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BOARD MEETING MINUTES

The meeting of the Board of Directors of the Northwest Clean Air Agency was held at 1:30 p.m. Thursday, April 13, 2017, at 1600 S. 2nd St., Mount Vernon, Wash.

MEMBERS PRESENT:

Skagit County	Joe Lindquist Ron Wesen
Island County	Jim Campbell Richard Hannold
Whatcom County	Brian Heinrich Carl Weimer
Member-at-Large	Terry Nyman

ALSO PRESENT:

NWCAA staff members	Mark Buford, Alicia Huschka, Toby Mahar, Agata McIntyre, Seth Preston, and Laurie Caskey-Schreiber
Legal counsel	Loch Clark

CALL TO ORDER

Board of Directors Chairman Joe Lindquist called the meeting to order at 1:30 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On a motion by Brian Heinrich, seconded by Ron Wesen, the minutes for the March 9, 2017, meeting were approved 6-0 (Terry Nyman abstained from the vote).

ACTION ITEMS

Bills and claims

Board members discussed the bills and claims reports for March 2017 (totaling \$565,146.18). Wesen made a motion to approve the March 2017 bills and claims. Heinrich seconded the motion, and the Board approved the bills and claims 7-0.

STAFF REPORTS**Executive Director's report – Mark Buford**

Buford reported to the Board on the following matters:

- The Finance Committee met prior to the Board meeting and reviewed the fiscal year (FY) 2018 budget. The FY 2018 budget will be presented to the full Board at the May meeting, and comments and revisions are encouraged at that time so that any needed changes may be incorporated into the final draft. The draft FY 2018 budget will be ready for adoption at the June Board meeting.
- Buford is waiting to see if the proposed budget cuts to the U.S. Environmental Protection Agency (EPA) will significantly affect the funds that EPA distributes to our State. Washington State may see a reduction as large as 30 percent, which would impact the grants that the State issues to the local clean air agencies. For NWCAA, a 30 percent reduction would mean a loss of an additional \$45,000 in FY'18, assuming that the State doesn't pursue similar reductions. Buford believes NWCAA can shift money out of the agency's reserve funds to cover this shortage in the short term. If the situation persists, a more sustainable remedy will be needed. NWCAA is in a good position to be able to wait and implement changes once the final results are known.
- During the May Board meeting, Buford will give a report on the progress that is being made in addressing wood smoke issues in Columbia Valley. So far, the numbers are looking much better for this area. For the years 2015-2017, the area might fall into the attainment category with the National Ambient Air Quality Standards. The final numbers won't be known until the end of the 2017. There has been substantial improvement in the air quality in the Columbia Valley, partially related to the meteorology, and because of the ongoing efforts with the woodstove replacement projects and educational outreach that has occurred in this area. Buford hopes to continue funding this program.
- Buford shared some of the information that he distributed in his pre-Board meeting memo regarding the completion of the ozone study. The study confirmed the agency's belief that the businesses in our jurisdiction are not significantly contributing to ozone concentrations in Enumclaw, Wash. The results of the study did indicate that the biggest influence on the air quality for that area is vehicle traffic that is occurring in Snohomish, King and Pierce counties.

Buford is hopeful that the study findings will be taken into consideration by the state and EPA in any future reviews of non-attainment problems for the Enumclaw area.

- NWCAA has recently hired Beekeeper to help support the agency's website. The website was developed by the Podesta Group, but offering long-term technical support isn't a service that they provide. The Agency is also upgrading the IT network infrastructure, maintaining levels of service and reliability at a reduced cost.
- NWCAA recently concluded the Greenhouse Gas (GHG) Grant contract with Washington State University. The other GHG grants are moving along. The Community Energy Challenge grant has some unspent money, so they may be requesting an extension to their contract. The Smart Trip funds, should be used at some point in 2017, and the City of Bellingham hopes to spend their award sometime this year, as well.

- Once again, the Association of Washington Cities (AWC) recognized the NWCAA Wellness program with a Well City Award for 2017. This award equates to a 2 percent reduction in the cost of the Agency's medical premiums.
- In 2016, the Board and the Agency updated the Strategic Plan, and it was suggested that the Agency review this plan every three years. Internally, the Agency is now starting this process of review. NWCAA has hired consultant Michelle Gislason to assist agency staff with identifying and establishing our highest level values to be reflected in the plan.
- At the end of April, Buford and other agency staff will be attending the National Association of Clean Air Agencies conference, which is being held in Washington, D.C. While there Buford, along with other agency Directors, may be meeting with U.S. congressional members and their staff. The Board of Directors indicated their support for Buford to engage in these meetings.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the March 2017 construction permit (new source review) activity.

In March the agency received 13 applications for construction permits and issued two construction permits. McIntyre stated that 11 of the 13 applications were for the BP refinery. The refinery is in the midst of its every-five-year Air Operating Permit (AOP) renewal, and this period provide an opportunity to update some of the terms of their existing construction permits. The process for renewing an AOP is a multi-stage process that includes public comment and EPA review.

The BP Cherry Point refinery also applied for permits to replace existing coker heaters with new heaters. This project requires two air permits, one from the Washington Department of Ecology and the other from NWCAA. Ecology and NWCAA drafted permits and published them for public comment. The National Park Service (NPS) commented on the permits during the public comment period, voicing concerns about visibility impairment (a reduction in how far one can see) in the national parks due to the project's air emissions. Comments were also submitted by Earth Justice (on behalf of the National Parks Conservation Association and RE Sources for Sustainable Communities) and EPA. Earthjustice's comments were similar to those submitted by the NPS, and EPA's comments were specific to the Ecology permit. Ecology and NWCAA are currently evaluating and answering the comments.

The Tesoro Anacortes Refinery applied for permits to add equipment to:

- Separate mixed xylenes from oil.
- Reduce sulfur content in fuels.
- Increase the octane content of fuels.
- Reduce volatile organic compound air emissions from material loading at its marine dock.

The project at Tesoro requires air permits from both Ecology and NWCAA. Skagit County is also reviewing the project under an Environmental Impact Statement (EIS). Skagit County held a well-attended public hearing for the EIS on April 17, 2017 at Anacortes High School. NWCAA staff attended the hearing. The Ecology and NWCAA draft air permits are currently out for public comment and a hearing is scheduled for both air permits at 6:30 p.m. on April 27, 2017 at Anacortes High School.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported on enforcement issues that occurred in March. Mahar noted that the Notice of Violation (NOV) 4239 to the Shell Puget Sound Refinery will not go forward for a penalty. Instead, NWCAA staff have worked out a formalized action plan with the Shell PSR staff to keep this problem from reoccurring.

Mahar explained NOV 4241 issued to Tesoro was related to a Chemtrade power outage. Chemtrade operates the sulfur treatment process for the Tesoro refinery. Tesoro emitted excess SO2 due to a Chemtrade power-related shutdown. The goal of the NOV is to encourage a long-term resolution to Chemtrade’s relatively less stable power source. Resolving the power stability will prevent recurrence.

Mahar updated Board members on the Agency’s pending legal issues:

- Brooks Manufacturing appealed the need for a permit for one of their baghouses. This case was heard by the Pollution Control Hearings Board (PCHB), and NWCAA prevailed. That decision was then appealed in Thurston County Superior Court. As it stands right now, the hearing has been delayed until August 25th.
- In 2016, Brooks Manufacturing appealed NWCAA’s registered source fees in Whatcom County Superior Court. There hasn’t been any recent activity with this case. Mahar intends to touch base with Brooks to see if they still intend to proceed with this legal appeal.

Mahar shared with the Board that she is looking at the registered source fees and analyzing the labor involved with the various categories of businesses. She noted that 93 percent of NWCAA sources are in one category.


Initially, Mahar would like to adopt some incremental changes. One of her goals is to provide some relief to small businesses. Mahar hopes to bring forward some proposed revisions to the NWCAA rules by the end of the year to address the registered source fees for small businesses. After that, she will take steps to continue the review of registered fees for other sources.

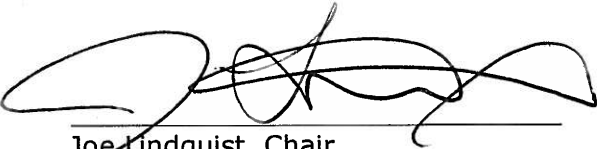
ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:05 p.m.

CERTIFICATION

I hereby certify this is a true and correct copy of the minutes of the meeting of the NWCAA Board of Directors held on April 13, 2017, in Mount Vernon, Washington.

ATTEST: 
 Terry Nyman, Secretary
 NWCAA Board of Directors


 Joe Lindquist, Chair
 NWCAA Board of Directors

DATED: May 11, 2017