



1600 South Second Street  
Mount Vernon, WA 98273-5202  
ph 360.428.1617  
fax 360.428.1620  
[www.nwcleanair.org](http://www.nwcleanair.org)

## **BOARD MEETING MINUTES**

The meeting of the Board of Directors of the Northwest Clean Air Agency was held at 1:30 p.m., Thursday, Feb. 11, 2016, at 1600 S. 2<sup>nd</sup> St., Mount Vernon, Washington.

### **MEMBERS PRESENT:**

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

### **ALSO PRESENT:**

NWCAA staff members	Mark Asmundson, Mark Buford, Therese Holm, Toby Mahar, Agata McIntyre, Katie Skipper, and Laurie Caskey-Schreiber
Legal counsel	Loch Clark

### **CALL TO ORDER**

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

### **APPROVAL OF PRIOR BOARD MEETING MINUTES**

On motion by Richard Hannold, seconded by Ron Wesen, the minutes for the Dec. 10, 2015, meeting were approved 7-0.

### **NEW BUSINESS**

### **ELECTION OF BOARD OFFICERS**

Heinrich opened the floor for the annual Board elections. NWCAA Executive Director Mark Asmundson explained that traditionally the Vice Chair moves to Chair, and the three counties rotate to the Vice Chair position.

Carl Weimer made a motion to nominate Richard Hannold for Chairman of the Board, seconded by Jim Campbell. The motion passed 7-0. Hannold made a motion to nominate Joe Lindquist for Vice Chairman of the Board, seconded by Wesen. The motion passed 7-0.

Hannold made a motion to nominate Terry Nyman for Board Secretary, seconded by Weimer. The motion passed 7-0.

Newly elected Chairman Hannold appointed the following Board members to the Finance Committee:

<b><i>Finance Committee</i></b>		
Chair	Brian Heinrich	Whatcom / City of Bellingham
Member	Jim Campbell	Island / City of Oak Harbor
Member	Terry Nyman	Citizen at Large
<b><i>Employer/Employee Relations Committee</i></b>	All positions are ex officio	
Chair	Richard Hannold	Island
Vice Chair	Joe Lindquist	Skagit
Finance Chair	Brian Heinrich	Whatcom

## **PRESENTATIONS**

### **Website update – Katie Skipper**

NWCAA Communications Program Manager Katie Skipper views the agency website as one of the primary tools that we have to communicate with the public. In the past, the agency website has proved frustrating to use for both the public and for the staff. Skipper outlined three agency goals for the new website:

- 1. Show that our air quality is generally excellent here, and help people understand what to do when it's not.**
  - Big, bold, and colorful air gauges will be readily accessible.
  - The six categories of pollution will be visible and the meaning for each category will be defined. Each category will list the precautions associated with that level of air quality.
  - The gauges can be customized to display the gauge nearest the user's geographic area. Local day and night pictures accompany each gauge.
  - People will be able to sign up for air quality alerts or burn ban information. They will be able to get these alerts via email or text messages.
  - The site will have a map of the monitoring locations.
- 2. Make it easier for people and businesses to find the forms and information they need to comply with air quality requirements.**
  - Existing businesses will be able to find frequently used forms.
  - New businesses will logically be able to find the information that they are seeking.
  - The public will be able to access information about major businesses in the agency's jurisdiction.
  - The site will be organized intuitively, providing information tailored to specific audiences to help people comply with air quality regulations, and save our staff time leading people to the information.
- 3. Inspire confidence that the agency is doing a good job to protect air quality.**
  - Video provides an emotional connection to our agency and the importance of

- our air quality.
- Pictures will help bring a face to agency staff, Advisory Council, and Board members.
- Information will be easy to find, enhancing agency credibility.

Skipper explained that the new website will also be adaptive to mobile devices, and it will also be much easier to update and edit. The new website has been launched internally, and the agency hopes to launch it publicly in early March.

Skipper also went through the cumbersome process to get NWCAA listed as a “.gov” versus “.org.”

Asmundson thanked Skipper for her hard work with developing the new website, and he reported that the Advisory Council members expressed their excitement and support for this project.

NWCAA Board members also expressed their support for this project.

**Fiscal Year 2016 second quarter financial report (July 1 – Dec. 31, 2015) –Therese Holm**

NWCAA Chief Financial Officer Therese Holm reviewed actual financial results compared to the annual budget for fiscal year 2016 for the Operating Fund for the six-month period ending Dec. 31, 2015.

	<b>Year-to-date</b>	<b>Annual Budget</b>	<b>% of Annual Budget</b>
<b>Revenues</b>	\$3,499,095	\$4,388,203	80%
<b>Expenses</b>	\$2,392,855	\$4,843,517	49%

Holm identified the following revenue and expense highlights:

- Air operating permit revenues are at 99 percent of the annual budgeted amount.
- Registration fees budgeted at \$511,860 will be invoiced in February 2016.
- Asbestos revenues are at 96 percent of the budgeted annual amount of \$50,000, due to an increase in construction activity and the use and ease of agency online forms.
- Per capita fees experienced a slight increase due to population increases in our jurisdiction.
- Penalty revenues are expected to meet the budgeted amount of \$85,000.
- Professional Service expenses are at 62 percent of the annual budget with most of the website development costs included and higher than budgeted special legal services.
- Capital expenses for monitoring equipment included in the budget are for enhanced monitoring equipment specific to refinery related emissions.

Holm stated that the fiscal year 2016 budget is on track, and the agency is where it should be compared to the budget for the second quarter, with the exception of special legal services for which actual expenses are expected to exceed the budget. A proposed budget amendment is included in this agenda following the financial report.

Holm reviewed the agency’s consolidated balance sheet as of Dec. 31, 2015:

	Operating Fund	Cumulative Reserve Fund	Capital Replacement Fund	Supplemental Environmental Fund	Personnel Costs Reserve Fund	Legal Reserve Fund	Total
<b>Assets</b>	<b>\$2,488,891</b>	<b>\$564,314</b>	<b>\$181,115</b>	<b>\$2,919,790</b>	<b>\$262,039</b>	<b>\$250,066</b>	<b>\$6,666,215</b>
<b>Liabilities</b>	327,497	0	0	157,656	0		485,153
<b>Fund Balance</b>	2,161,394	564,314	181,115	2,762,134	262,039	250,066	6,181,062
<b>Liabilities and Fund Balance</b>	<b>\$2,488,891</b>	<b>\$564,314</b>	<b>\$181,115</b>	<b>\$2,919,790</b>	<b>\$262,039</b>	<b>\$250,066</b>	<b>\$6,666,215</b>

Holm gave a brief update on the Greenhouse Gas mitigation projects, which are paid for from the Supplemental Environmental Fund:

Recipient	Project Description	Award Amount	FY 2016 expenses to date	Cumulative Project Expenses	Balance
Opportunity Council	Community Energy Challenge	\$ 2,700,000	\$ 440,553	\$1,423,793	\$ 1,276,207
City of Bellingham	Hydro-electric project	\$ 760,000	\$ 0	\$ 0	\$ 760,000
Washington State University	Farm energy audits	\$ 241,681	\$ 68,227	\$ 159,840	\$ 81,841
Sustainable Connections	Energy Prize, Nat'l. Leadership	\$ 150,000	\$ 0	\$ 0	\$ 150,000
NWCAA Administration	Legal services, contract management, admin. overhead	\$ 676,726	\$ 20,343	\$ 371,803	\$ 304,923
<b>Totals</b>		<b>\$4,528,407</b>	<b>\$ 529,123</b>	<b>\$1,955,436</b>	<b>\$2,572,971</b>

### **ACTION ITEMS**

#### **Resolution 528 – Amending fiscal year 2016 Operating Fund – Mark Asmundson**

Asmundson explained that Resolution 528 authorizes the agency to increase the fiscal year 2016 Operating Fund budget by \$150,000. This amount will be transferred out of the Legal Reserve Fund. The legal expenses that have accrued, plus those which are expected will exceed the current budget.

Joe Lindquist made a motion, seconded by Heinrich, to approve Resolution 528. The Board approved the resolution 7-0.

#### **Bills and claims**

Heinrich made a motion, seconded by Lindquist, to approve the December 2015 (\$509,944.13) and January 2016 (\$619,516.52) bills and claims, totaling \$1,229,460.65. The bills and claims for December and January were approved 7-0.

### **STAFF REPORTS**

#### **Executive Director's report – Mark Asmundson**

Asmundson reported to the Board on the following matters:

- Asmundson reported that there is still no federal budget, but Congress again passed a continuing resolution which maintains flat funding for the U.S. Environmental

Protection Agency (EPA). This year, EPA will begin to implement the state and local air grant reallocation formula which was developed a few years ago. The reallocation program reduces funding to EPA's Region 10 (which includes Washington). It is expected this will result in a 5 percent reduction in the first year and will ultimately result in a 40 percent reduction of the current grant.

- The agency will meet with local health departments to share information and resources, and to assist them as NWCAA shifts from providing in-person information and education about indoor air quality to providing these resources online. Dave Blake, who created and ran this program since its inception, has done an outstanding job. He has developed a comprehensive information library, all of which will be available online.

Dave will be retiring this year. Interestingly, NWCAA has been the only local air agency in the United States to house an indoor air quality program.

- During the agency's March Advisory Council meeting, staff will present for review, the draft budget for fiscal year 2017.

The Board will have the following budget schedule:

- April 14, 2016, at 12:15 p.m. (before the board meeting), the Finance Committee (Heinrich, Campbell and Nyman), will meet to review the draft budget.
- The full board will receive a detailed presentation of the draft budget on May 12, 2016.
- During the June 9, 2016, Board meeting, the final budget will be proposed for adoption.

### **New source review and air operating permit update – Agata McIntyre**

Agency Engineering Manager Agata McIntyre reported on the December 2015 and January 2016 construction permit (new source review) activity.

During December 2015, the agency received five applications for construction permits and issued three construction permits. One of the construction permits issued was to the Anacortes Wastewater Treatment plant. In response to new EPA requirements, the plant will upgrade the air pollution controls on its incinerator to reduce mercury emissions to the air. Specifically, the existing scrubber will be replaced by a new scrubber with a mercury removal module. The permit approved this scrubber replacement.

During January 2016, the agency received three applications for construction permits and issued one permit, to the Post Point Wastewater Treatment Plant. The Agency's permitting process for the Post Point Wastewater Treatment Plant project was lengthier than most because chloroform emissions to the air from the new equipment exceeded Washington State Ambient Source Impact Limits (ASILs). ASILs are toxics limits that apply to construction projects. The emissions from most projects approved by NWCAA are below the ASILs. The exceedance of the chloroform ASIL triggered additional review of the chloroform emissions by a toxicologist at the Washington Department of Ecology before the project could be approved. This review isn't necessary for projects where emissions of all toxics are below the ASILs. Following the toxicology review (known as a Tier 2 review), NWCAA posted the draft permit for a mandatory 30-day public comment period. No comments were received, and NWCAA issued the permit after the close of the comment period.

**Enforcement update – Toby Mahar**

Agency Compliance Manager Toby Mahar reported on enforcement issues that occurred in December. NWCAA issued three notices of violation, including one to Lynden Door, Inc., which installed a new millwork line with associated baghouse, without obtaining a permit.

Mahar was pleased to report that NWCAA staff have been working with the Boy Scouts of America, who have crafted new policies to address the outdoor fires throughout their programs at Fire Mountain Camp, therefore their penalty has been reduced to zero.

Mahar reported that NWCAA issued three notices of violation in January. One of those violations was issued to Silvastar Forest Products for installing a new spray coating operation line without a permit. Silvastar is working with agency staff to correct this situation.

**BOARD MEETING SCHEDULE FOR 2016**


Lindquist made a motion to maintain the current schedule, meeting at 1:30 p.m. on the second Thursday of every month, with the exception of January and July. (The Board will not meet during these months.) Heinrich seconded the motion, and the Board voted 7-0 to approve this schedule.

**ADJOURNMENT**

There being no further business to consider, the meeting adjourned at 2:37 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 Feb. 11, 2016, in Mount Vernon, Washington.

ATTEST:   
Terry Nyman, Secretary  
NWCAA Board of Directors

  
Richard Hannold, Chair  
NWCAA Board of Directors

DATED: March 10, 2016