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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, February 12, 2015, at 1600 South Second Street, Mount Vernon, Washington.

MEMBERS PRESENT:

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

MEMBERS ABSENT:

Whatcom County	Brian Heinrich
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ALSO PRESENT:

NWCAA staff members	Mark Asmundson, Mark Buford, Toby Mahar, Agata McIntyre, Laurie Caskey-Schreiber
Legal counsel	Simi Jain for Loch Clark

CALL TO ORDER

Board Secretary Terry Nyman called the meeting to order at 1:33 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Jim Campbell, seconded by Carl Weimer, the minutes for the December 11, 2014, Board meeting were approved 4-0. (Joe Lindquist and Ron Wesen arrived after the vote.)

PRESENTATIONS

FY 2015 Second Quarter Financial Report (July 1 – December 31, 2014) – Mark Asmundson

NWCAA Executive Director Mark Asmundson reviewed actual financial results compared to the annual budget for FY 2015 for the Operating Fund for the six-month period ending December 31, 2014.

	Year-to-date	Annual Budget	% of Annual Budget
Revenues	\$3,171,422	\$3,874,561	82%
Expenses	\$2,071,038	\$4,361,746	47%

Asmundson identified the following revenue and expense highlights:

- Air operating permit revenues are at 99% of the annual budgeted amount.
- Registration fees budgeted at \$485,000 will be invoiced in February 2015.
- New Source Review revenues are 106% of the budgeted amount of \$120,000, mainly due to some large refinery projects.
- Per capita fees experienced a slight increase due to population increases in our jurisdiction.
- Penalty revenues have exceeded the annual budgeted amount.
- Expenses are slightly lower than expected.

Asmundson gave a brief update on the greenhouse gas mitigation grant projects.

Recipient	Project Description	Award Amount	Spent at 12/31/14	Balance
Opportunity Council	Community Energy Challenge	\$ 2,000,000	\$ 500,854	\$ 1,499,146
Washington State University	Farm energy audits and Darigold retrofits	\$ 439,500	\$ 43,779	\$ 389,721
City of Bellingham	Hydro-electric project	\$ 760,000	\$ 0	\$ 760,000
Reserved	Undetermined	\$ 500,000	\$ 0	\$ 500,000
NWCAA Administration	Legal services, contract management, admin. overhead	\$ 676,726	\$ 310,532	\$ 366,194
Totals		\$4,376,226	\$ 861,165	\$3,515,061

Asmundson stated the Opportunity Council has used funds as expected and is making excellent progress. The project from Washington State University is being revised, as attempts to interest dairy farmers in participating in energy audits at their farms have been unsuccessful. The city of Bellingham – which anticipated from the outset it wouldn't begin work on its project for several years – now is uncertain whether its project will move forward.

Board Chair Ron Wesen wondered about the overall timeline for these projects. Asmundson stated that WSU likely will ask for an extension, the Opportunity Council will achieve its goals within the established timeframe, and the city of Bellingham project schedule may need to be reevaluated.

FY 2012-14 Financial State Auditor's Report – Mark Asmundson

Asmundson reported that the recent financial audit from the Washington State Auditor's Office was completed, and the Auditor issued no findings or written recommendations.

At the exit conference, the Auditor made two verbal recommendations that will be implemented this year.

The clean audit was mainly due to the excellent work of Therese Holm and Margie Garrigues, who both work hard to ensure that the agency is on solid ground with our policies and financial transactions.

ACTION ITEMS

Resolution 507- Amending the FY 2015 Operating Fund – Mark Asmundson

Asmundson explained that Resolution 507 authorizes the agency to utilize \$125,000 in FY 2015 unanticipated excess penalty funds to augment the agency budget for legal services that are likely to be incurred this year. Asmundson added that if these funds aren't expended this fiscal year, they will be carried over for use in FY 2016.

Nyman moved to adopt Resolution 507, Campbell seconded, and the Board voted 6-0 to approve the resolution.

Bills and claims

Asmundson presented the December and January bills and claims report.

Weimer moved to approve the December 2014 (\$463,197.44) and January 2015 (\$375,264.31) bills and claims, and Richard Hannold seconded. Bills and claims for December and January were approved by all.

STAFF REPORTS

Director's report – Mark Asmundson

Asmundson welcomed new and returning board members Hannold and Weimer.

Asmundson reported on the following items:

- The agency recently hired Crystal Rau as a permit writer. She will be starting work within a couple of weeks. Rau is well known to agency staff, she has been working for the state Department of Ecology for many years, and she is familiar with our Title V program. During her tenure at Ecology, she audited Title V programs across the state, so she brings a wealth of knowledge to the agency.
- One of the businesses NWCAA has been working with, Janicki Industries, has been very successful in developing a bio-waste incinerator, which will produce electricity and water. This effort has been underwritten by the Gates Foundation and will result in the creation of a new Janicki business unit and a major expansion of the manufacturing capacity in Hamilton. NWCAA engineer Dan Mahar has done an outstanding job assisting Janicki through the permitting process, finding ways to support Janicki's creativity. Asmundson is very pleased with this approach, addressing air quality issues while promoting innovation.
- In March, NWCAA will bring forward one recommendation from the recent state audit in the form of a resolution. Staff will ask the Board to authorize the agency's existing U.S. Bank account as an "imprest" fund, which Holm will further explain at the next Board meeting.
- The work at the agency has stayed consistently busy, and that should be the case at least for the next couple of years.

- The agency finally received the infrared camera that the U.S. Environmental Protection Agency (EPA) recently awarded to NWCAA and the Puget Sound Clean Air Agency (PSCAA). This \$120,000, handheld camera will allow agency staff to measure volatile organic compound emissions. The EPA award also will cover the cost to train NWCAA staff member Jason Bouwman on the camera’s operation. NWCAA and PSCAA will alternate possession of the camera each month.

New source review and air operating permit update – Agata McIntyre

Agency Engineering Manager Agata McIntyre reported that in December and January, the agency received three applications for construction permits, and NWCAA issued three construction permits.

McIntyre noted that the agency receives a tremendous amount of year-end reports, so the engineers have been busy reviewing this information for their sources.

Enforcement update – Toby Mahar

Compliance Manager Toby Mahar reported on enforcement issues that occurred in December and January. Mahar noted that there were 48 complaints in December and 69 in January, and most of these were related to wood smoke.

MISCELLANEOUS

Weimer has been receiving calls from a Birch Bay citizen who is concerned about the emissions from the BP refinery. McIntyre said that she was familiar with these complaints, and they have been investigated at various times.

ELECTION OF BOARD OFFICERS

Wesen opened the floor for the annual Board elections. Asmundson explained that traditionally the Vice Chair moves to Chair, and the three counties rotate to the Vice Chair position. Joe Lindquist made a motion to accept the proposed slate of candidates:

<i>Position</i>	<i>Board member</i>	<i>County or City</i>
Chair	Brian Heinrich	Whatcom / City of Bellingham
Vice Chair	Jim Campbell	Island / City of Oak Harbor
Secretary	Terry Nyman	Citizen at Large
<i>Finance Committee</i>		
Chair	Joe Lindquist	Skagit / City of Mount Vernon
Member	Carl Weimer	Whatcom
Member	Terry Nyman	Citizen at Large
<i>Employer/Employee Relations Committee</i>		
Chair	Brian Heinrich	Whatcom
Vice Chair	Jim Campbell	Island
Finance Chair	Joe Lindquist	Skagit

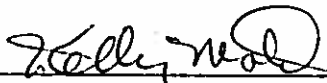
This motion was seconded by Campbell and the Board voted 6-0 to approve the Board positions.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:29 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 February 12, 2015, in Mount Vernon, Washington.

ATTEST: 

Terry Nyman, Secretary
NWCAA Board of Directors



~~Ron Wesen~~, Chair
NWCAA Board of Directors
Brian Heinrich

DATED: March 12, 2015