aesthetic use and seldom used	55+
Total furnaces and boilers	145
Cordwood furnaces and boilers	97
Pellet furnaces	48
Woodburning appliances in commercial buildings	50±

Table 3
Lincoln County Phase I Woodstove Changeout Timeline

Date	Phase I Event
February 25, 2005	Concept meeting – Atlanta, Georgia
May 2005	Phase I Work Plan developed
May 25, 2005	HPBA/Lincoln County agreement
June 6, 2005	Woodstove installer training provided by HPBA
June 16, 2005	Libby woodstove changeout media event
June 18, 2005	Phase I stove fair
June 27, 2005	HPBA/Lincoln County/local stove retailers agreement
June/July 2005	Begin Phase I stove installations
September 16, 2005	EPA \$100,000 assistance grant awarded
October 27, 2005	Phase I burn smart fair
March 23, 2006	Libby and Lincoln County air control solid fuel burning device regulation adoption
June 14, 2006	Phase I area expanded outside of Areas A & B to include entire air control district
January 1, 2007	Local air regulation enactment date
June, 2007	Phase I Completion

2. Stakeholder Involvement

The U.S. EPA, HPBA, Lincoln County, and the State of Montana were the stakeholders involved in the Libby Woodstove Changeout Program and cooperated in the setup, funding, organization, and conduct of the project. The roles and major contributions of each stakeholder are shown in their respective subsections.

2.1. United States Environmental Protection Agency

The United States Environmental Protection Agency provided technical assistance and grant funding for both Phase I and Phase II of the Libby Woodstove Changeout Program. Funding began with the Phase I assistance grant for the project entitled “Woodstove Changeout Pilot Study.”

Lincoln County submitted a grant proposal to EPA primarily to provide funding for assistance with the labor costs of replacing uncertified woodstoves with certified woodstoves and accessories, donated by HPBA members, in low-income households. EPA awarded a grant of

\$100,000 (Grant XA-83252001-0) to the Lincoln County Montana Board of Commissioners, which has been subsequently referred to as the “Phase I grant.” The cooperative agreement for the Phase I grant is provided as Appendix A.

The description of the Woodstove Changeout Pilot Study covered under the Phase I grant as provided in the cooperative agreement states: *“The recipient (Lincoln County) of the CFDA Assistance Program 66.034, (Surveys-Studies-Investigations-Demonstrations-and Special Purpose Activities Relating to the Clean Air Act Section 103) will develop and implement a woodstove changeout program targeted at low income residents of Libby, MT. Lincoln County will leverage Federal funds and obtain up to 1200 new cleaner burning woodstoves or similar heating appliances and use them to replace older less efficient wood burning appliances in qualified residences in and around Libby, MT. Lincoln County will submit a final report detailing the structure of the program, and include the final number of appliances replaced, the estimated pollution reduction benefits that result, and any other information that will provide insights as to how this project could be replicated in other areas of the country.”*

In addition to the Phase I and Phase II funding (Phase II is described in a separate report.), EPA also provided support and technical assistance for the Libby Woodstove Changeout Program media event and stove fairs (discussed in Section 4).

2.2. Hearth, Patio and Barbecue Association

The Hearth, Patio and Barbecue Association managed and coordinated the donation of woodstoves, and associated components, as well as cash contributions from HPBA members. It also provided technical guidance, consulting and assistance throughout the project. These services were provided under a grant agreement with the Lincoln County Board of Commissioners (Appendix B).

As noted, HPBA organized contributions of both cash and equipment (stoves, vent pipe, hearth pads, etc.) needed to change out the stoves in Libby under Phase I of the Libby Woodstove Changeout Program. HPBA members that made donations are shown in Table 4.

Table 4
HPBA Contributors

Gold Donors	
CFM Corporation	Lennox Hearth Products
Fireplace Products International, Ltd.	Simpson Dura-Vent
Hearth & Home Technologies, Inc.	Travis Industries, Inc.
Jotul North America, Inc.	
Silver Donors	
Associated Energy Systems	Lucky Distributing
Blaze King Industries	Metal-Fab, Inc.
Country Stoves, Inc.	Monessen Hearth Systems
Hearth Classics	Pacific Energy Fireplace Products, Ltd.
Hearthstone Quality Home Heating Products, Inc.	Sherwood Industries Ltd. Enviro
ICC Industrial Chimney Co. Inc.	Stove Builder International (SBI)

Table 4
HPBA Contributors (Continued)

Bronze Donors	
The Adams Company	Jabo, Inc. – Friends of the Sun
A & D Distributors, Inc.	Len Wozniak & Associates
Amador Fireside Center, Inc.	Lenco Sales, LP
Alpine Stove & Mercantile	Leonards Stone & Fireplace Co.
Ambassador Piping, Inc.	Lloyd F. Pugh & Associates
American Home Fireplace & Patio	MacDowell's
Association Consultants	Marvin Earle Company
Barker's Inc.	Mjelde Enterprises, Inc.
Birnstihl Sales	Miller Stove & Fireplace LLC
The Blazing Hearth Inc.	Monroe Fireplace & Stove, Inc.
Burning Desires	NCHPBA
Canby Sales & Associates, Inc.	NEHPBA
Chris Baumeister LLC	Nordic Stove & Fireplace Center
Clark's Ace Hardware	OMNI Environmental Services, Inc.
C.M.B. Enterprises	OMNI-Test Laboratories, Inc.
Commonwealth Fireplace & Grill Shop	Pete Anderson
Condar	Picket Fence Potbelly Junction
Don Fox & Associates, Inc.	R&D Cross, Inc.
Duraflame	REF & Associates Sales, Inc.
Elmer's Pipe, Inc.	RLH Industries, Inc.
The Energy Shop, Inc.	Robert H. Peterson Co.
Energy Source	Russell Wold
The Firebox	Ryan Bros. Chimney Sweeping
Firegear, LLC	Schott North America, Inc.
The Fireplace & Patioplac	Shadow Hearth & Home, Inc.
The Fireplace Professionals, Inc.	SEHPBA
Fireside Distributors, Inc.	SCHPBA
Fireside Spa & Patio	Stefan Weiss
Friendly Fire, Inc.	Stovepipe Fireplace Shop
Frost N/Flame	Summitt Wholesale, Inc.
Geering Co., Hearth and Home	Tall Pines Farm
Grass Roots Energy, Inc.	Town & Country
Guyer's Builder Supply, Inc.	Village West Publishing, Inc.
Home Fire Stove	Watson's Garden Centers
Hearth & Home – The Fireside Shop	Wesley Dawes
Hearth, Patio & Barbecue Education Foundation	Western Stoves & Spas, Inc.
Hickory Fireplace & Patio	Wood Energy Technicians of B.C.
Higgins Energy Alternatives, Inc.	Woodburners Two
HPBA Pacific	Woodman Associates Inc.
HPBA Staff	Woodstove and Sun, Inc.
ICC	Yankee Doodle, Inc

It was felt that an important aspect of the project was to keep local hearth businesses involved in the process to minimize the impact that the woodstove changeout program would have on their livelihood, as well as ensure that home occupants had access to expertise should they need help or have problems with their new installations. For Phase I, HPBA facilitated the use of local hearth product dealers for installing stoves and for providing service when home occupants had problems with their newly installed stoves. Further, it was arranged for homeowners to contact the local dealer who installed their stove for service or warranty issues. A stipulation of the stove and equipment donations was that local dealers normally handling the specific product line would install those stoves. This ensured that knowledge of the product, as well as warranty and maintenance coverage, was locally available. In addition, to be sure that qualified installers were locally available, National Fireplace Institute (NFI) certification training was provided by HPBA for local dealers and installers to become certified woodstove installers for Phase I. (Additional courses for propane and pellet appliance installations were conducted during Phase II.) Completion of the NFI training course and entitlement to a NFI certificate was required for at least one installer per two-man installation crew before conducting the changeouts. The Lincoln County Program Coordinator and third party installation inspectors also received NFI certification training. HPBA provided technical assistance for the training and stove installations through their NFI technical expert and advisor.

The NFI training and certification process consisted of one-day courses presented at Lincoln County Campus of Flathead Valley Community College (LCC) facilities in June and July 2005. Training materials were provided by HPBA, and training was provided to all confirmed installers at no cost. Aside from the NFI courses, a NFI technical expert was made available to act as a consultant to the Lincoln County Program Coordinator. As noted, the NFI technical expert provided consultation as needed whenever there were questions regarding proper installation techniques

Specific tasks to be conducted that were envisioned by HPBA are outlined in the grant agreement between HPBA and the Lincoln County Board of Commissioners (Appendix B). They include:

- Transfer of \$165,000 donated by HPBA members to Lincoln County in installments of \$25,000 to \$60,000 between June 1 and September 1 2005.
- The direction of HPBA members who pledged to donate woodstoves, chimneys, and associated equipment to ship them to Libby.
- Organize and make available to Lincoln County through the local community college a training program to ensure that the Program Coordinator, and woodstove installers all had the necessary NFI training.
- Provide expert technical advice on woodstove changeout programs (i.e. woodstove fairs, proper installations, woodstove models and characteristics) and NFI training.
- Provide the services of a publicity and media relations consultant, especially to assist in the community outreach program leading up to the Phase I stove fair.

- Provide the expertise and labor of local retailers for the Phase I stove fair
- Provide such additional financial assistance as available to HPBA later in the year for Phase I of the program and as may become necessary for completion of Phase I, subject to subsequent discussion and mutual agreement.

In addition to the tasks specifically listed in the grant agreement between HPBA and the Lincoln County Board of Commissioners, HPBA also (1) hosted a woodstove changeout media event on June 16, 2005 in Libby to raise awareness of the project throughout Libby (discussed further in Section 4), and (2) provided funding to the University of Montana to monitor the effectiveness of the woodstove changeouts on atmospheric concentrations of air toxics, specifically polycyclic aromatic hydrocarbons (PAH), which are produced by residential wood combustion. HPBA contracted the University of Montana to monitor atmospheric PAH concentrations in Libby during the 2004/2005, 2005/2006, 2006/2007, and 2007/2008 heating seasons. OMNI Environmental Services was contracted to manage and review the 2004/2005 and 2005/2006 monitoring done by the University of Montana.

2.3. Lincoln County Department of Environmental Health

Lincoln County had the primary responsibility for managing and coordinating the Libby Woodstove Changeout Program. Existing Lincoln County employees and a Program Coordinator specifically hired by the County for the woodstove changeout program staffed the project.

The Lincoln County Program Manager was ultimately responsible for achieving program tasks and was accountable to the HPBA, EPA, and Montana DEQ grantors. The program tasks included:

- Drafting a detailed initial implementation plan
- Applying for follow-on funding
- Community outreach and public affairs, including media relations
- Home selections
- Organizing replacement of appliances and their installations
- Proper disposal of old appliances
- Replacement of catalysts in catalytic wood heaters
- Financial accounting and third-party audits
- Documentation
- Periodic, interim, and final reporting
- Budget management

The Program Coordinator participated in the community outreach task and was principally responsible for the coordination of the stove changeouts. The Program Coordinator conducted inspections, confirmed eligibility of the uncertified woodstove, determined suitability and difficulty of replacement, and scheduled the changeout based on the estimated time needed for

the installation. The Program Coordinator was required to hold a NFI certificate, and was also responsible for the demolition and disposal of old woodstoves and accessories.

As a condition of receiving the donated materials, HPBA required Lincoln County to have access to a warehouse for storing donated stoves and associated hardware. To facilitate rapid changeouts, a warehouse located close to the center of town was secured. The warehouse was also used as a staging area for the demolition and disposal of old woodstoves prior to their transport to a metal recycler (Pacific Recycling of Kalispell, Montana). The stoves were destroyed and stored in roll-off containers for storage and transport. The old stoves were destroyed prior to disposal to ensure that they would not be reused or re-sold elsewhere. As the scrap metal had value (\$.01 - \$.02/lb), some revenue was generated in the disposal of the old stoves.

An important component of Phase I was the documentation of low income to be eligible for a donated stove. Low-income eligibility was determined by Northwest Montana Human Resources (NMHR), a not-for-profit community action agency that serves the low-income populations of a four county area, including Lincoln County. NMHR was asked to assist Lincoln County in their eligibility process as many of the potential participants were already in their data bank as recipients of the Low Income Energy Assistance Program (LIEAP). As a current recipient of the LIEAP program they would be automatically eligible and no other documentation would be required except verification of their current eligible status. Initially, the LIEAP application process was used to determine eligibility for woodstove changeouts. However, as many of the applicants had not received prior benefits through NMHR and this application process is quite cumbersome both for the client and the NMHR staff, it was concluded that the LIEAP application process was not an effective approach to determine eligibility. In addition, shortly after the program began, Lincoln County raised the income guidelines beyond the NMHR low-income threshold so the LIEAP application was no longer a valid starting point in any event. At that time, a face-to-face interview process was implemented with the applicants, and NMHR staff conducted these interviews. Applicants were asked to bring current income documentation to the interview. After reviewing their income documentation, participant eligibility for Phase I of the woodstove changeout was determined. The participants were then given a signed copy of an eligibility letter to take to the County to verify their program status. A visual inspection of the income documentation was conducted, but no records were kept on file. All documentation was returned to the participants. This process was very time effective and adequately met the program needs. The NMHR low-income verification forms are shown in Appendix C.

Several program modifications and procedures should be noted: (1) A separate procedure was used for low-income participants that were renters rather than homeowners. If a landlord had tenants who were eligible for Phase I, and the landlord was willing to participate in Phase I, they were required to make a \$500 co-pay to install a new stove in the tenant's residence (See Appendix D). (2) Initially, Areas A and B, as shown in Figure 2, were the first priority and second priority areas, respectively, eligible for Phase I changeouts. Later in the program (June, 2006) the eligible area was expanded to the entire AQCD to ensure that enough participants were involved to attain the Phase I changeout goals. (3) The post installation safety inspection by a city building inspector or county Fire Marshall, originally planned as part of the program, was

discontinued due to time constraints and process simplification. However, homeowners were encouraged to contact Lincoln County regarding any post installation issues, and stove dealers conducted post installation follow-up visits as part of consideration for their installation fee. In addition, Lincoln County did follow up on a “per-request” basis and conducted Burn Smart fairs to educate the public on the proper use of stoves.

Figure 3 is a flowchart illustrating the steps that were administered by Lincoln County for changing out woodstoves. The following is a summary the key elements for the woodstove changeout process.

- Application obtained by homeowner and submitted to Lincoln County
- Application reviewed by Lincoln County
- Proof of low income, documentation reviewed by NMHR
- Appointment made for home visit
- Determine qualified stove, evaluate chimney
- Determine appropriate replacement stove and venting
- Contact dealer responsible for stove/installation (NFI certified installer)
- Dealer given work order from Lincoln County (authorization to do job)
- Hardware and money received from Lincoln County
- Contact applicant, schedule changeout
- Pick up stove & chimney at warehouse
- Changeout stove (Typical installation took four hours.)
- Take old stove to warehouse, submit bill
- Destroy and dispose of old stove (recycler)

To familiarize Libby residents with the woodstove changeout project numerous types of community outreach vehicles were utilized. These included:

- Biweekly newspaper (primary source)
- Local radio (interviews with station manager)
- Local cable access to announce events
- Personal appearances at service clubs
- Flyers (sent home with school children)
- Posters (distributed at the welfare office, community health center, and senior center)

Lincoln County also organized two stove fairs and a media event as part of the community outreach plan. The media event, Stove Fair I, and Burn Smart Fair I, as well as the other community outreach activities are explained further in Section 4.

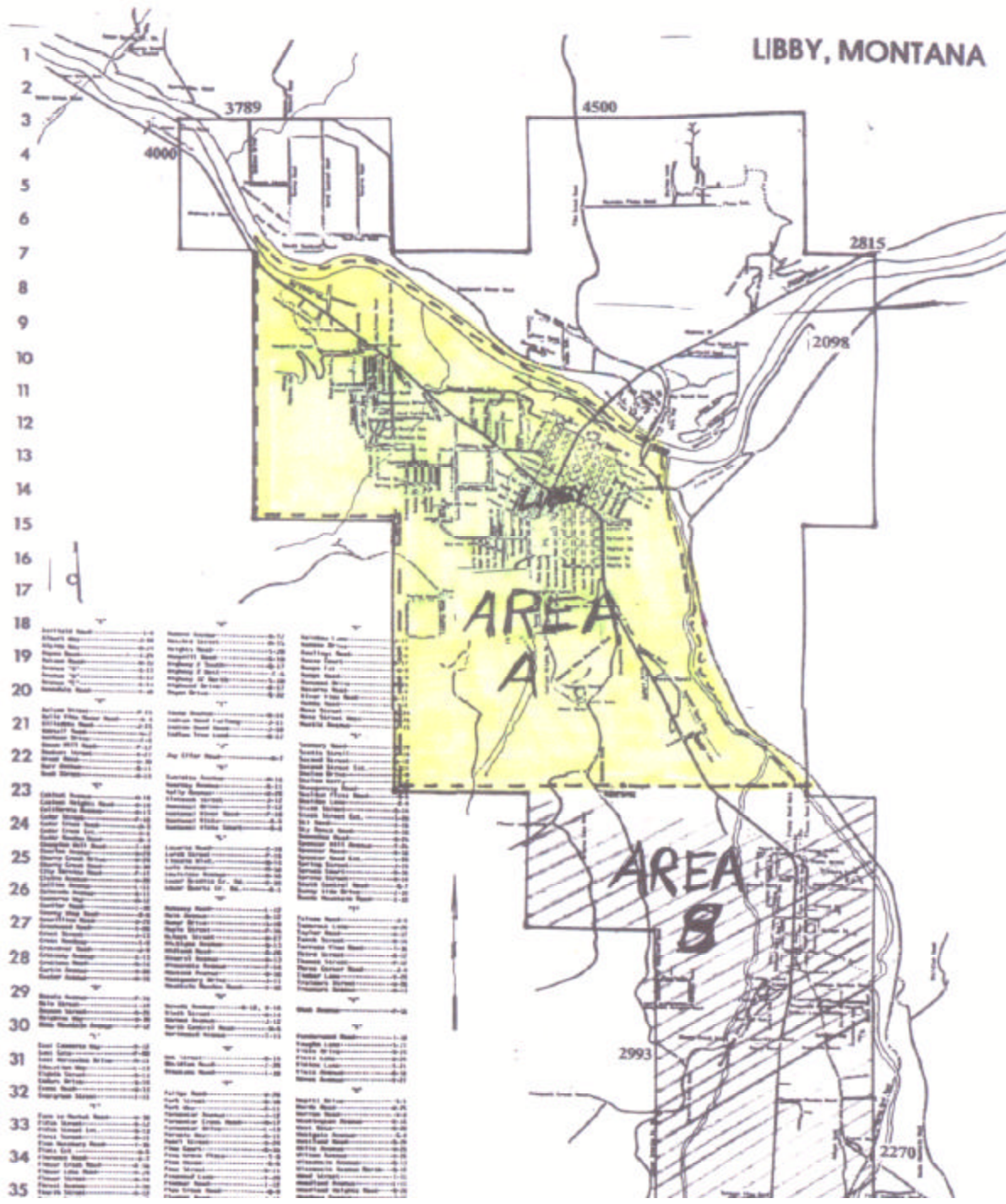


Figure 2. Initial Boundaries for Phase I Woodstove Changeouts

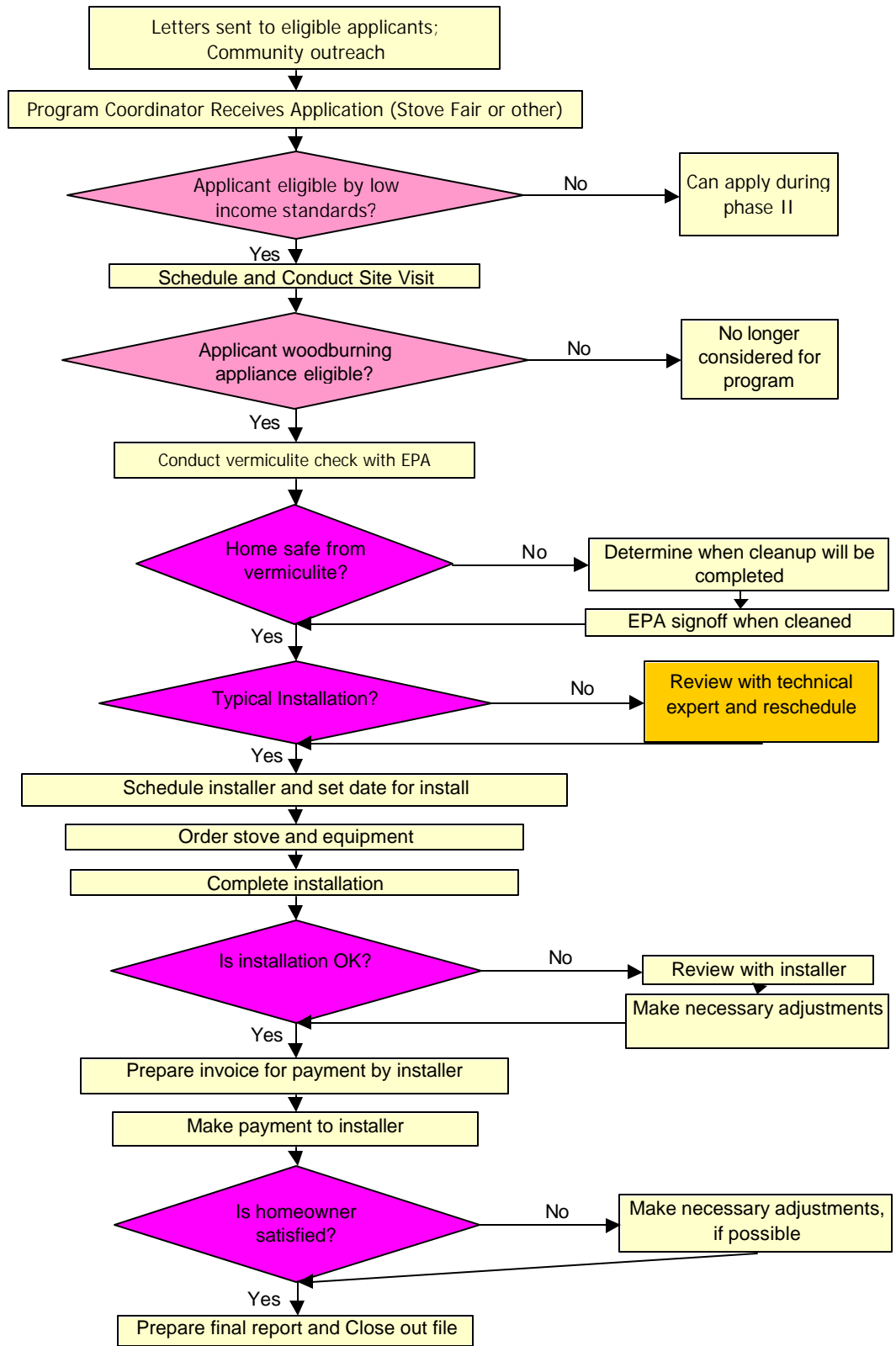


Figure 3. Phase I Woodstove Changeout Process Flowchart

Lincoln County updated the Air Quality Control Regulation in January-February 2006. With the designation of the Libby area as EPA non-attainment for PM_{2.5}, it was necessary to address the woodstove smoke emissions for the Lincoln County State Implementation Plan (SIP) development. The updated regulation prohibits the use of any non-certified woodburning appliance in the Air Control District after January 1, 2007. The new regulation was adopted locally in February 2006, and was reviewed and approved by the Montana Board of Environmental Review in March 2006 (Appendix E). An obvious effect of the revised Lincoln County Air Quality Regulation was to provide a financial impetus for changing out woodstoves as part of the program rather than replacing uncertified woodstoves at a later date and at costs to the homeowner (or additional costs to a landlord). However, as the changeouts were still continuing through late winter and early spring of 2007, Lincoln County decided not to strictly enforce the new regulation and its restriction on use of non-certified wood-burning appliances with tickets for violations. Instead, two form letters were sent out to homeowners observed or reported as having homes with smoking chimneys. The first letter was sent to households who had participated in the program to inform them of the violation, and discussed the need for them to review burning techniques used with their new stove. The second letter went to households that had not participated in the program, and discussed the new regulation and the need for homeowners to quit using their non-certified appliance, stating that continued use of the non-certified appliance would result in violation notices and eventually a citation.

2.4. State of Montana

The State of Montana provided funding, consulting, and technical support for the Libby Woodstove Changeout Program through the Montana DEQ. The Montana DEQ provided Lincoln County with a grant (DEQ 505043, shown as Appendix F) of \$55,820 to assist them in conducting the changeout program and for the continued collection of air monitoring data from Libby. This grant was designed to support both Phase I and Phase II of the program. The air monitoring data is critical as it serves as an index of air quality progress from the woodstove changeouts. In addition to the direct grant, the Montana DEQ also agreed to provide consultation to Lincoln County concerning the project, and provide review of documents. The University of Montana, under state sponsorship, also conducted work related to the air quality implications of the woodstove changeouts separately.

Ambient air quality sampling is ongoing in the Lincoln County Air Pollution Control District, with monitoring equipment located at the Lincoln County Annex. Year-round air quality monitoring has been funded by Montana DEQ. Monitors include (1) PM_{2.5} BAM and a PM₁₀ BAM monitor that operate continuously; (2) a PM_{2.5} speciation monitor and a PM₁₀ BGI that run every six days; and (3) three PM_{2.5} BGI monitors, with runs staggered to occur every three days (one co-located monitor).

The University of Montana conducted a study in Libby entitled “Assessing the Impact on Air Quality and Children’s Health of Actions Taken to Reduce PM_{2.5} Levels from Woodstoves.” Monitoring in the Libby Asa Wood elementary school and at the Libby Middle School began in January 2005. Three indoor particulate monitors ran for 24-hours, once or twice each week, for three months during the winter and one month each during fall and spring at the schools.

In conjunction with the in-school testing, the University of Montana monitored in-home PM_{2.5} exposure. The twenty homes included in the study group each replaced an uncertified woodstove with a certified woodstove. The homes were selected at random from Phase I participants and Phase II voucher recipients. Prior to the woodstove changeout, monitors were set up in each home to run for a 24-hour period. The sampling was repeated in each home after the certified woodstove was installed. During each sampling event, the same type of monitoring equipment ran at a central site, the Lincoln County Annex, to collect ambient air data. The in-home sampling ran from October 2006 through January 2007.

The University of Montana also conducted a project entitled, “The Libby, Montana PM_{2.5} Source Apportionment Research” completed in January 2005. This project provided pre-changeout PAH data for the 2003/2004 heating season and provided an estimate of woodstove impacts through the use of chemical mass balance (CMB) modeling and carbon-14 measurements.

3. Dealer Involvement

Local dealers agreeing to participate in Phase I signed a non-binding agreement with Lincoln County (Appendix G). Dealers provided the Program Coordinator with a list of woodstove related products and services they offered or expected to offer. Manufacturers that donated stoves to the Woodstove Changeout Program specified which dealer should install the units based on the dealer’s history with, or interest in, the manufacturer’s product line. This was done in part to ensure that the servicing of warranty issues and that follow up-visits after stove installation were done by well qualified personnel, preferably having experience with that particular product line.

Phase I utilized donated stoves for changeouts, and the role of the dealers was to install the appliance and inspect/upgrade/replace the existing chimney depending on its condition. Negotiation with Lincoln County and the dealers resulted in a \$175.00 per hour rate for installations for a two-man crew. The agreement also provided compensation for liability insurance for the stove installation. One member of each crew had to be NFI certified for wood-heater installations, and, as noted in Section 2.2, HPBA provided NFI certification training at their expense. Training consisted of distribution of a review manual to each student, an in-class review course using the manual, and an NFI certification examination. Thirteen Libby residents are now NFI certified. Installation steps included (1) equipment unloading, de-boxing, assembly, and all other installation preparation work, (2) installation of new appliance and hardware, (3) potential post-installation servicing of the new woodstove and associated equipment, especially the task of responding to homeowner inquiries about operation, operational problems, and maintenance, and (4) the establishment of commercially-reasonable liability insurance coverage or other commercially-reasonable forms of liability protection. The number of installations per dealer or installer is shown in Table 5. Photographic documentation of a typical changeout is shown as Figure 4.

Table 5
Number of Installations per Dealer/Installer

Dealer/Installer	Units Installed during Phase I
Alpine Heating LLC	22
Glass & Home Innovations	60
Larson Lumber Co., Inc.	33
Rick's Rental/Schrader Stoves	94
Tom Kurle (independent installer)	51

Figure 4. Photographic Documentation of Typical Woodstove Changeout







4. Community Outreach and Homeowner Education

The Program Manager developed an “Outreach Action Plan” utilizing EPA and HPBA technical assistance, and Lincoln County community contacts. The goal of this plan was to educate the wood-burning population of Libby on the benefits of changing to high efficiency wood-burning stoves and the improvement in Libby’s air quality that would accompany the woodstove changeouts. Phase I program eligibility and specifics were also emphasized in this outreach plan. During Phase I, public awareness and publicity were aimed at getting the community to understand the program and its phased approach to the changeouts, with an emphasis on low-income homeowners and landlords of low-income families. This was accomplished through public awareness campaigns, mailings, and other outreach programs including media events, group meetings, and word-of-mouth.

Lincoln County led the coordination and execution of a media event held in Libby June 16, 2005 covering the purpose and goals of the woodstove changeout. HPBA provided support for the media event, and guests included EPA staff, Montana Governor Brian Schweitzer, the Director of Montana DEQ, HPBA staff, media representatives, and major hearth industry donor representatives. The media event was held not only to familiarize residents of the Libby area with the program, but also to reach an audience outside of Lincoln County. Two key goals of the media event were: (1) for EPA to use the event as a national kick-off for the Woodstove Changeout Campaign, with Libby being announced as the pilot project, and (2) to emphasize the exceptional teamwork approach by federal, state, local and private partnerships.

A second informational event, the Phase I stove fair, was held in Libby June 18, 2005 to raise awareness of the program with prospective applicants of the fully subsidized Phase I changeouts. Stoves were set up at the fair to show attendees what kind of appliance they could expect to have installed in their homes, and how such appliances worked in a more efficient manner. Applications were made available to those who attended, and information on the stoves and program were provided. Local woodstove dealers provided staff to help with the set up and to answer questions, particularly regarding the product lines that they provide.

The first of two burn smart fairs, Burn Smart Fair I was held October 27, 2005. It was aimed at helping new stove owners adapt to their new certified stoves. All Phase I stove recipients received a mailed invitation and a gift coupon to the fair. Attendees were shown how certified devices burn less wood for the same amount of heat output. In addition, they were taught how to properly load and maintain the fires in their new stove, as well as how to cover maintenance issues. During the fair, EPA certified woodstoves were set up and burned. Stove experts provided by HPBA answered questions and provided instructions on the proper operation of a certified woodstove. Points discussed included:

- How to get the maximum heat and efficiency from a woodstove
- Firewood selection, collection, and storage
- The most efficient way to start a fire
- How to check a chimney for creosote buildup
- Care and maintenance of a new certified woodstove

Some community outreach was conducted via local sources, such as newspapers, radio, and the local cable access television channel. Articles and advertisements were printed in the local bi-weekly newspaper, including updates on the program, upcoming events, and general information on the project. Interviews and informational advertisements were conducted on the local radio station, and updates were provided by the station manager when requested. The third media outlet for community outreach was the local cable access television channel. Aside from newspaper, radio, and television, Lincoln County created posters and flyers to be displayed within the community at the county welfare office, the community health center, the senior center, as well as other locations around town. Some were sent home with students from school. Examples of the Phase I replacement stoves were shown in the lobby of the Lincoln County Department of Environmental Health for viewing by the public. Staff working on the woodstove changeout made personal appearances at various service organizations to present information on the project and answer any questions people may have. Each of these forms of community outreach helped to fuel one of the most important forms of communication: word-of-mouth. By conducting the various types of outreach, more and more participants became informed of the project, and passed that information to their neighbors and friends. Word-of-mouth was one of the more powerful forms of community outreach for the rural Libby area, connecting with many people normally not actively involved in the community. Examples of community flyer, poster and an informative newspaper article are shown in Appendix H.

5. Summary

An effective woodstove changeout program was conducted through cooperation among local, state and federal agencies, private industry, and the community at large. “Lessons learned” through the conduct of Phase I have been provided in this report as an aid for future planning of similar changeouts in other communities, and are shown in Section 6.

Grants were provided by EPA, Montana DEQ and HPBA. HPBA members donated cash, woodstoves and associated accessories. The direct funding combined with the fair market value for donated woodstoves and associated accessories for Phase I totaled \$859,700.

From June 2005 to June 2007, 260 uncertified woodstoves were replaced with certified cleaner burning units for Phase I. Table 6 is a tabulation of the number of installations that were completed each month during Phase I.

Table 6
Phase I Woodstove Installations Completed by Month¹

Date	Installations Completed
July, 2005	7
August, 2005	39
September, 2005	23
October, 2005	40
November, 2005	14
December, 2005	18
January, 2006	3
February, 2006	3
March, 2006	5
April, 2006	7
May, 2006	4
June, 2006	13
July, 2006	6
August, 2006	7
September, 2006	10
October, 2006	-
November, 2006	3
December, 2006	6
January, 2007	18
February, 2007	13
March, 2007	9
April, 2007	9
May, 2007	2
June, 2007	1
TOTAL	260

¹ There were an estimated 281 low-income households with conventional or noncertified woodstoves within the area eligible for the changeout program. This would indicate that the Phase I program had over a 90% success rate in removing uncertified wood stoves from the low-income community. This estimate was based upon a survey of LIEAP recipients which showed that 32.3 percent of low income occupied homes had a wood burning appliance, and that 52.5% of those appliances were noncertified wood stoves. This also assumes that 1680 residences, or 44.1% of the homes in the Libby changeout area met the income guidelines for the Phase I program. Because several low-income home owners or landlords renting to low income renters waited to change out stoves in the Phase II program due to a greater selection of appliance types in the Phase II program, the actual success rate of the Phase I program could well have approached 100%. See: "Quenemoen, Kane and James Carlin. Libby, Montana LIEAP Wood Stove Survey. Montana Department of Health and Human Services and Montana Department of Environmental Quality, State of Montana, Helena, MT. Fall, 2004."

Because the changeouts of woodstoves as part of both Phase I and Phase II were not completed until the end to the 2006/2007 heating season, a final measurement of the improvement in air quality will not be available until the end of the 2007/2008 heating season. However, the May 29, 2007 University of Montana report to the HPBA entitled “Ambient Concentrations of Polycyclic Aromatic Hydrocarbons and Phenolic Compounds Measured before and during a Woodstove Change-Out Program in Libby, Montana,” showed that there was a 19% reduction in average PM_{2.5} levels during the 2006/2007 heating season as compared to the pre-changeout 2004/2005 heating season and that the average reduction in outdoor PAH and phenolic compounds often associated with residential wood combustion was 71%. The average reduction in indoor PM_{2.5} levels pre- and post-changeout measured in 16 homes participating in Phase I and Phase II was 72%. Similarly, preliminary data presented by the Montana DEQ at the Reno, Nevada March 15, 2007 EPA Woodstove Workshop reveal that the 2006/2007 heating season PM_{2.5} levels were lower than pre-changeout levels. Final 2007/2008 PM_{2.5} and PAH data are anticipated the summer of 2008.

6. Lessons Learned

- **Replacement stoves need to be matched with the climate and the sociodemographics of a community.** Some donated stove models had limited application for installation or use in Libby. Some models were not approved for mobile home installations. (Libby, because of its lower income status, has a large fraction of mobile homes.) Others had too small of a firebox to adequately heat whole houses in cold climates such as characteristic of Montana. Specifically, woodstoves with a firebox larger than two cubic feet are most appropriate for most installations in Libby. Smaller stoves do not hold enough wood to keep a fire overnight.

Knowing the community, its makeup, and character is essential for planning a woodstove changeout program. It is important to understand the factors influencing woodstove use, which can include housing types, the local economy, population age characteristics, heating fuel alternatives, fuel costs and availability, local tradition, and climate.

- **Stove models that were available through the donation process did not always match personal preferences.** Homeowner expectations and preferences vary so much that a “one-size-fits-all” approach does not work well with donated stoves and/or venting systems. Interestingly, it was found that some homeowners who qualified for Phase I wished to reapply for a voucher in Phase II of the program. This would have allowed them to purchase the heater type of their choice instead of accepting a donated Phase I woodstove at no cost. Just specifying a price, or a ‘heating capacity’ may not produce a happy woodstove user. The program did benefit from having access to a number of stove models. If the program had attempted to pick a single “perfect stove” model for Libby in advance, the odds of failure would have been high. In practice, the program chose the best stove, within the limitations of available stoves, for each applicant based on working with the applicant and visiting the home.

- **The voluntary nature of the program tended not to instill a sense of urgency and the changeout program proceeded more slowly than was desirable.** Related to this was that there seemed to be a general lack of activity in both Phase I and Phase II during the summer months. Homeowners were encouraged to take advantage of the warm weather when they didn't need to use their stove and when installers were available. However, it was believed that the focus on vacations and other summertime activities and interests appeared, in many cases, to overshadow pragmatism. Woodstoves, and winter heating issues in general, follow a seasonal pattern. In July and August, few people want to think about their winter heat. At the onset of autumn, at least in Libby, the focus turns very quickly to winter. Conversely, in the late winter and spring, interest in the program dropped off dramatically as the weather warmed up. Changeout programs are connected with the calendar, and resources can be wasted if this is not taken into consideration. It is better to conserve public resources until the fall, and then focus resources on the program, than spend time advertising or promoting it in the summer.

The desire to complete Phase I in one year turned out to be unrealistic. Phase I took two years to complete, and might have benefited from a third year. In retrospect, many people in the community were waiting to see how the new stoves worked, and if there was a catch in the "free stove" program.

- **While incentives such as free woodstoves are important, more important is the presence of an enforceable air regulation.** Air quality regulations reinforce the importance of the air improvement effort that the stove changeout program is trying to accomplish. Political will and public education are critical components to the enactment of air quality regulations and their enforcement. Simply put, the free woodstove changeout offered to low income residents in Phase I, and the partially subsidized changeout program offered to all residents of Phase II, was the "carrot", and the air quality regulation banning the use of all uncertified woodstoves after January 1, 2007 was the "stick."
- **Some new stove recipients were not willing or not able to learn the correct operational procedure for their new wood stove.** New technology wood stoves perform differently than typical older uncertified stoves. Some re-learning of stove operation is required. Related to this was the observation that seniors tended to be most recalcitrant to change, particularly senior men who frequently had a long history of the operation of woodstoves as part of their family responsibility. Also, old wood burning habits and techniques, as well as fire wood selection and storage are hard to break. Continual public education is essential to convert new stove users into proper and efficient burners.
- **The overlap in Phase I and Phase II of the Woodstove Changeout Program caused delays in the performance of Phase I.** The start of Phase II, with its early application signup incentive of an additional \$100, before the completion of Phase I, caused two problems: (1) Over 400 home inspections were needed in a short timeframe to service the demand for Phase II applicants attracted by this added incentive. This, of course,

reduced the availability of installers for Phase I. (2) Due to the more lucrative value of Phase II for local stove dealers, they tended to take care of their Phase II customers first.

- **The overlap in Phase I and Phase II seemed to cause some confusion among some applicants regarding the phase to which they should apply.**
- **It was found that many existing chimneys needed to be replaced with smaller diameter and taller stacks.** Many new stoves will not operate properly with existing old chimneys. Dealers and homeowners need to work together to assure that the stoves are correctly fitted. Chimney evaluation and replacement often took additional time beyond what was anticipated.
- **Home inspections conducted in the performance of Phase I and Phase II fieldwork discovered that a number of pre-existing certified stoves were not operating correctly.** Due to an earlier ordinance, and general concern about wood smoke, Libby already contained many early EPA certified woodstoves. The seals, baffles, and other interior components of some existing certified woodstoves had warped or failed and the stove was functioning essentially as a non-certified unit with unacceptable emissions. Several models had catalytic combustors that were no longer working causing them to have higher emissions. Funds were made available to have these units formally inspected and rebuilt. This proved to be a viable approach to restoring an appliance to an acceptable emission standard. This approach was particularly applicable to the early 1990's version of one model, which has since strengthened its baffle system.
- **Adequate staffing is necessary for the project to be run effectively.** If adequate staffing is not available, unnecessary delays can occur in dealing with homeowners, which can cause discord in the community. When people applied, they were usually ready to complete the process, and did not like delays. A changeout program must consider the capacity (and willingness) of the area's stove dealers and installers when setting the goals for the timetable, number of changeouts, and the specifics of staff responsibilities.
- **Homeowner availability is very limited and it is difficult to schedule home inspection visits and installations.** Families often have busy lifestyles, which includes working parents. The ability to accommodate inspections and installations outside of normal working hours would be advantageous.
- **Low-income households were more difficult to reach than anticipated.** Some lists of potential low-income participants (such as welfare, or LIEAP) are restricted because of privacy concerns. Low-income households are also, on the average, more difficult to reach with public outreach vehicles due to their habits and lifestyles, e.g., many do not subscribe to the local paper. Lincoln County pursued an aggressive public outreach campaign to increase the effectiveness of reaching low-income families. Beyond the standard media avenues of newspapers, radio and local cable television, a notable approach that appeared to be an effective and very cost effective method to communicate


with at least some of the low income families was providing school children with pamphlets to take home.

Appendices

- A. EPA Assistance Grant XA-83252001-0 to Lincoln County
- B. Phase I Grant Agreement Between Lincoln County and HPBA
- C. Northwest Montana Human Resources Low Income Verification Form
- D. Phase I Letter to Landlord
- E. Updated Lincoln County Air Regulation
- F. Grant DEQ 505043 Agreement between Montana DEQ and Lincoln County
- G. Dealer Non-Binding Agreement with HPBA and Lincoln County for Phase I
- H. Examples of Community Outreach Flyer, Poster, and an Informative Newspaper Article

Appendix A

EPA Assistance Grant XA-83252001-0 to Lincoln County

	U.S. ENVIRONMENTAL PROTECTION AGENCY Cooperative Agreement	ASSISTANCE ID NO.			DATE OF AWARD <i>9/16/05</i>
		PRG	DOC ID	AMEND#	
		XA	83252001	- 0	MAILING DATE <i>9/23/05</i>
		TYPE OF ACTION New			
PAYMENT METHOD: ACH					

RECIPIENT TYPE: County	Send Payment Request to: Las Vegas Finance Center
---------------------------	--

RECIPIENT: Lincoln County Montana Board of Commissioners 418 Mineral Avenue Libby, MT 59923 EIN: 81-6001367	PAYEE: Director, Department of Environmental Health Lincoln County Montana Board of Commissioners 418 Mineral Avenue Libby, MT 59923
---	--

PROJECT MANAGER Jerry Marquez 418 Mineral Avenue Libby, MT 59923 E-Mail: lcdeh@libby.org Phone: 406-293-7784 x212	EPA PROJECT OFFICER Gary Blais 109 T.W. Alexander Drive, OAQPS/ITPID Research Triangle Park, NC 27711 E-Mail: Blais.Gary@epamail.epa.gov Phone: 919-541-3223	EPA GRANT SPECIALIST Barbara Proctor 1200 Pennsylvania Ave, NW, 3903R Washington, DC 20460 E-Mail: Proctor.Barbara@epamail.epa.gov Phone: 202-564-5302
--	---	---

PROJECT TITLE AND DESCRIPTION
Woodstove Changeout Pilot Study -
The recipient will develop and implement a woodstove changeout program targeted at low income residents of Libby, MT. The recipient will leverage Federal funds and obtain up to 1200 new cleaner burning woodstoves or similar heating appliances and use them to replace older less efficient wood burning appliances in qualified residents dwellings in and around Libby, MT. The recipient will submit a final report detailing the structure of the changeout program, and include the final number of appliances replaced, the estimated pollution reduction benefits that result, and any other information that will provide insights as to how this project could be replicated in other areas of the country.

BUDGET PERIOD 10/01/2005 - 09/30/2007	PROJECT PERIOD 10/01/2005 - 09/30/2007	TOTAL BUDGET PERIOD COST \$859,700.00	TOTAL PROJECT PERIOD COST \$859,700.00
--	---	--	---

NOTE: The Agreement must be completed in duplicate and the Original returned to the appropriate Grants Management Office listed below, within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA. Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the Recipient subsequent to the document being signed by the EPA Award Official, which the Award Official determines to materially alter the Agreement, shall void the Agreement.

OFFER AND ACCEPTANCE

The United States, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers Assistance/Amendment to the Lincoln County Montana Board of Commissioners for 12.00 % of all approved costs incurred up to and not exceeding \$100,000 for the support of approved budget period effort described in application (including all application modifications) cited in the Project Title and Description above, signed 05/25/2005 included herein by reference.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS Grants Administration Division 1200 Pennsylvania Ave, NW 3903R Washington, DC 20460	ORGANIZATION / ADDRESS Environmental Protection Agency Office of Air and Radiation 1200 Pennsylvania Ave, NW Washington, DC 20460

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL <i>Mildred Lee</i>	TYPED NAME AND TITLE Mildred Lee, Chief - Grants Operations Branch A	DATE <i>9/16/05</i>
---	---	------------------------

This agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter 1, Subchapter B and of the provisions of this agreement (and all attachments), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE <i>Marianne B. Rouse</i>	TYPED NAME AND TITLE Marianne B. Rouse	DATE <i>10/05/05</i>
---------------------------------------	---	-------------------------

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	\$	\$ 100,000	\$ 100,000
EPA In-Kind Amount	\$	\$	\$ 0
Unexpended Prior Year Balance	\$	\$	\$ 0
Other Federal Funds	\$	\$	\$ 0
Recipient Contribution	\$	\$ 759,700	\$ 759,700
State Contribution	\$	\$	\$ 0
Local Contribution	\$	\$	\$ 0
Other Contribution	\$	\$	\$ 0
Allowable Project Cost	\$ 0	\$ 859,700	\$ 859,700

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.034 - Surveys-Studies-Investigations-Demonstrations and Special Purpose Activities relating to the Clean Air Act	Clean Air Act Sec. 103	40 CFR PART 31

Fiscal									
Site Name	DCN	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
	EC5130	0405	B	53E7	101A60E	4183			100,000
									100,000

Budget Summary Page

Table A - Object Class Category (Non-construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$115,760
2. Fringe Benefits	\$28,940
3. Travel	\$2,000
4. Equipment	\$0
5. Supplies	\$500
6. Contractual	\$222,500
7. Construction	\$0
8. Other	\$490,000
9. Total Direct Charges	\$859,700
10. Indirect Costs: % Base <u>N/A</u>	\$0
11. Total (Share: Recipient <u>88.00</u> % Federal <u>12.00</u> %.)	\$859,700
12. Total Approved Assistance Amount	\$100,000
13. Program Income	\$0

ACH Vendor/Service Provider Enrollment Form

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion. See reverse for additional instructions.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY U.S. Environmental Protection Agency		
AGENCY IDENTIFIER: LVFC	AGENCY LOCATION CODE (ALC): 68128933	ACH FORMAT: <input checked="" type="checkbox"/> CCD+ <input type="checkbox"/> CTX
ADDRESS: PO Box 98515		
Las Vegas, NV 89193-8515		
CONTACT PERSON NAME: Marge Pumphrey Email: pumphrey.margaret@epa.gov		TELEPHONE NUMBER: (702) 798-2492
ADDITIONAL INFORMATION: FAX Number: (702) 798-2423		

PAYEE/COMPANY INFORMATION

NAME LINCOLN COUNTY ENVIRONMENTAL HEALTH		SSN NO. OR TAXPAYER ID NO. 81-6001387
ADDRESS C/O BOARD OF COMMISSIONERS/WOODSTOVE CHANGEOUT		
418 MINERAL AVENUE LIBBY, MONTANA 59923		
CONTACT PERSON NAME: RON ANDERSON		TELEPHONE NUMBER: EXT. (406) 293-7781 228

FINANCIAL INSTITUTION INFORMATION

NAME: Glacier Bank	
ADDRESS: 615 California Ave LIBBY, MONTANA 59923	
ACH COORDINATOR NAME: Dei W. Miller, Lincoln Co. Treasurer	TELEPHONE NUMBER: 406-293-7781 Ext. 251 406, 293-4109
NINE-DIGIT ROUTING TRANSIT NUMBER: 2 9 2 9 7 0 8 2 5	
DEPOSITOR ACCOUNT TITLE: Lincoln County	
DEPOSITOR ACCOUNT NUMBER: 200124303	LOCKBOX NUMBER:
TYPE OF ACCOUNT: <input checked="" type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> LOCKBOX	
SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator) Bruce Lane Customer Service	TELEPHONE NUMBER: 406, 293-4109

Appendix B

Phase I Grant Agreement Between Lincoln County and HPBA



1601 North Kent Street, Ste. 1001
Arlington, VA 22209
Tel: (703) 522-0086 * Fax: (703) 522-0548
hpbamail@hpba.org
www.hpba.org

May 25, 2005

Hon. Marianne B. Roose
Chairperson
Lincoln County Board of Commissioners
512 California Avenue
Libby, Montana 59923

Re: Grant Agreement for Phase I (2005-06) of the Woodstove Changeout Program for Libby, Montana

Dear Ms. Roose:

Thank you for promptly signing and returning to me the Letter of Intent that I sent you in April. I am very pleased, as I am sure you are, that our staffs have made superb progress over the intervening weeks in developing a clearer and more detailed picture for Phase I of the Libby Woodstove Changeout Program (the "Program"). Jack Goldman and John Crouch, who have been spearheading our efforts, are very pleased with the high degree of cooperation and professionalism they experienced in your staff. HPBA is more than ready – in fact eager – to move to the next stage in our relationship. We would like through this letter to establish a formal grant agreement and begin transferring funds, equipment and additional technical know-how into the County's capable hands.

Let me begin by stating what HPBA plans to do once you countersign this letter, which includes Attachment A ("Program Description") and Attachment B ("Grant Conditions") to this letter (collectively, the "Grant Agreement"). HPBA will:

- Transfer \$165,000 to you, on the following schedule, the precise mechanism of transfer to be worked out between our two staffs:
 - \$25,000 on or about June 1, 2005;
 - \$40,000 on or about July 1, 2005;
 - \$60,000 on or about August 1, 2005; and
 - \$40,000 on or about September 1, 2005.
- Direct the many HPBA members who have pledged to send you woodstoves, chimneys and associated equipment to ship them to you F.O.B. Libby, in accordance with a delivery schedule to be worked out between our two staffs.
- Organize and make available to you through the local community college a training program for ensuring that your Program Coordinator, the woodstove installers, and the

third-party inspector for installations all have the necessary National Fireplace Institute ("NFI") training necessary for their work, as described more fully in Program Description (Attachment A).

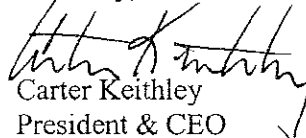
- Provide you at our expense expert technical advice on woodstove changeout programs (e.g., the Woodstove Fair, proper installations, woodstove models and characteristics) and NFI training, through John Crouch (HPBA's Director of Public Affairs) and Gary Smith (an independent expert consultant engaged by HPBA);
- Provide you at our expense the services of a publicity and media relations consultant, Erica Schmidt, to assist especially in the community outreach program leading up to the Woodstove Fair scheduled now for June 18, 2005;
- Provide you at our expense the expertise and labor of local retailers for the Woodstove Fair currently scheduled for June 18; and
- Provide such additional financial assistance as may become available to HPBA later in the year for Phase I of the Program and as may become necessary for completion of Phase I, subject to subsequent discussion and mutual agreement.

We understand that you will use the above-listed grant of funds, equipment and services (the "Grant") to undertake Phase I of the Program and otherwise adhere to this Grant Agreement, including Attachments A and B to this letter. As you know, HPBA separately has funded the establishment of a program for monitoring concentrations of hazardous air pollutants in the ambient air in and around Libby. This Grant Agreement does not govern that monitoring program, although it does call on the County to gather and analyze data that will be generated by it.

To indicate that the County agrees to the Grant Agreement, please sign in the space provided below and return this document to me. The Grant Agreement shall take effect on the date of your signature, as recorded below.

If you have any questions, please contact, Jack Goldman, our General Counsel and Director of Governmental Affairs, who has the lead for us on this project (703-522-0086, ext. 23). Again, we are very pleased to make this Grant. We look forward to your successful completion of Phase I of the Program.

Sincerely,


Carter Keithley
President & CEO

Letter to Ms. Roose
Grant Agreement between HPBA and Lincoln County
May 25, 2005
Page 3

Attachments A and B

Cc (w/atts.): Ron Anderson, Lincoln County
John Crouch, HPBA
Jack Goldman, HPBA
Peter Wyckoff, Pillsbury Winthrop Shaw Pittman LLP

AGREED ON BEHALF OF LINCOLN COUNTY, MONTANA

Signature: Marianne B. Roose
Name: MARIANNE B. ROOSE
Position: COUNTY COMMISSIONER
Date: 5/25/05
Telephone: 406-293-7781 ext 209

PROGRAM DESCRIPTION

Phase I (2005-06) of the Woodstove Changeout Program For Libby, Montana

A. Purpose of This Document

This document outlines the 2005-06 phase (Phase I) of a woodstove changeout program that Lincoln County plans to undertake during 2005-07. The primary focus of Phase I is low-income households. This document is Attachment A to the letter of agreement dated May 25, 2005 between the Hearth, Patio & Barbecue Association ("HPBA") and, together with that letter and Attachment B, make up the entire agreement between HPBA and Lincoln County with respect to Phase I.

B. Background

- EPA has designated a part of Lincoln County, Montana, centering on the City of Libby as "nonattainment" for PM-2.5. Under the federal Clean Air Act, the State of Montana must now (1) revise its State Implementation Plan (SIP) so as to assure "reasonable further progress" and timely attainment in that area and (2) obtain EPA approval of the revision. Under a long-standing delegation by the State, Lincoln County is the relevant air pollution control authority and, as such, has the lead for developing and implementing the necessary SIP revision.
- EPA, the Montana Department of Environmental Quality (MDEQ), and the County agree that old-technology wood heaters located in and around Libby contribute significantly to the nonattainment problem and hence that a program for replacing them with new-technology, cleaner-burning appliances (commonly called a "woodstove changeout program") would help cure the problem. The County estimates that (1) the number of such wood heaters is in the range of 1000-1300, (2) the per-unit contribution is heaviest among low-income households, and (3) the number of such wood heaters in such low-income households is on the order of 300.
- EPA believes that woodstove changeout programs could help cure PM-2.5 nonattainment problems elsewhere in the country, and hence that Libby would serve as a "laboratory" for demonstrating and documenting the methodology, costs and benefits of such a program.
- EPA, MDEQ and HPBA wish to support the development and implementation of such a program in Libby.
- EPA has issued a Request for Applications (RFA) for a \$100,000 matching grant to support a changeout program in Libby and hopes to make the grant available by October. MDEQ is augmenting its grants to Lincoln County for 2005 by \$50,000 to support a changeout program in Libby. HPBA wishes to provide technical support on an ongoing basis and is organizing donations of cash and equipment from among its members to

provide the County with additional resources to compete effectively for the EPA grant and establish and implement Phase I of the program (see below).

- Requests are separately being made for congressional appropriations directed to a comprehensive changeout program for all old-technology or poor-performing wood heaters in and around Libby.
- In response to the nonattainment designation and the support of EPA, MDEQ and HPBA, Lincoln County has developed a woodstove changeout program for Libby in consultation with those parties (the "Woodstove Changeout Program" or "Program").
- The overall objectives of the Program (2005-07) are as follows:
 - To replace during 2005-06 all, or as many as possible, of old-technology (*i.e.*, old uncertified, and "Stage I" certified) wood heaters located in the area in and around Libby that EPA designated as nonattainment for PM-2.5 with cleaner-burning appliances, *i.e.*, certified wood heaters, and pellet- or propane-burning heaters. The wood heaters targeted for replacement include fireplace inserts, residential furnaces, and commercial heaters and furnaces, as well as free-standing residential heaters. (The terms "uncertified," "Stage I," and "certified" refer here to the program of prototype certification that EPA conducts under its Standard of Performance for New Residential Wood Heaters, 40 CFR Part 60, Subpart AAA.)
 - To inspect all, or as many as possible, of the catalytic wood heaters in the same area and, as appropriate, replace the catalysts with new ones, mainly during 2006.
 - To inspect all, or as many as possible, of "Stage II" certified wood heaters and their venting systems and other associated equipment in the same area, and improve their performance through such repairs and replacements as may be appropriate, mainly during 2006.
 - To identify all, or as many as possible, of the residential fireplaces in the area that do not have commercially-manufactured fireplace inserts, and offer installation of a propane fire log in each such identified case, all during 2006.
 - To promote during 2006 the removal (through permanent, environmentally-sound disposal) of as many old-technology wood heaters from the Libby area as possible, *e.g.*, by means of a bounty (surrender fee) program.
 - To seek actively such funding from non-County sources as may be reasonably available, during 2005-06.
 - To ensure full documentation and quantification by means of the existing PM-2.5 monitor, and the HAPs monitor that HPBA is sponsoring, of any reductions in

ambient concentrations of PM-2.5 and HAPs that may result from the Program, especially during the 2006-07 winter season.

- To create a public record of the Program, including a comprehensive final report, for the purpose of demonstrating the methodology, costs and benefits of a community-wide woodstove changeout program, including the extent to which the Program contributed to "reasonable further progress" and timely attainment of the PM-2.5 NAAQS. This report would be drafted so as to be suitable for Montana to fulfill its SIP-related obligations and for EPA to guide and promote changeout programs for other PM-2.5 nonattainment areas.

C. Objectives for Phase I of the Program (2005-06)

The objectives of Phase I of the Program, spanning 2005 through early 2006, are a subset of the Program objectives, as follows:

- (1) To establish promptly the infrastructure, including personnel, and procedures necessary to implement Phase I and the balance of the Program at reasonable cost, including a detailed, non-binding Implementation Plan for Phase I.
- (2) To identify and pursue in timely fashion all reasonably available sources of funding for the Program, including the EPA matching grant.
- (3) To replace at reasonable cost during 2005 all, or as many as possible, of the old-technology (*i.e.*, old uncertified, and "Stage I" certified) wood heaters in low-income households in the Libby area with certified wood heaters, installing or upgrading venting systems and other associated equipment as may be appropriate and disposing of the replaced equipment in an environmentally-sound manner.
- (4) To establish and enforce such ordinances as may be appropriate to discourage continued use of the wood heaters targeted by the Program.
- (5) To maintain an ancillary program of third-party inspections of completed installations.
- (6) To establish and implement as appropriate ancillary programs to promote at reasonable cost clean-burning usage of new wood heaters, such as a program of training for homeowners on proper operation of such wood heaters, a program of maintenance for wood heaters, and a program for supplying wood of high quality from an emissions standpoint.
- (7) To ensure full documentation and quantification by means of the existing PM-2.5 monitor, and the HAPs monitor that HPBA is sponsoring, of any reductions in ambient concentrations of PM-2.5 and HAPs that may result from the Program.
- (8) To maintain such records on an ongoing basis as will allow full assessment and reporting for Phase I and the balance of the Program.

(9) To complete by early 2006 an in-depth assessment of Phase I of the Program.

(10) To provide in early 2006 an Interim Report for Phase I and a preliminary (non-binding) Implementation Plan for the balance of the Program, if the County has secured adequate resources to implement the balance of the Program (*e.g.*, congressional funds). The Interim Report would address the accomplishments of Phase I (*e.g.*, numbers of changeouts; air quality improvements), costs, lessons learned, and suggestions for the balance of the Program. In the event that the County has not secured adequate funding, the Interim Report shall become a Final Report, and delayed as necessary to obtain sufficient air quality monitoring data so as to characterize the effects of Phase I. This Final Report would be drafted so as to be suitable for Montana to fulfill its SIP-related obligations and for EPA to guide and promote changeout programs for other PM-2.5 nonattainment areas.

D. Program Management for Phase I

(1) Lincoln County shall serve as the Program Manager for Phase I, responsible for achieving all of the objectives of Phase I, as stated above. The County shall have exclusive operational control over Phase I.

(2) As Program Manager, the County during Phase I shall be in charge of various activities focused on low-income households, including, but not limited to, the following

- Drafting and completing a detailed (non-binding) Implementation Plan at the start, in consultation with HPBA technical experts, and then following it;
- Securing funding and donations, *e.g.*, via grants;
- Securing the human resources necessary to fulfill the objectives of the Phase I and carrying out the Implementation Plan;
- Establishing and enforcing appropriate ordinances;
- Proper warehousing of donated equipment, including securing of appropriate insurance;
- Community outreach and public affairs, including media relations;
- Organizing the replacement of wood heaters and associated equipment, including community outreach, homeowner selections, home inspections, installations, homeowner training, and third-party inspections of installations;
- Environmentally-sound and otherwise proper disposal of old appliances;
- Financial accounting and third-party audits of such accounting;
- Continuous documentation;
- Program assessment;
- Periodic progress reports; and
- Interim/final reporting.

(3) In carrying out Phase I of the Program, the County shall:

- Provide HPBA technical experts with reasonable opportunity to provide comments on the content of the non-binding Implementation Plan and help in fulfilling it;

- Make such adjustments to the Implementation Plan as HPBA may reasonably request;
- Ensure proper warehousing under control of the County for all donations of equipment from HPBA members, including appropriate types and levels of insurance coverage;
- Provide a reasonable opportunity during Phase I for local woodstove retailers to serve as paid installers and providers of post-installation customer service;
- Perform separate and full accounting of receipts and disbursements for funds granted to the County by HPBA for Phase I and for equipment donated to the County by HPBA members, all in accordance with generally accepted accounting practices and procedures, including periodic independent audits;
- Take into account existing asbestos contamination in the Libby area in implementing Phase I, coordinating as appropriate with the agencies and contractors engaged in remediation of such contamination;
- Ensure that any person whom the County engages directly or indirectly to pre-inspect homes for installations of wood heaters or associated equipment, or to perform or inspect such installations, has received NFI training and certification appropriate for performing such tasks. "NFI" refers to the National Fireplace Institute;
- Organize and hold a face-to-face meeting of stakeholders in late 2005 as part of the process of fulfilling the objective stated in paragraph (C)(9) above of completing an in-depth assessment of Phase I by early 2006; and
- Maintain a vigorous program of enforcement for air pollution control laws applicable to Lincoln County so as to help realize and preserve the potential benefits of the Program to the maximum extent practicable.

(4) The County shall provide HPBA with progress reports by the 15th of each of the following months in 2005: July, August, September and October. Each report shall describe the County's progress in achieving the objectives of Phase I (e.g., tasks accomplished, costs incurred, and problems encountered), and shall include a forecast of upcoming significant events. The County shall promptly provide HPBA with such additional progress reports as HPBA may reasonably request in writing.

(5) Prior to issuing any interim or final report on Phase I of the Program (see paragraph B(10) above), Lincoln County shall provide HPBA with reasonable opportunity to comment on its plans for the structure and content of the report and on initial and subsequent drafts, and shall postpone finalization and issuance until such time as HPBA consents or expressly declines to object to such finalization and issuance.

[End of Document]

GRANT CONDITIONS

Phase I (2005-06) of the Woodstove Changeout Program For Libby, Montana

This document states certain conditions under which the Hearth, Patio & Barbecue Association (HPBA) is making a grant of funds, equipment, and services (the "Grant") to Lincoln County for Phase I of the Woodstove Changeout Program for Libby, Montana (as described in the foregoing Attachment A), and under which Lincoln County is accepting such grant, all pursuant to the letter of agreement between HPBA and Lincoln County dated May 25, 2005 (collectively, the "Grant Agreement"), as follows:

1. Lincoln County shall exercise a reasonable degree of diligence and prudence so as to maximize benefits and minimize costs in planning and implementing Phase I of the Program and otherwise carrying out the Grant Agreement.
2. Lincoln County in implementing Phase I of the Program and otherwise carrying out the Grant Agreement shall conform to all applicable federal, state and local law.
3. Lincoln County in implementing Phase I of the Program and otherwise carrying out the Grant Agreement shall base all hiring on merit and qualifications and shall not discriminate against any person on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin. In addition, the County shall include in each contract the County establishes for such implementation a provision in effect requiring the contractor to comply with the principles in this paragraph.
4. Lincoln County shall pay in timely fashion all expenses incurred by it in implementing Phase I. HPBA shall in no event have any responsibility or liability for payment of such expenses. Lincoln County, in incurring such expenses, shall not make any representations or warranties in any way indicating that HPBA would have any such responsibility or liability. Lincoln County shall indemnify and hold HPBA harmless in the event of any financial claims or demands, including the defense against any such claim or demand, arising from Lincoln County's implementation of Phase I pursuant to this Grant Agreement. HPBA reserves the right to manage exclusively its defense against any such claim or demand. If such claim or demand arises, Lincoln County shall immediately notify HPBA.
5. Lincoln County shall repay to HPBA any portion of the Grant expended by the County, or by any person with whom it contracts for purposes of implementing Phase I of the Program, in violation of any term or condition of this Grant Agreement or for purposes other than implementation of this Grant Agreement. Lincoln County (as opposed to HPBA) accepts responsibility for ensuring that any person with whom it contracts for purposes of implementing Phase I shall act consistently with the Grant Agreement. Likewise, Lincoln County (as opposed to HPBA) assumes responsibility for the professional quality and timeliness of any work performed by or work product produced by any County employee or any such contractor in implementing Phase I.

6. Lincoln County shall promptly notify HPBA in writing if there is any change in circumstance that might affect adversely and materially Lincoln County's ability to carry out its obligations under Phase I and this Grant Agreement.
7. Lincoln County shall make any or all of its records, including financial accounting records, relating to this Grant Agreement available for inspection by HPBA upon HPBA's written request and at such time and such place as may be reasonable under all the circumstances. Lincoln County shall keep a full set of such records in its office in Libby, Montana. Lincoln County shall retain any such records for a period of at least five (5) years after completion of Phase I of the Program.
8. Lincoln County shall not use any portion of the Grant to carry on a legislative lobbying campaign or otherwise attempt to influence any legislation or public election at the federal, state or local level, nor to carry on any voter registration drive directly or indirectly.
9. All copyright interests in written or electronic materials produced by Lincoln County (through its employees or contractors) in implementing Phase I shall be owned by Lincoln County. However, Lincoln County hereby grants to HPBA a nonexclusive, irrevocable, perpetual, royalty-free license to obtain, reproduce, release, publish, or republish in written or electronic form, or otherwise use, any or all such materials that have been or will be produced as a result of such implementation, including any and all reports or data collected or generated in connection with the Program, including Phase I.
10. Prior to issuing any statement to the media or otherwise to the public about Phase I or the Program more generally, Lincoln County and HPBA each shall give the other party a reasonable opportunity in advance to comment on the statement. If a party objects to such a statement in whole or in part, and that objection cannot be resolved through a reasonable degree of discussion, the other party may issue it only if it modifies the statement to indicate the existence, source and nature of the objection.
11. Either Lincoln County or HPBA shall promptly notify the other party in writing if it becomes subject to any governmental (including regulatory or juridical) investigation or other proceeding relating to, affecting or potentially affecting implementation of Phase I in a manner that could materially compromise performance by either part under this Grant Agreement or realization of the benefits of Phase I, including notice of impending litigation, or service of subpoena, seeking to compel production of or access to any data generated within the scope of this Grant Agreement.
12. HPBA as a grantor under this Grant Agreement shall have no obligations or liabilities relating to any harmful consequences of Lincoln County's actions in using the Grant and implementing Phase I, including any harms associated with installation of wood heaters and/or associated venting systems and other equipment. HPBA, in making the Grant under this Grant Agreement, does not intend to exercise operational control over Phase I. HPBA has no duty or obligation to ensure the completeness or adequacy of the Implementation Plan contemplated by Attachment A to this Grant Agreement, nor any portion of it. In no event shall any comments that HPBA may provide on drafts of such Implementation Plan be construed as warranting or

implying that the Plan would be complete or adequate if the comments were satisfied. Lincoln County shall indemnify and hold HPBA harmless in the event of any claim or demand of any kind or character, including the defense against such claim or demand, arising from Lincoln County's implementation of Phase I pursuant to this Grant Agreement. HPBA reserves the right to manage exclusively its defense against any such claim or demand. If such claim or demand arises, Lincoln County shall immediately notify HPBA.

13. Lincoln County waives any and all claims and recourse against HPBA, including any right of contribution, for any claims or demands of third parties arising out of the County's implementation of Phase I under this Grant Agreement, including claims for loss or damage to person or property arising out of, or in any way connected with or incidental to, the County's performance of this Grant Agreement, including performance through any contractor.

14. HPBA in making this grant and entering into this Grant Agreement incurs no obligation to provide Lincoln County with other or additional support for any purpose, including support for the balance of the Program beyond Phase I.

15. The Grant is not contingent upon the U.S. Environmental Protection Agency ("EPA") or the Montana Department of Environmental Quality ("MDEQ") awarding Lincoln County the grants described in Attachment A ("Program Description") to this Grant Agreement.

16. The Grant and any rights or obligations under the Grant Agreement are not transferable or assignable in any form, except by the express written consent of HPBA.

17. Nothing in the Grant Agreement, or in the making of the Grant, shall be construed in any way to imply or create a relationship between HPBA and Lincoln County in the nature of a partnership, joint venture, or agency. Lincoln County is not authorized by the Grant or Grant Agreement to be a representative or agent for HPBA for any purpose.

18. Each individual executing the Grant Agreement on behalf of his or her respective organization hereby warrants that he or she has the authority by virtue of position and internal proceedings to legally bind in enforceable manner his or her organization to the Grant Agreement.

19. HPBA may terminate the Grant and Grant Agreement at any time, in whole or in part, by means of ten-days' advance written notice, if in HPBA's judgment, Lincoln County becomes materially unable to carry out its obligations under Phase I; ceases to be an appropriate means of accomplishing the objectives of Phase I or the Program more generally; or fails to comply with any of the conditions of the Grant Agreement, including the conditions stated in this Attachment B. Lincoln County may terminate the Grant and Grant Agreement at any time, by means of ten-days' advance written notice, in the event that HPBA fails in a materially adverse way to comply with the terms of the Grant Agreement.

20. If the Grant and Grant Agreement are terminated prematurely, Lincoln County shall provide, upon HPBA's written request, a full accounting of receipt and disposition of funds and equipment, and expenses incurred, under the Grant Agreement as of the effective date of the

termination. In the event the Grant and Grant Agreement are terminated, as provided above, Lincoln County shall not incur any new obligations after the effective date of the termination and, in consultation with HPBA, shall cancel as many outstanding obligations as reasonably possible and return to HPBA any unexpended portion of the grant remaining. Lincoln County may apply against the amount of the grant to be returned to HPBA any non-cancelable expenses properly incurred in good faith by Lincoln County prior to termination. Lincoln County shall be liable for the return of any portion of the Grant expended or used except such portion expended or used in good faith compliance with the Grant Agreement.

21. Premature termination of this Agreement by HPBA shall in no way restrict its ability to provide a grant or grants to, or contract with, a person other than Lincoln County for completion of Phase I or any other portion of the Program.

22. All provisions of the following paragraphs of this Attachment B shall survive termination of the Grant Agreement: 4 (financial responsibilities), 5 (repayment), 7 (records), 9 (intellectual property), 12 (liabilities), 13 (recourse), 14 (support), 20 (post-termination), 21 (post-termination), and 22 (survival).

23. The Grant Agreement contains the entire agreement between HPBA and Lincoln County regarding the Grant and Phase I of the Program. Either HPBA or Lincoln County may request a renegotiation of the terms and conditions of the Grant Agreement by giving the other party ten (10) days' written notice. A party receiving such a request must respond with an affirmative or negative answer to the request within a reasonable time. Any changes, additions, or deletions to the terms and conditions of the Grant Agreement must be made in writing only and must be jointly approved by HPBA and Lincoln County. The invalidity in whole or in part of any term or condition of the Grant Agreement shall not affect the validity of its other terms and conditions.

24. This Grant Agreement and the making of the Grant shall be governed by the laws of the State of Montana.

[End of Document]

Appendix C

Northwest Montana Human Resources Low Income Verification Form

LINCOLN COUNTY WOOD STOVE PROGRAM ELIGIBILITY VERIFICATION

TO: _____

YOU HAVE BEEN DETERMINED ELIGIBLE FOR THE WOOD STOVE CHANGE OUT PROGRAM.

YOU HAVE BEEN DETERMINED INELIGIBLE FOR THE WOOD STOVE CHANGE OUT PROGRAM.

IF YOU HAVE ANY QUESTIONS REGARDING YOUR ELIGIBILITY, PLEASE CALL NW MT HUMAN RESOURCES AT 293-2712.

TAKE THIS LETTER WITH YOUR WOOD STOVE APPLICATION TO THE LINCOLN COUNTY ANNEX BUILDING AT 418 MINERAL AVE AS SOON AS POSSIBLE.

THANK YOU.

KATHY KINZEY
CASE MANAGER
(406) 293-2712 EXT 11OMNI and U of M contracts for Air Quality Monitoring

Appendix D

Phase I Letter to Landlord

DEPARTMENT OF ENVIRONMENTAL HEALTH
LINCOLN COUNTY
418 Mineral Avenue
Fax: (406) 293-5640
Libby, Montana 59923
Phone: (406) 293-7781 ext. 228
email: lcdeh@libby.org

Ronald L. Anderson, R.S.
Director

Kendra J. Lind, R.S.

Kathi Bales, R.S.

July 21, 2005

RE: LINCOLN COUNTY WOODSTOVE CHANGEOUT PROGRAM

Dear,

I am taking this opportunity to personally introduce you to the Lincoln County Woodstove Changeout Program, and how you as a landlord can participate.

Historically, Libby wintertime air has been heavily impacted by air inversions that trap pollutants in the valley. Libby area residents have developed a dependence on firewood as an affordable heating source. Wood burning appliances contribute 82% of the airborne particles that have resulted in Libby being designated a non-attainment area for the national PM 2.5 air quality standard.

We have been fortunate enough to have captured the interest and support of the woodstove industry, and their member association (HPBA), to address our estimated 1200 non-EPA certified woodstoves currently in use in the Libby area. They recognize the uniqueness of our area and the opportunity it presents to document the positive impacts of changing out old non-certified stoves with new, high efficiency, certified wood stoves. They have donated over 300 woodstoves, chimneys, hearth pads, etc., plus cash to pay for the installation of these units. EPA has made a grant available for further funds for installations.

Our program is planned for two phases. The first year is Phase I, which we're in now, and is targeting low-income family households. Eligibility is based on current public assistance, LIEAP, or Headstart enrollment. Senior citizens can qualify at the Senior Citizen Center in Libby. In addition to income eligibility, residence location is prioritized according to the enclosed map. Area A is the first priority, and Area B is the second priority. Residences outside these areas will not qualify for the woodstove changeout program during Phase I.

During Phase II, next year, there will be no donated stoves or installations. We anticipate some revenue grants that will be available as vouchers toward the purchase of a new heating appliance. The balance of the purchase price and installation will be the responsibility of the individual home owner. We have not established the final boundary for the changeouts, but I anticipate it to be fairly similar to the area A and B map currently in use.

As a landlord, I encourage you to consider changing out non-certified wood stoves in use in your rental(s). If you have a renter(s) that is currently enrolled in or qualifies for, the public assistance, LIEAP, or Headstart programs please contact us for details. It is necessary to charge the landlord's \$500.00 for each stove changeout. The new stove belongs to you, the landlord, and not the renter. The old stove must be surrendered to the stove program, and will be destroyed and recycled.

The Lincoln County Air Quality Regulations will be changed to assure EPA and the State of Montana that cleaner air will be attained, and maintained in the Libby area. This change will include a ban on further use of any non-certified wood stove (for any purpose) after January 1, 2007. It is very important that you assess the heating needs of your rental(s) and take advantage of this very affordable opportunity to upgrade the wood stove if you intend to utilize wood heat after January 1, 2007.

If you have any questions concerning this program, please contact myself or Jerry Marquez at 293-7781, ext 212. Applications, site visits, stove selections, etc. will be scheduled as needed.

Thank you for your consideration of this very important program.

Sincerely,

Ron Anderson, R.S.
Lincoln County Sanitarian

RLA:blr
attachments

Appendix E

Updated Lincoln County Air Regulation

HEALTH AND ENVIRONMENT REGULATIONS
CHAPTER 1: Control of Air Pollution
Subchapter 1: General Provisions

(Revised 27 February 2006)

75.1.101 **INTENT:** The purpose of this chapter is to achieve and maintain such levels of air quality as will protect human health and safety and, to the greatest degree practicable, prevent injury to plant and animal life and property, and facilitate the enjoyment of the natural attractions of Lincoln County.

75.1.102: **SCOPE:** Unless otherwise indicated, the rules of Chapter 1 apply to activities and sources within the Air Pollution Control District.

75.1.103 **DEFINITIONS:** As used in this chapter, unless indicated otherwise, the following definitions apply:

- (1) "Air Contaminant" means dust, ash, fumes, gas, mist, smoke, vapor or any particulate matter or a combination thereof present in the outdoor atmosphere.
- (2) "Air Pollution Control District" means the geographical area designated on the attached map and as defined by the following Universal Transverse Mercator (UTM) coordinates:

Begin, 600000mE, 5370000mN; east to 620000mE, 5370000mN; south to 620000mE, 5340000mN; west to 600000mE, 5340000mN; north to 600000mE, 5370000mN.

- (3) "Department" means the Lincoln County Environmental Health Department.
- (4) "DEQ" means the Montana Department of Environmental Quality.
- (5) "Emission" means a release into the outdoor atmosphere of an air contaminant.
- (6) "EPA" means the US Environmental Protection Agency.
- (7) "MAAQS" means Montana Ambient Air Quality Standards.
- (8) "NAAQS" means National Ambient Air Quality Standards.
- (9) "Person" means an individual, a partnership, a firm, an association, a municipality, a public or private corporation, the state or a subdivision or agency of the state, a trust, an estate, an interstate body, the federal government or an agency of the federal government, or any other legal entity and includes persons resident in Canada.
- (10) "PM10" means particulate matter with an aerodynamic diameter of less than or equal to a nominal 10 micrometers.
- (11) "PM2.5" means particulate matter with an aerodynamic diameter of less than or equal to a nominal 2.5 micrometers.

75.1.104 **SELECTION & IMPLEMENTATION OF CONTINGENCY MEASURE PROGRAMS:**

- (1) Upon notification by DEQ or EPA that the Air Pollution Control District has failed to attain NAAQS/MAAQS or make reasonable further progress in reducing emissions, the Department shall determine the source(s) contributing to the violation and designate the associated contingency measure(s) to be implemented. The Department shall identify sources of contribution based upon documented observations of emission sources and corresponding EPA reference method monitoring data.
- (2) Unless otherwise prohibited by Section 75.1.104(2)(d), and within 60 days of notification from DEQ or EPA, the Department shall implement the following contingency measure(s) to reduce emissions from a source(s) identified as a contributor.
 - (a) If residential wood burning is determined to be a contributing source, the Department shall implement Section 75.1.208.

(b) If re-entrained dust is determined to be a contributing source, the Department shall implement Section 75.1.307.

(c) If industrial facility emissions are determined to be a contributing source, DEQ shall initiate contingency measures to reduce emissions.

(d) The Department shall address failure to attain NAAQS or to make reasonable further progress in reducing emissions attributable to natural events or impacts generating activities occurring outside state or local jurisdictional control according to EPA policy while initiating interim contingency measures at the local level.

(e) If no emission source(s) can be identified as a contributor, the Department shall conduct a comprehensive review, including chemical and microscopic filter analysis. Until such time as the review and analyses have been completed, the Department shall implement at least one of the above contingency measures on an interim basis. Any selected interim contingency measure(s) shall remain in effect until the Department completes a comprehensive review and determines whether a permanent contingency measure is necessary.

(3) Early voluntary implementation of a contingency measure shall not result in a requirement to develop additional moderate area contingency measures if the area later fails to attain the NAAQS/MAAQs or make reasonable further progress in reducing emissions. However, redesignation could necessitate additional control measures including Best Available Control Measures (BACM), Best Available Control Technology (BACT) and/or additional contingency measures.

75.1.105 ENFORCEABILITY:

The provisions of the regulations in this ordinance are enforceable by the Lincoln County Environmental Health Department authorities and/or appropriate law enforcement officials.

75.1.106 CONFLICT OF ORDINANCES:

(1) In any case where a provision of these regulations is found to be in conflict with a provision of any zoning, building, fire, safety or health ordinance or code of any City of, Town of, or of the County of Lincoln, the provision which, in the judgment of the Health Officer, established the higher standard for the promotion and protection of the health and safety of the people shall prevail.

(2) If any portion of these regulations should be declared invalid for any reason whatsoever, such decision shall not affect the validity of the remaining portion(s) of the ordinance and such portions shall remain in full force and effect.

SUBCHAPTER 2: SOLID FUEL BURNING DEVICE REGULATIONS

75.1.201 INTENT:

(1) A regulation reducing the levels of particulate air pollutants to or below levels of the NAAQS/MAAQs.

(2) This regulation is necessary to preserve, protect, improve, achieve and maintain such levels of air quality as will protect the health and welfare of the citizens of Lincoln County.

75.1.202 SCOPE AND EFFECTIVE DATE:

(1) This regulation applies to all persons, agencies, institutions, businesses, industries or government entities living in or located within the Air Pollution Control District except for sources exempt from local regulation under 75-2-301(5), MCA.

(2) The effective date of this sub-chapter is January 1, 2007.

75.1.203 DEFINITIONS: As used in this subchapter, unless indicated otherwise, the following definitions apply:

- (1) "Opacity" means a measurement of visible emissions defined as the degree expressed in percent to which emissions reduce the transmission of light and obscure the view of an object in the background.
- (2) "Operating Permit" means a permit issued by the Department that allows the use of a solid fuel burning device within the boundaries of the Air Pollution Control District.
- (3) "Pellet Fuel Burning Device" means a solid fuel burning device that burns only automatically fed biomass, pelletized fuels.
- (4) "Solid Fuel Burning Device" means any fireplace, fireplace insert, wood stove, pellet stove, pellet furnace, wood burning heater, wood-fired boiler, wood or coal-fired furnace, coal stove, or similar device burning any solid fuel used for aesthetic, cooking or heating purposes which has a rated capacity of less than 1,000,000 BTU's per hour.
- (5) "Standard Catalytic Device" means a solid fuel burning device with a catalytic emissions control system that has been certified by EPA test method as having emissions <4.1 grams/hour.
- (6) "Standard Non-Catalytic Device" means a solid fuel burning device with a non-catalytic emissions control system that has been certified by EPA test method as having emissions <7.5 grams/hour.

75.1.204 OPERATING & EMISSION LIMITS:

- (1) No person may install or operate any type of solid fuel burning device without a valid Operating Permit issued by the Department.
- (2) No person may burn any material in a solid fuel burning device except uncolored newspaper, untreated wood and lumber, and products manufactured for the sole purpose of use as a solid fuel. Products manufactured or processed for use as solid fuels must conform to any other applicable provisions of this subchapter.
- (3) In the absence of an Air Pollution Alert, no person operating a solid fuel burning device may cause or allow the discharge of visible emissions greater than twenty percent opacity. The provisions of this section do not apply to visible emissions during the building of a new fire, for a period or periods aggregating no more than twenty minutes in any four-hour period.
- (4) During an Air Pollution Alert, no person operating a solid fuel burning device that is permitted for use during an Alert may cause or allow the discharge of visible emissions greater than ten percent opacity. The provisions of this subsection shall not apply during the building of a new fire, for a period or periods aggregating no more than twenty minutes in any four-hour period. No person may operate a standard catalytic or non-catalytic solid fuel burning device during an Air Pollution Alert.

75.1.205 SOLID FUEL BURNING DEVICE PERMITS:

- (1) Prior to installing or operating a solid fuel burning device in any residential or commercial property, a person shall apply to the Department for a permit and provide the following information:
 - (a) the owner/operator of the device;
 - (b) contact information for the device owner/operator;
 - (c) location of the device;
 - (d) device manufacturer & model;
 - (e) type of device (rating); and
 - (f) any other relevant information for the Department to determine whether it satisfies the requirements of this regulation.
- (2) The Department may issue Operating Permits for the following types of solid fuel burning devices:
 - (a) **Standard catalytic devices.** The Department may issue an Operating Permit for a catalytic solid fuel burning device. Standard catalytic devices may not be operated during an Air Pollution Alert. Implementation of the contingency measure in 75.1.208 would automatically invalidate the operating permit for this type of device.
 - (b) **Standard non-catalytic devices.** The Department may issue an Operating Permit for a non-catalytic solid fuel burning device. Standard non-catalytic devices

may not be operated during an Air Pollution Alert. Implementation of the contingency measure in 75.1.208 would automatically invalidate the operating permit for this type of device.

(c) **Pellet fuel burning devices.** The Department may issue an operating permit for a biomass pellet fuel burning device. Pellet fuel burning devices may be operated during an Air Pollution Alert. Implementation of the contingency measure in 75.1.208 would not invalidate the operating permit for this type of device.

(3) Unless otherwise invalidated by implementation of a contingency measure or future changes in solid fuel burning device regulations, Operating Permits are valid until the named owner/operator changes or the device is removed or modified in any way. Permits may not be transferred from person to person or from place to place.

(4) An Operating Permit for a solid fuel burning device may be revoked by the Department for non-compliance with these regulations or Operating Permit conditions.

75.1.206 AIR POLLUTION ALERTS:

(1) The Department may declare an Air Pollution Alert to be in effect whenever ambient PM concentrations, as averaged over a four hour period, exceed a level 20 percent below any state or federal ambient 24-hour standard established for particulate matter; and when scientific and meteorological data indicate the average concentrations will remain at or above these levels over the next 24 hours.

(2) The Department may also declare an Air Pollution Alert to be in effect whenever scientific and meteorological data indicate that the ambient PM concentrations over any four-hour period within the next twenty—four hours may reasonably be expected to exceed a level 20 percent below any state or federal ambient 24-hour standard established for particulate matter.

(3) No person shall be subject to any violation of 75.1.204(4) for three hours after the Department declares an Air Pollution Alert and makes that information reasonably available to the public.

75.1.207 PENALTY ASSESSMENTS:

(1) The Department shall issue a “Notice of Violation” for any documented violation. The first notice of violation issued is a warning to the violator and will include educational and compliance information on air pollution regulations.

(2) For a second and any subsequent violations, the Department shall process each notice of violation for a Civil Penalty Assessment of \$25.00 per violation.

(3) No person or entity may be cited for a violation more than once in any calendar day. However, the Department may issue a notice of violation for each calendar day of violation and each such notice is considered as a separate violation.

75.1.208 CONTINGENCY MEASURES:

(1) If compliance with NAAQS/MAAQS are not achieved or compliance levels are not maintained, and the Department determines that solid fuel burning device emissions are a contributor to non-compliance, the Department shall implement the following control measure:

(a). No person may operate a solid fuel burning device except a biomass pellet fuel burning device with a valid operating permit issued by the Department.

SUBCHAPTER 3: DUST CONTROL REGULATIONS:

Control Measures For Roads, Parking Lots And Commercial Lots

75.1.301 INTENT: Regulations enacting an emission control plan within the Air Pollution Control District to meet NAAQS for particulate matter by requiring dust abatement and control.

75.1.302 SCOPE & EFFECTIVE DATE:

- (1) This regulation applies to all persons, agencies, institutions, businesses, industries or government entities living in or located within the "Regulated Road Sanding and Sweeping District."
- (2) The effective date of this subchapter is January 1, 2007.

75.1.303 DEFINITIONS: As used in this subchapter, unless indicated otherwise, the following definitions apply:

- (1) "Areas of Public Safety Concern" means specific areas that may include, but are not necessarily limited to: roadways with steep grade hills; roadways around public school facilities; and parking areas for medical, senior or public school facilities.
- (2) "Commercial Yard/Lot" means a parcel of land located off the public right-of-way with uses that may include, but are not necessarily limited to, logging yards, bus lots, store and shopping parking areas, construction firms, trucking/transportation firms, and industrial facility sites.
- (3) "Emergency Situation" means a situation when:
 - (a) Liquid de-icing agents and/or de-icing salts become unavailable due to circumstances beyond the control of the person, government or private entity maintaining a roadway, alley, parking lot or commercial yard/lot or;
 - (b) due to extreme weather conditions, or hazardous roadways, liquid de-icing agents and/or de-icing salts do not provide adequate traction for public safety.
- (4) "Parking Lot" means a parcel of land located off of the public right-of-way which is not less than 5,000 square feet in size and which is primarily used for the temporary storage of motor vehicles. A parking lot as used in this regulation does not include lots for the storage of special mobile equipment as defined in 61-1-101(59), MCA.
- (5) "Prioritized Street Sweeping and Flushing" means a schedule of street sweeping and/or flushing which cleans streets with the highest traffic volumes first and proceeds in descending order of traffic volume to streets with the lowest traffic volume. When all ice-free streets have been cleaned the cycle is immediately repeated.
- (6) "Reasonably Available Control Technology" means
 - (a) During winter, prioritized street sweeping and flushing of streets with accumulated carry-on or applied materials shall commence on the first working day after the roadbed becomes ice-free and temperatures remain above freezing.
 - (b) During summer, street sweeping and/or flushing which is accomplished on an as-needed basis to remove any accumulated carry-on or applied materials, with priority given to streets with the highest traffic volumes.
- (7) "Regulated Road Sanding and Sweeping District" means the geographical area designated by the attached map, wherein the regulations of this sub-chapter apply, and defined as follows:

Point of beginning: intersection of Pipe Creek Road and Highway 37 North, follow Highway 37 south to Thomas Road then west-northwest along the Kootenai River to the west end of Jay-Effar Road; then west-southwest across Highway 2 to Parsnix Way; then south-southeast along the base of the foothills, crossing Flower Creek Road and Main Avenue, to Reese court; then south along Cabinet Heights Road and Westgate to Snowshoe Road; then North-northeast on Shaughnessy Road to Highway 2; then east to Libby Creek; then north following the streambank of Libby Creek to the Kootenai River; then west-northwest along the Kootenai River to Highway 37; then north on Highway 37 to the point of beginning.
- (8) "Road" means any road or alley which is greater than 50-feet in length and which has or is projected to have an average traffic volume greater than 50 vehicles per day.
- (9) "Summer" means the months of May, June, July, August, September and October.
- (10) "Winter" means the months of November, December, January, February, March and April.

75.1.304 LIMITATION ON USE AND ON APPLICATION OF MATERIALS:

- (1) No person may allow vehicular operation on any road, parking lot or commercial yard/lot that is not paved or otherwise surfaced or treated to prevent vehicular carry-on and wind-borne entrainment of dust.
 - (a) If an emergency situation arises that requires vehicular operation in/on an untreated area, the Department may authorize utilization of the area during the course of the emergency provided alternative methods are implemented to minimize carry-on or entrainment.
- (2) With the exception of "Emergency Situations" and "Areas of Public Safety Concern", sanding materials may not be applied. Only liquid de-icing agents and/or de-icing salts may be used on roads, parking lots and commercial yards/lots.
- (3) No person may place any sanding or chip seal material on any road, parking lot or commercial yard/lot which has a durability, as defined by the Montana Modified LA Abrasion Test, of greater than 7, and a fines content of material smaller than 200 mesh, as determined by standard wet sieving methods, that exceeds 3 percent oven dry weight.
- (4) A person, prior to application, shall test materials proposed for use as sanding or chip seal material and provide the Department laboratory test data demonstrating that the material meets the specified requirements for durability and fines content.

75.1.305 STREET SWEEPING & FLUSHING:

- (1) Any person responsible for the maintenance of a road shall implement and maintain a schedule of prioritized street sweeping and flushing.
- (2) Reasonably available control technology shall be utilized to assure timely removal of carry-on or applied accumulations from all roads.

75.1.306 SPECIFIC MEASURES FOR COMMERCIAL YARDS/LOTS:

- (1) Operators of all commercial yards/lots shall implement measures to prevent the collection and deposition of dust from equipment wheels and chassis.
- (2) Operators of all commercial yards/lots shall implement dust suppression measures (chemical dust suppressants, dust oiling, watering, etc.) in bare, undeveloped areas of the property(ies) to eliminate fugitive air-borne dust.
- (3) Operators of all commercial yards/lots shall clean carry-on material generated from their facility from adjoining roadways in a timely manner.

75.1.307 CONTINGENCY MEASURES:

- (1) If compliance with NAAQS is not achieved or compliance levels are not maintained, and the Department determines that re-entrained dust emissions contribute to non-compliance, the Department shall implement the following control measure:
 - (a) The Regulated Road Sanding and Sweeping District shall be extended to the boundaries of the Air Pollution Control District.
 - (b) Control measures in place for the Regulated Road Sanding and Sweeping District shall apply throughout the entire Air Pollution Control District.

75.1.308 MATERIALS APPLICATION OUTSIDE THE DISTRICT:

- (1) For all areas of the Air Pollution Control District that lie outside of the Regulated Sanding and Sweeping District, each person or government or private entity is strongly encouraged to reduce the amount of sanding materials applied, taking into consideration public safety and air quality.
- (2) Outlying areas and low traffic volume roads should have a low priority.
- (3) Residential areas may receive less sanding material because of lower speeds.
- (4) Adding salt compounds to conventional sanding materials reduces the total amount of sand applied.
- (5) Vehicles used for winter driving should be equipped with winter tires or traction devices.

75.1.401 INTENT:

- (1) Local geographic features and concentrations of populations in Libby and the immediate surrounding area necessitate rules and regulations concerning the outdoor burning of waste materials.
- (2) Experience has demonstrated that air quality degradation and public health problems are often associated with the improper burning of waste materials in both urban and suburban areas.
- (3) The purpose of this regulation is to improve air quality and meet NAAQS/MAAQs for particulate matter by restricting non-essential outdoor burning, promoting alternative disposal methods and recycling, and setting standards to minimize emissions when outdoor burning is required.

75.1.402: SCOPE AND EFFECTIVE DATE:

- (1) This regulation applies to all persons, agencies, institutions, businesses, industries or government entities living in or located within the boundaries of the Air Pollution Control District and Impact Zone L and to all licensed landfills within the boundaries of Lincoln County.
- (2) The effective date of this sub-chapter is April 15, 2006.

75.1.403 DEFINITIONS:

- (1) "Best Available Control Technology" (BACT) means those techniques and methods of controlling emissions of pollutants from an existing or proposed outdoor burning source which limit those emissions to the maximum degree which the Department determines, on a case-by-case basis, is achievable for that source, taking into account impacts on energy use, the environment, and the economy, and any other costs, including cost to the source. Such techniques and methods may include the following: scheduling of burning during periods and seasons of good ventilation; applying dispersion forecasts; utilizing predictive modeling results performed by and available from DEQ to minimize smoke impacts; limiting the amount of burning to be performed during any one time; using ignition and burning techniques which minimize smoke production; selecting fuel preparation methods that will minimize dirt and moisture content; promoting fuel configurations which create an adequate air to fuel ratio; prioritizing burns as to air quality impact and assigning control techniques accordingly; promoting alternative treatments and uses of materials to be burned; and selecting sites that will minimize smoke impacts. BACT for all residential and management outdoor burning includes burning only as authorized by and during the time periods specified by the Department.
- (2) "Bonfire" means a ceremonial fire or small recreational fire, in which the materials burned are cordwood or clean untreated dimensional wood and which is conducted by an educational, fraternal or religious organization for the purpose of celebrating a particular organization-related event or for a social gathering, picnic, campout, fireside singalong, etc.
- (3) "Christmas Tree Waste" means wood waste from commercially grown Christmas trees left in the field where the trees were grown, after harvesting and on-site processing.
- (4) "Conditional Open Burning Permit" means a permit issued to conduct outdoor burning at a licensed landfill.
- (5) "Emergency outdoor burning" means an event beyond individual control that necessitates the use of outdoor burning in order to dispose of a substance that poses an immediate threat to public health and safety, or plant or animal life, and for which no alternative method of disposal is reasonably available.
- (6) "Impact Zone L" means all of the land within the following boundaries: Beginning at Kootenai Falls, going southeast to Scenery Mountain, then south to Indian Head, then south to Treasure Mountain, then south to Mount Snowy, then east to Double N Lake, then across Highway 2 going northeast to McMillan Mountain, then north to Swede Mountain, then northeast across Highway 37 to the Vermiculite Mine, then west to Sheldon Mountain, then west-northwest to Flagstaff Mountain, then southwest to Kootenai Falls, the point of beginning.

- (7) "Libby Outdoor Burning Control Area" means all of the land included with the boundaries of the Air Pollution Control District and Impact Zone L, including the City of Libby.
- (8) "Licensed Landfill" means a solid waste disposal site that is licensed for operation by DEQ.
- (9) "Licensed Landfill Outdoor Burning" means burning at a licensed landfill pursuant to a conditional outdoor burning permit.
- (10) "Major Open Burning Source" means any person, agency, institution, business or industry conducting any outdoor burning that, on a statewide basis, will emit more than 500 tons per calendar year of carbon monoxide or 50 tons per calendar year of any other pollutant regulated under ARM 17.8.101 et seq., except hydrocarbons.
- (11) "Management Burning" means any person, agency, institution, business or industry conducting any outdoor burning for any purpose except residential burning, including forestry/wildlife management, licensed landfill management, firefighter training exercises, commercial film productions, or fuel hazard reduction which is designated as necessary by a fire protection agency.
- (12) "Outdoor Burning" means the combustion of any material directly in the open air without a receptacle, or in a receptacle other than a furnace, multiple chambered incinerator, or wood waste burner, with the exception of unexploded ordnance, small recreational fires (including bonfires), construction site heating devices used to warm workers, or safety flares used to combust or dispose of hazardous or toxic gases at industrial facilities, such as refineries, gas sweetening plants, oil and gas wells, sulfur recovery plants or elemental phosphorus plants.
- (13) "Residential Burning" means any outdoor burning conducted on a residential, farm or ranch property to dispose of vegetative wastes.
- (14) "Salvage operation" means any operation conducted in whole or in part to salvage or reclaim any product or material, except the silvicultural practice commonly referred to as a salvage cut.
- (15) "Trade wastes" means solid, liquid or gaseous material resulting from construction or operation of any business, trade, industry or demolition project. Wood product industry wastes such as sawdust, bark, peelings, chips, shavings, branches, limbs and cull wood are considered trade wastes. Trade wastes do not include Christmas tree waste or wastes generally disposed of by residential outdoor burning or management outdoor burning, as defined in these regulations.

75.1.404 OUTDOOR BURNING CONTROL AREAS:

- (1) Outdoor burning regulations shall apply to all outdoor burning activities within the boundaries of the Air Pollution Control District and/or Impact Zone L. The Department may issue restrictions and prohibit outdoor burning activities within these boundaries.
- (2) Restrictions and permitting regulations for Licensed landfills shall apply throughout the boundaries of Lincoln County.

75.1.405 PROHIBITED MATERIALS & ACTIVITIES:

- (1) 40 Code of Federal Regulations (CFR) Part 261, which identifies and defines hazardous wastes, is hereby incorporated by reference.
- (2) Except as specifically provided under ARM 17.8.604 for firefighter training, commercial film production and licensed landfills; the following materials may not be disposed of by outdoor burning:
- (a) any waste moved from the premises where it was generated;
 - (b) food wastes;
 - (c) styrofoam and other plastics;
 - (d) wastes generating noxious odors;
 - (e) wood and wood by-products that have been treated, coated, painted, stained, or contaminated by a foreign material, such as papers, cardboard, or painted or stained wood;
 - (f) poultry litter;
 - (g) animal droppings;

- (h) dead animals or dead animal parts;
 - (i) tires;
 - (j) rubber materials;
 - (k) asphalt shingles;
 - (l) tar paper;
 - (m) automobile or aircraft bodies and interiors;
 - (n) insulated wire;
 - (o) oil or petroleum products;
 - (p) treated lumber and timbers;
 - (q) pathogenic wastes;
 - (r) hazardous wastes as defined by 40 CFR Part 261;
 - (s) trade wastes;
 - (t) any materials resulting from a salvage operation;
 - (u) chemicals;
 - (v) Christmas tree waste;
 - (w) asbestos or asbestos-containing materials;
 - (x) standing or demolished structures; and
 - (y) paint.
- (3) The burning of stumps, the burning of grass clippings and leaves, and overnight smoldering of burns is prohibited.
- (4) Burning on any city or county street, road or alley is prohibited.
- (5) The use of burn barrels, or other unapproved devices, is prohibited.

75.1.406 **OUTDOOR BURNING PERIODS:** Various types of outdoor burning activities are limited to the following time periods:

- (1) **Residential burning – April 1 through April 30:**
- (a) Residential Outdoor Burning may be conducted during the month of April.
 - (b) In the event of unduly wet or wintry weather conditions during the month of April, the Department may extend the residential burning season into the month of May.
 - (c) No person may conduct residential outdoor burning at any other time during the year.
- (2) **Management Burning – April 1 through October 31:**
- (a) Management burns may be conducted throughout the management burning season of April 1 through October 31.
- (3) **Closed Burning Periods – November 1 through March 31:**
- (a) No person may conduct outdoor burning during the months of November, December, January, February and March.
 - (b) The Department may authorize exceptions for emergency outdoor burning after receiving the following information:
 - (i) facts establishing that alternative methods of disposing of the substance are not reasonably available;
 - (ii) facts establishing that the substance to be burned poses an immediate threat to human health and safety or plant or animal life;
 - (iii) the legal description or address of the site where the burn will occur;
 - (iv) the amount of material to be burned;
 - (v) the date and time of the proposed burn; and
 - (vi) the date and time that the spill or incident giving rise to the emergency was first noticed.
 - (c) Management burning in closed burning periods may be conducted based on a written demonstration of need from a fire protection agency and approval from the Department prior to each ignition.

75.1.407 **GENERAL COMPLIANCE & PERMITTING REQUIREMENTS:**

- (1) Outdoor burning is allowed only on days with good ventilation/dispersion forecasts. The Department will make this determination based on available interagency meteorological information and local ambient particulate concentrations.
- (2) All residential burners shall apply for and receive an Air Quality Permit from the Department prior to initiating any outdoor burn.
- (3) All burners shall apply for and receive any necessary fire permit(s) from the jurisdictional fire protection agency prior to initiating any burn.
- (4) All burners shall use alternative disposal methods when reasonably available.
- (5) All burners shall utilize BACT.
- (6) All residential burners shall call the Air Quality Hotline at 293-5644 prior to ignition and comply with established burning hours and any burning bans or other announced restrictions.
- (7) All management burners shall contact the Department and receive approval prior to ignition of a planned burn. The Department may authorize, restrict, or prohibit proposed burns after reviewing meteorological dispersion forecasts and local conditions.
- (8) Prior to conducting any outdoor burning, all major open burning sources shall apply for and receive an air quality major open burning permit pursuant to ARM 17.8.610.

75.1.408 SPECIAL COMPLIANCE & PERMITTING REQUIREMENTS:

- (1) **Firefighter Training:**
 - (a) Prior to conducting outdoor burning sessions as part of their training program, Fire Departments shall apply for and receive a Firefighter Training Permit issued by DEQ.
 - (b) Any person planning Firefighter Training outdoor burning shall contact the Department and receive approval prior to conducting the training burn. The Department may authorize, restrict, or prohibit proposed burns after reviewing meteorological dispersion forecasts and local conditions.
 - (c) Any person planning Firefighter training outdoor burning shall provide at least three weeks advance notice to all residents within a 1/4-mile or four-block radius of the proposed training site. The Department and County Health Officer shall evaluate any concerns about environmental or health impacts presented by surrounding residents prior to authorization or denial of the outdoor burning.
- (2) **Commercial Film Production Burns:**
 - (a) Anyone planning to conduct Commercial Film Production outdoor burning shall apply for and receive a Commercial Film Production Permit issued by DEQ.
 - (b) Anyone planning Commercial Film Production outdoor burning shall contact the Department and receive approval prior to conducting outdoor burning. The Department may authorize, restrict, or prohibit proposed burns after reviewing meteorological dispersion forecasts and local conditions.
- (3) **Fuel Hazard Reduction:**
 - (a) Any proposed burn for fuel hazard reduction must be designated as necessary by a fire protection agency.
 - (b) Anyone planning Fuel Hazard Reduction outdoor burning shall contact the Department and receive approval prior to conducting outdoor burning. The Department may authorize, restrict, or prohibit proposed burns after reviewing meteorological dispersion forecasts and local conditions.
- (4) **Licensed Landfill Burns**
 - (a) All licensed landfills within the boundaries of Lincoln County must:
 - (i) Have an approved burn site, as designated in the solid Waste Management System License issued by the DEQ, pursuant to ARM Title 17, chapter 50, subchapter 5, before a Conditional Air Quality Open Burning permit may be issued.
 - (ii) Obtain a Conditional Air Quality Outdoor Burning Permit from the Department before burning. A new permit must be obtained for each burn.
 - (iii) Comply with all conditions of the permit.

- (b) No licensed landfill within the boundaries of Lincoln County shall cause or allow the burning of untreated wood waste unless they have first applied for and received a permit for such outdoor burning from the Department.
- (c) The Department may issue a conditional air quality open burning permit if the Department determines that:
- (i) alternative methods of disposal would result in extreme economic hardship to the applicant; and
 - (ii) emissions from open burning will not endanger public health or welfare or cause or contribute to a violation of any NAAQS/MAAQS.
- (d) The Department must be reasonable when determining whether alternative methods of disposal would result in extreme economic hardship to the applicant.
- (e) Conditional outdoor burning must conform with BACT.
- (f) The Department may issue a conditional air quality outdoor permit to dispose of untreated wood waste at a licensed landfill site, if the Department determines that:
- (i) the proposed open burning will occur at an approved burn site as designated in the solid waste management system license issued by DEQ pursuant to ARM title 17, chapter 50, subchapter 5; and
 - (ii) prior to the issuance of the air quality open burning permit, the wood waste pile is inspected by the Department or its designated representative and no prohibited materials listed in 75.1.405(2), other than wood waste, are present.
- (g) A permit issued under this rule is valid for a single burn of untreated wood waste at licensed landfill sites. A new permit must be obtained for each burn.
- (h) The Department may place any reasonable requirements in a conditional air quality open burning permit that it determines will reduce emissions of air pollutants or minimize the impact of emissions and the recipient of a permit must adhere to those conditions.
- (i) An application for a conditional air quality open burning permit must be made on a form provided by the Department. The applicant shall provide adequate information to enable the Department to determine whether the application satisfies the requirements for a conditional air quality open burning permit contained in this rule. Proof of publication of public notice, as required in section (j) of this rule, must be submitted to the Department before an application will be considered complete.
- (j) An applicant for a conditional air quality open burning permit shall notify the public of the application by legal publication, at least once, in a newspaper of general circulation in the area affected by the application. The notice must be published no sooner than 10 days prior to submittal of an application and no later than ten days after submittal of an application. Form of the notice must be provided by the Department and must include a statement that public comments may be submitted to the Department concerning the application within 20 days after publication of notice or filing of the application, whichever is later. A single public notice may be published for multiple applications.
- (k) When the Department approves or denies the application for a permit under 75.1.408(4), a person who is jointly or severally adversely affected by the decision may request a hearing before the Lincoln County Board of Health. The request for hearing must be filed within 15 days after the Department renders its decision and must include an affidavit setting forth the grounds for the request. The Department's decision on the application is not final unless 15 days have elapsed from the date of the decision and there is no request for a hearing under this section. The filing of a request for a hearing postpones the effective date of the Department's decision until the conclusion of the hearing and issuance of a final decision by the Lincoln County Board of Health.

(1) Any person who violates any provision of these regulations or any provision of any directive, action, permit, or approval adopted pursuant to the authority granted by these regulations, except for intentional violations of Section 75.1.405(2)(r), shall be, upon conviction, punished by a fine not less than \$25 and not more than \$200 for each offense. Violations of Section 75.1.405(2)(r), burning hazardous wastes as defined by 40 CFR Part 261, shall be, upon conviction, punished by a fine not to exceed \$10,000 per day per violation.

(2) Each day of violation shall be considered a separate offense.

Appendix F

Grant DEQ 505043 Agreement between Montana DEQ and Lincoln County

CONTRACTORS COPY

DEQ Agreement No. 505043
Federal Catalog No. 66.001

AGREEMENT

An agreement (Agreement) is hereby made between Lincoln County and the Montana Department of Environmental Quality (DEQ) for the purpose of developing and implementing a woodstove change-out program in and around Libby, Montana. The parties in mutual covenants and stipulations described below, agree as follows:

SECTION I: SERVICES

A. Lincoln County agrees to:

(1) Develop Program Scope: Lincoln County shall draft a detailed scoping document for a Woodstove Change-out Program (Program). The Program scoping document shall outline how Lincoln County will replace during 2005-06 all, or as many as possible, of the uncertified and "Phase I" certified wood heaters located in the area in and around the Libby PM-2.5 nonattainment area that EPA designated as nonattainment with cleaner-burning appliances, *i.e.*, certified wood heaters, and pellet- or propane-burning heaters. The wood heaters targeted for replacement include residential furnaces and commercial heaters and furnaces, as well as residential heaters.

(2) Conduct Woodstove Inspections: Lincoln County shall inspect all, or as many as possible, of the catalytic wood heaters in the Libby area and, as appropriate, replace the catalysts with new ones, during 2005-06.

(3) Provide for Woodstove Disposal: Lincoln County shall properly dispose of old home heating appliances.

(4) Perform Emissions Reduction Documentation: Lincoln County shall document and quantify, by means of the existing ambient air quality monitors, any reductions in ambient concentrations of PM-2.5 emissions that may result from the Program.

(5) Perform Routine Program Operations: Lincoln County shall conduct routine Program operations including, but not limited to:

- (a) Coordinate telephone conference calls;
- (b) Coordinate personal meetings;
- (c) Liaison between state and federal air quality regulators, industry representatives, and commercial dealers and vendors;
- (d) Perform written correspondence to public and private parties;
- (e) Provide technical information upon request;
- (f) Provide and/or develop Program timelines, milestones, and budgets; and
- (g) Provide customer assistance to Program constituents.

(6) Participate in Control Plan Development: Lincoln County shall participate in the drafting of the Libby PM-2.5 control plan and submittal to EPA for inclusion into the State Implementation Plan. Participation includes, but is not

limited to:

- (a) Providing technical information necessary to develop the compliance demonstration;
- (b) Evaluating and revising current county air program regulations;
- (c) Providing testimony at public hearings and;
- (d) Providing written responses to comments received during public hearings.

(7) Perform Community Outreach And Fund Raising: Lincoln County shall participate in community outreach and public affairs activities in support of the Program. This includes participating in media relations, such as writing press releases and sponsoring town hall meetings. Lincoln County shall also participate in securing funding and donations in support of the Program. This may be in the form of grant writing, solicitation of private funds or endowments.

(8) Quarterly Reports: Lincoln County shall submit quarterly progress reports to DEQ describing the work performed during the reporting period for items in (1) through (7) above.

(9) Final Project Report: At the completion of items (1) through (7), above, Lincoln County shall prepare and submit a final Program report to DEQ describing the results of the Program, including:

- (a) A general Program statement and study area description;
- (b) A discussion of the Program process, including criteria for home selection, stove installation and stove disposal;
- (c) A description of particulate monitoring results before, during, and after implementation of the Program;
- (d) A description of the type, amount, and location of woodstove replacements completed within the Libby area;
- (e) A discussion of the total financial resources, including donations / grants / foundations acquired in support of the Program; and,
- (f) A discussion of the regulatory / political process including the number and type of public meetings, media events, agency / elected official support, regulatory control measures such as county air quality rules.

B. DEQ agrees to:

- (1) Provide, upon request, consultation to Lincoln County concerning the subject matter of this Agreement.
- (2) Provide timely review of documents submitted for review and approval.

SECTION II. DATES TO COMMENCE AND COMPLETE SERVICES

Performance of this Agreement shall begin upon signature by both parties, and the services provided pursuant to Section I.A. shall be completed by June 30, 2007 unless this Agreement is terminated earlier pursuant to Sections IV, IX, or XII.H.

SECTION III: CONSIDERATION

(1) In consideration of services rendered pursuant to this Agreement, DEQ agrees to pay Lincoln County \$55,820.

(2) Lincoln County shall remit quarterly invoices simultaneously with the submission of the quarterly reports in Section I A (8), above. DEQ shall remit to Lincoln County payment for services within 30 days of receipt of Lincoln County's invoice for services, except that the final payment for the fourth quarter invoice shall be paid contingent upon Lincoln County's submission of the report referenced in Section I A (9) and DEQ's approval of the same. In the event Lincoln County completes performance under this Agreement before the end of the term of this Agreement, Lincoln County shall submit an invoice for the remainder of the payment for services and DEQ shall remit payment consistent with such invoice contingent upon DEQ's approval of the report referenced in Section I A (9).

(3) This Agreement is funded through a grant from the U.S. Environmental Protection Agency (EPA).

SECTION IV: TERMINATION

(1) Lincoln County understands and agrees that DEQ, as a state agency, is dependent upon federal and state appropriations for its funding, and that actions by Congress or the Montana Legislature may preclude funding this Agreement through the completion date stated in Section II. Should such a contingency occur, the parties agree that DEQ may set a new completion date or terminate the Agreement immediately, depending upon the funding remaining available for the Agreement, and that Lincoln County shall be compensated for services rendered and expenses incurred to 5:00 p.m. of the revised completion date.

(2) In addition to the provisions of paragraphs (1) above, and Section IX, after giving 30 calendar days written notice to the other party, either party may terminate this Agreement for failure of the other party to perform any of the services, duties, or conditions contained in this Agreement.

(3) Any termination of this Agreement is subject to the exception outlined in paragraph (2) of Section IX, relating to retention of and access to records.

SECTION V: ASSIGNMENT AND SUBCONTRACTING

(1) This Agreement, or any interest in this Agreement, may not be transferred or assigned unless both parties agree in writing.

(2) Services required in this Agreement may be performed under subcontract. Lincoln County shall include all requirements of this Agreement in any subcontract.

(3) Lincoln County remains primarily liable for services performed under this Agreement and assumes the responsibility for the professional quality and timeliness of the work product of any subcontractor hired by Lincoln County.

SECTION VI: NON-DISCRIMINATION

(1) The State of Montana does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals needing aids, alternative document formats, or services for effective communications or other disability-related accommodations in the programs and services offered, are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

(2) Lincoln County shall comply with the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. All hiring necessary as a result of this Agreement shall be on the basis of merit and qualifications; Lincoln County may not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin against any persons performing work related to the provision of services under this Agreement.

SECTION VII: VENUE

The laws of Montana govern this Agreement. The parties agree that any litigation concerning this Agreement shall be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and the parties consent to personal jurisdiction, subject matter jurisdiction, and venue in that court. Each party shall pay its own costs and attorney fees. (Mont. Code Ann. § 18-1-401)

SECTION VIII: MODIFICATIONS AND PREVIOUS AGREEMENTS

This instrument contains the entire agreement between the parties, and no statements, promises, or inducements made by either party or agent of either party which are not contained in this written Agreement are valid or binding. This Agreement may not be enlarged, modified, or altered except in writing signed by the parties. No change, addition, or erasure of any printed portion of this Agreement is valid or binding upon either party.

SECTION IX: ACCOUNTING, AUDITING, RECORD RETENTION, COST PRINCIPLES, AND ACCESS TO RECORDS

(1) Lincoln County shall keep on file and available for review, audit, and evaluation complete, accurate, documented, and current accounting of all funds received and expended pursuant to this Agreement, maintained in accordance with generally accepted accounting principles. Those funds shall not be combined with any other funds.

(2) Financial records, supporting documents, statistical records, and all other records documenting the services provided by Lincoln County under this Agreement shall be retained for a period of three years after the completion date

limits set forth in this section of the Agreement. The required insurance shall be maintained in force and effect for the duration of this Agreement. Lincoln County shall notify the DEQ immediately of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. Failure to comply with this requirement may result in termination per Section IX of this Agreement.

SECTION XV: LIAISONS

Lincoln County's liaison to DEQ for purposes of this Agreement is Ron Anderson, Director, or successor at the Department of Environmental Health, Lincoln County Health Department, 418 Mineral Avenue, Libby, Montana 59923. Phone (406) 293-7781, Fax (406) 293-5640.

DEQ's liaison to Lincoln County for purposes of this Agreement is Robert Habeck, Air Program Manager, or successor of the Air Resource Management Bureau, 1520 East 6th Avenue, Helena, Montana, 59620. Phone (406) 444-7305, Fax (406) 444-1499. DEQ's liaison to Lincoln County for fiscal matters is Sara Williamson or successor. (Phone:(406) 444-5295).

SECTION XVI: EXECUTION

This Agreement consists of 12 pages. The original is to be retained by Financial Services of DEQ. A copy of the original has the same force and effect for all purposes as the original. The Effective Date of this Agreement shall be the latest date signed by a party below.

In witness whereof, the Parties have executed this Agreement as of the date set forth above.

DATE 5/25/05 By: Marianne Rose
Marianne Rose, Chairperson

Lincoln County Commissioners
512 California Avenue
Libby, MT 59923-1942

Federal ID No. 81-6001387

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY:

5/16/05
DATE

By: Judi May
Judi May, Contracts Officer

Financial Services
Contracts and Procurement
Metcalf Building, Room 003
1520 E. Sixth Avenue
Helena, MT 59620-0901

Approved for legal content:

Janet B. Amdahl
DEQ Legal Counsel

Date 5/5/05

Appendix G

Dealer Non-Binding Agreement with HPBA and Lincoln County for Phase I

Re: Non-Binding Statement of the Roles of Lincoln County, HPBA, and Local Vendors of Woodstove Products and Services in the Implementation of the Woodstove Changeout Program for Libby for 2005

Dear Mr. Anderson and Local Vendors:

First, let me thank each of you for your generous contributions of practical advice, long hours, and cooperate on in helping Lincoln County and HPBA establish a Woodstove Changeout Program (the “Program”) for Libby for 2005. A description of the Program for 2005 appears in the attached grant agreement between Lincoln County and HPBA (*i.e.*, Letter dated March 25, 2005, from Keithley to Roose, with attachments) (the “Grant Agreement”).

I think it would be useful to clarify some of the roles each of us plans to play in the implementation of the Program. Therefore, I have described below my understanding of certain key elements of the Program and the role each of us plans to play in carrying out those elements. I ask that you confirm that your understanding with respect to those Program elements is the same as mine by signing in the space provided below and returning a copy of this letter to me. I will collect the signatures and redistribute a complete set to each of us.

Please note that this letter of intent is non-binding. It is not intended to be enforceable in any way, nor is it intended as a modification of the Grant Agreement. Also, the term “local vendor” below refers only to those local vendors who have signed this non-binding letter of intent. HPBA and the County will make every effort to give all woodstove vendors located in the Libby and Troy areas who might reasonably want to sign this letter an opportunity to sign it.

1. Implementation Plan

The County as Program Manager under the Grant Agreement has been developing a non-binding “Implementation Plan” to guide its implementation of the Program. The County has provided HPBA and some local vendors with an opportunity to comment on drafts of the Implementation Plan as that Plan has evolved; HPBA and some local vendors have provided comments; and the County has made changes in response to those comments. The County will continue to develop the Plan, providing HPBA and local vendors with reasonable opportunities to comment.

2. Ongoing Communication and Coordination

The County as Program Manager periodically has convened meetings, including teleconferences, of a local implementation team for the purpose of guiding day-to-day implementation, and has invited HPBA and local vendors to participate. The County will continue that practice throughout the Program, and HPBA and local vendors will participate to the extent practicable. The County anticipates that these conferences will occur weekly approximately for the first six weeks of the Program and then biweekly subsequently.

3. Clarification of Product Lines and Services

Each local vendor will provide the Program Coordinator (Jerry Marquez) promptly with a list of the woodstove-related products and services it currently offers or reasonably expects to offer. The general expectation is, for reasons of safety and efficiency, that each local vendor will install and subsequently service only those products it currently offers or reasonably expects to offer. Thus, throughout the Program, no local vendor will be expected to provide product or services it does not currently offer or reasonably expect to offer. Any such list provided to the Program Coordinator will be non-binding, and subject to amendment by the vendor at any time and without advance notice. Each local vendor will notify the Program Coordinator promptly of any changes to the vendor's list. When submitting the original list, each local vendor will indicate whether it is willing and able to install woodstove-related equipment that no other local vendor carries or services. For products or services that no local vendor offers or reasonably expects to offer, the County will make such arrangements independently of the local vendors as necessary to fulfill the objectives of the Program.

4. Woodstove Fair

The County as Program Manager plans to hold a Woodstove Fair on Saturday, June 18, 2005, from 9:00 am to 2:00 pm. The Fair will exhibit examples of the certified woodstoves that are or will be available to low-income households by virtue of donations from HPBA members. The Fair will provide such households an opportunity to apply for installation of such woodstoves and corresponding disposal of existing woodstoves. HPBA will provide the services of John Crouch (HPBA's Director of Public Affairs) and Gary Smith (an independent expert consultant engaged by HPBA) to help the County organize and conduct the Fair. Each local vendor will provide staff to help in setting up the Fair and, with respect to at least the products the vendor offers or reasonably expects to offer, help in advising attendees about the characteristics of the available woodstoves, appliance selection criteria, and proper appliance operation and maintenance. As discussed in section 3 above, a local vendor will not be asked to provide such help with respect to products it does not offer, or does not reasonably expect to offer. Each local vendor may invoice HPBA for time reasonably spent by its staff in performing those tasks. The invoices are to be based on commercially reasonable hourly labor rates, the exact amount to be worked out between HPBA and the local vendors. HPBA will pay those invoices promptly, in accordance with standard commercial practices.

5. Household Inspections

After the Fair, in response to applications for woodstove replacements, the County through the Program Coordinator will inspect the relevant homes to confirm eligibility and the representations in the applications, determine suitability and difficulty of the replacement, estimate the amount of time that installation will require, set scheduling priorities, and make such other determinations as may be appropriate. Upon request of the Program Coordinator, HPBA at its own expense will provide technical advice for purposes of the inspections, through Gary Smith. Also, upon request of the Program Coordinator, each local vendor at its own expense will provide pre-installation advice (in the nature of standard job estimates) for such purposes with respect to the woodstove-related equipment it offers or reasonably expects to offer. To the extent

reasonably practicable, but especially in the initial rounds of inspections, the Program Coordinator will seek to consult with local vendors and Gary Smith, especially with respect to estimates of the amount of time a particular installation will require. In the event that disagreement arises between the Program Coordinator and a local vendor (*e.g.*, with respect to the time required for installation), the two parties shall consult with Gary Smith and make all good faith reasonable efforts to defer to his views. In the event disagreement continues, the County shall have the final say.

For an appropriate first set of inspections, the Program Coordinator will invite Gary Huntsberger to accompany him and consult with him on the various necessary determinations, including estimates of installation times and scheduling of installations. Mr. Huntsberger may invoice HPBA for the time he spends on such inspections and consultations, at a commercially reasonable rate to be worked out between Mr. Huntsberger and HPBA. HPBA will pay any such invoice promptly, in accordance with standard commercial practices.

6. Installations

The County will accept and prioritize applications for woodstove replacements on the basis of the inspections, the availability of the necessary products and workforce, the need to coordinate with asbestos remediation projects, and such other factors as the County may deem appropriate to fulfill the objectives of the Program. The County will offer first to local vendors of the relevant products and services contracts for performing the installations of those products, including removal of the old equipment. Payment for the installations is to equal the product of multiplying a commercially reasonable hourly rate by the exact number of hours of actual installation of the appliance and venting in the home. That amount of in-home labor is to be worked out between the parties to the contract on a case-by-case basis. The County and the local vendors agree that the in-home installation-payment rate shall be \$175 per hour per crew. This rate is understood to take in account not only the labor for the entire in-home installation process, but also (a) equipment unloading, de-boxing, assembly, and all other work preparatory to the in-home installation; (b) post-installation potential servicing of the new woodstove and associated equipment, especially the task of responding to homeowner inquiries about operation, operational problems and maintenance, and (c) the establishment of commercially-reasonable liability insurance coverage or other commercially-reasonable forms of liability protection. The County will make payment for installation work promptly, in accordance with the relevant contract. The County as Program Manager will have the final say in setting an hourly rate for the installation. Also, whenever a vendor whom the County has hired to perform an installation comes to have good reason to believe that an installation will take more time than the Program Coordinator originally estimated, the vendor shall promptly notify the Program Coordinator so that the parties can establish a revised estimate of installation time. The County will have no obligation to pay for labor it has not approved in advance.

Installations pursuant to these contracts will be scheduled by the Project Coordinator at mutually agreeable and commercially reasonable times, to be worked out in consultation with the relevant local vendor.

At least the leader of each installation crew, and preferably each crew member, will have obtained prior to the installation the appropriate certification for such work by the National Fireplace Institute (NFI). In other words, each installation will be conducted under the on-site supervision of someone who has obtained such certification. The task of removing old equipment may include separation of fire bricks from the equipment and disposal of both the equipment and fire bricks as required by the contract.

Any and all liabilities and responsibilities arising from the installation of a particular woodstove shall lie exclusively with the relevant installation contractor. Any and all liabilities and responsibilities arising from the design and manufacture of a particular woodstove shall lie exclusively with the relevant manufacturer, as provided in the warranties and representations associated with the conveyance of the woodstove.

7. Training

As stated in the Grant Agreement, HPBA at its expense will organize and make available to the County and the local vendors through the local community college a program of the training necessary to obtain NFI-certification for woodstove installations. Such training will consist of at least distribution of a review manual to each student, an in-class review course using the manual, and an NFI certification examination. The Program Coordinator and any person who will serve as an inspector of the adequacy of completed installations will undergo this training and obtain NFI certification. Local vendors and their staffs will undergo such training too, to the extent necessary to ensure that at least all installation crew leaders have the necessary NFI certification, as contemplated by section 6 above. A local vendor may invoice HPBA for time spent in such training, at a commercially reasonable rate. HPBA and the local vendors agree that the rate for such time spent shall be \$100 per person per day.

8. Independent Inspection and Approval of Installations

The County will organize and carry out a program of independent inspection and approval of all installations completed pursuant to the Program. The County will ensure that the inspector or inspectors have appropriate NFI training and certification. Full payment by the County for installations may be conditioned on such inspection and approval.

9. Warehousing

As provided by the Grant Agreement, the County is responsible for proper warehousing of equipment donated by HPBA members to the County for the Program. The County and the installers it engages will coordinate as necessary and appropriate for the transfer of such equipment to the control of the installers for purposes of the installations.

10. Supportive Programs

As provided in the Grant Agreement, the County will organize and carry out ancillary programs to promote clean-burning usage of the new woodstoves, including a program of training for homeowners on proper operation of such woodstoves, a program of maintenance of

such woodstoves, and a program for supplying wood of high quality from an emissions standpoint. Also, the County will maintain a vigorous program of enforcement of all air pollution control laws applicable in Lincoln County so as to help realize and preserve the potential benefits of the Program to the maximum extent practicable.

11. Acceptance of the Grant Agreement

Each local vendor has reviewed the Grant Agreement, and has no material objection to it in whole or in part.

12. Cooperation

The signatories to this letter, including HPBA, recognize the central importance of the Program to the health and welfare of the Libby community, especially to the task of achieving attainment and maintenance of EPA's National Ambient Air Quality Standards (NAAQS) for fine particulates (PM-2.5). We therefore pledge our best efforts to communicate openly and fairly with each other, to search for practical solutions to problems as they arise, to compromise individual interests whenever reasonably possible in service of the common good, and to otherwise work actively to foster the success of the Program.

Thank you for time and attention in developing this non-binding letter of intent. We look forward to a successful outcome. If you have any question, please contact me or John Crouch.

Sincerely,

Jack Goldman
General Counsel/Director of Government Affairs

Attachment (Grant Agreement, May 25, 2005)

Cc (w/o att.): Carter Keithley (HPBA)
John Crouch (HPBA)
Gary Smith (for HPBA)
Peter Wyckoff (for HPBA)

NON-BINDING CONFIRMATION

For Lincoln County

Signature: _____

Date: _____

Name: _____

Position: _____

Telephone: _____

For Rick's Rental/Schrader Stove

Signature: _____

Date: _____

Name: _____

Position: _____

Telephone: _____

For Alpine Stove

Signature: _____

Date: _____

Name: _____

Position: _____

Telephone: _____

For Larson Lumber

Signature: _____

Date: _____

Name: _____

Position: _____

Telephone: _____

For Glass and Home Innovations

Signature: _____

Date: _____

Name: _____

Position: _____

Telephone: _____

Appendix H

Examples of Community Outreach Flyer, Poster, and an Informative Newspaper Article

**Lincoln County Woodstove Changeout
Two Years to Cleaner Air in Libby (2005-2006)
FREE WOODSTOVES FOR WOODBURNERS!**

Cleaner winter air in the Libby area begins this summer with the Lincoln County Woodstove Changeout campaign. Woodstove and woodburning fireplace insert owners – this is an extraordinary opportunity to replace your existing woodstove or fireplace insert with a brand new appliance with **no obligation and no strings attached**. If you burn wood for heat, and if you qualify for public assistance, you could be eligible for a full woodstove or woodburning fireplace insert replacement. **No financial resources from individual woodstove owners are required. Rental property landlords will be required to provide a \$500 co-pay to participate.**

THIS IS UP TO A \$3,000 VALUE!

Register for Details

You can register in person at the Woodstove Fair on Saturday, June 18th at Memorial Center from 9 am to 2 pm. Come to the fair and learn more about the Lincoln County Woodstove Changeout and pick up tips on how to burn wood smartly and cleanly. Information on stove operation and maintenance will be provided. **ONLY 300 STOVES ARE AVAILABLE FOR 2005, SO COME EARLY TO REGISTER!**

**Register for a FREE Woodstove!
Woodstove Fair
Memorial Center
Lincoln Blvd
Saturday, June 18th
9 am to 2 pm**

Why Changeout? For Better Air Quality!

During the winter months, the air quality in the Libby area can be affected by excessive wood smoke. The problem is that older woodstoves and woodburning fireplace inserts are inefficient and produce too much smoke. On any winter night, the smell of smoke is proof that the problem exists. *Additional proof is Libby's recent designation as a non-attainment area for small particle pollution by the U.S. Environmental Protection Agency (EPA).*

There are other reasons to changeout as well! **Very soon, grandfathered woodstoves will no longer be acceptable for use in the non-attainment area (Greater Libby area).** You will need to replace your old woodstove for a cleaner-burning appliance, in order to heat with wood. Lincoln County will also receive economic benefits by reaching the EPA's attainment goals. Cleaner air will provide greater incentives for businesses to locate in the area.

The Economics of the Changeout

The solution is to encourage people to change out old appliances for new cleaner, EPA-certified woodstoves and fireplace inserts. These new stoves and fireplace inserts are significantly cleaner-burning. The result will be an almost 70% reduction in wood smoke per unit, a dramatic difference that can benefit local air quality. **A new woodstove will also reduce the amount of firewood needed by approximately 30 percent.**

Part of a National Effort

This effort is the first in a series of changeout initiatives through The Great American Woodstove Changeout. This national campaign, which kicks off in Lincoln County, is sponsored by the EPA and the Hearth, Patio & Barbecue Association (HPBA).

Who is Sponsoring this Changeout?

Lincoln County is the lead organizing public agency and the agency in charge of implementation. The changeout effort is being funded by three granting sources: the HPBA, the EPA and the Montana Department of Environmental Quality. Together, these partners are working hard to demonstrate that voluntary actions, like replacing older appliances, can make a difference to improve local air quality and in turn can have a positive impact on the regional and national environment.

Who is Paying for the Stoves?

The 300 stoves in 2005 are being donated by woodstove manufacturers throughout North America, as well as chimney and woodstove accessories manufacturers. The resources made available by the agencies listed above, in addition to the donated product, make up the financial resources provided for this effort. Funding has been provided by the sponsors to pay local Libby woodstove retailers for installation costs. *Resources for 2006 are dependent on availability of dollars through other sources.*

Changeout in Two Phases

The goal of this two-year program (2005-2006) is to replace all older woodburning fireplace inserts and woodstoves in the Libby non-attainment area.

Phase One in 2005 - Focus on Low-Income Households

In 2005, the changeout campaign will focus primarily on changing out woodstoves and woodburning fireplace inserts in low-income households. Households that qualify for public assistance, LIEAP, or Head Start are pre-screened for eligibility and are automatically considered for this effort. *Prescreened candidates were distributed a letter from Lincoln County at the end of May 2005.*

Phase Two in 2006 - Remaining Households and Businesses

In 2006, other households and businesses will be eligible to have their woodstoves and fireplace inserts changed out depending on resources.

Where do the Old Stoves Go?

Anyone that participates in this campaign must surrender their old stove when the new one is installed. All old woodstoves and woodburning fireplace inserts will be recycled. *All revenue generated through the recycling of these old stoves will be returned to the program for future changeout assistance.*

The Stoves MUST be Installed!

Cash and carry is not an option with this campaign. Anyone participating in this free offer needs to have their old stove removed and the new woodstove or woodburning fireplace insert installed by a licensed, and participating, retailer or installer.

For more information, go to www.lincolncountymt.us/woodstovechangeout or contact Jerry Marquez at (406) 293-7781, ext. 212 or jmarquez@libby.org. Registrations will not begin until the Woodstove Fair...no exceptions!



Lincoln County

Woodstove Changeout Program

BURN SMART FAIR



Dear Woodstove Owner,



Thank you for taking part in the Lincoln County Woodstove Changeout Program. We hope that you are enjoying your new, clean burning woodstove. The advanced technology in your EPA certified woodstove burns the smoke before it leaves the firebox, extracting more of the energy in the wood and resulting in higher efficiency and less air pollution in our neighborhoods.



To help you get the most out of your new woodstove, we have invited HPBA representatives and stove expert, Ben Myren to Libby for a community event:



Lincoln County Burn Smart Fair
Thursday, October 27, 2005
5:30 pm - 7:30 pm
City (Legion) Ball Park at 2nd & California



EPA certified wood stoves will be set up and burning as our panel of experts discuss:

- How to get the maximum heat and efficiency from your stove
- Firewood selection, collection & storage
- The most efficient way to start a fire
- How to check your chimney for creosote build-up
- Care and maintenance of your new appliance



There will be time for your questions after the presentation.



Bring the enclosed coupon to the Burn Smart Fair to receive your FREE stovepipe thermometer and Duraflame firestart kit.

We hope to see you there!

Clearing the Air

Answers to your questions about the Woodstove Changeout Program

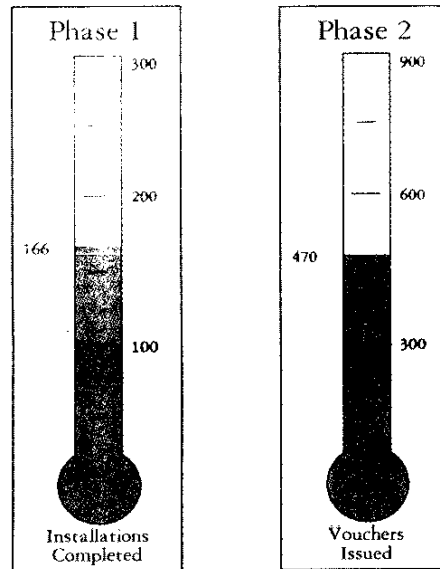
Q: What is happening with the Woodstove Changeout Program? I haven't heard anything for awhile.

A: In the Phase 2 program, 470 vouchers have been issued to eligible homeowners in the Air Quality Control District, with 114 changeouts completed. In the Phase 1 portion of the program (for households meeting low-income eligibility guidelines) 166 changeouts have been completed. **The area for Phase 1 eligibility is being expanded to include all of the Air Quality Control District, effective June 14, 2006.** There are 135 woodstoves left in this program, and Phase 1 will end when these woodstoves are gone. Persons interested in the Phase 1 program should contact Kathy Kinzey at Northwest Montana Human Resources, 293-2712, to determine if they are currently eligible.

Remember that as of January 1, 2007, uncertified woodstoves will be prohibited from use within the Libby Air Quality Control District. It is very important that people do not wait until next fall or winter to complete their woodstove changeout because installation schedules will be full and stove supplies and selections may be limited. The process to qualify is simple. When you fill out an application for either Phase 1 or Phase 2, a home visit will be scheduled with the Woodstove Program Coordinator and eligible households will be given either a voucher or a free woodstove.

Applications are available at the Lincoln County Annex, 418 Mineral Avenue. Call the Woodstove Changeout Program at 293-7781 ext 228 for more information.

Libby Woodstove Changeout Progress Report -June 12, 2006-



Woodstove changeout ongoing

Libby-area woodstove users are being reminded that now is the time to take advantage of a changeout program aimed at improving air quality and forestalling the need to ban wood heating altogether.

The program -- which is scheduled to expire Nov. 1 -- provides woodstove users with vouchers to offset the cost of replacing old stoves with new, cleaner burning alternatives. Amounts are \$700 for an approved gas, wood or pellet heating appliance, \$350 for installation by an approved installer, \$200 for removal of an old stove without replacement, and \$1,400 for furnace replacement or upgrade with a pellet or gas appliance. The vouchers were funded by a \$1 million federal grant.

More than 100 of 300 new stoves donated by the Hearth, Patio and Barbecue Association in 2005 remain available for free distribution to qualifying low-income households as well.

County sanitarian Ron Anderson, whose department is managing the

changeout program, is advising people not to wait until cold weather sets in to replace their stoves.

"This is really the time when the stove dealers and installers have the time, and they're not depending on turning the stove off during the day to get the work done," he said.

To date, 529 vouchers have been issued -- with 168 of those redeemed -- of a targeted 900. There have been 680 applications.

"We're encouraged by the number of applications we've received," Anderson said. "Obviously a lot of people are aware of the program."

Initially, vouchers were not issued to people with fireplaces or shop stoves, but that policy is changing Anderson said. About 100 applications for replacement of fireplaces and shop stoves will now be processed, he said.

Of the 300 stoves donated for the first phase of the changeout program, 182 have been installed. The stoves,

See **Changeout** on Page 7

Changeout

Continued from Page 1

which are certified by the federal Environmental Protection Agency as clean-burning, are available at no charge to Libby-area residents who meet low-income guidelines. Landlords with renters who meet the guidelines are also eligible to participate but must make a \$500 co-payment.

The changeout program was put in place as a response to the area's failure to meet new federal air quality standards for particulate matter. Anderson and program coordinator Jerry Marquez were recently honored for their work with an Environmental Achievement Award from the EPA at the agency's regional awards ceremony in Denver.

"It was a nice acknowledgment of the program up here," Anderson said.

Starting in January 2007, non-certified woodstoves will be banned from use in an area that extends along Montana Highway 37 nearly to Canoe Gulch, west along the Kootenai River to the Bighorn Terrace area, and south to Libby Creek. In the Pipe Creek area, the restrictions extend to the neighborhood around the Red Dog Saloon and Doak Creek.

If the changeout program and the elimination of non-certified stoves does not bring the area into compliance, the alternative will be to outlaw all woodstove use, Anderson pointed out. He said people need to take advantage of the "golden opportunity" presented by the changeout program.

"People just have to grasp that, or everybody's going to

lose," he said.

More information on the changeout program is available from the county's environmental health department at 293-7781 extension 228.