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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, June 12, 2014, at 1600 South Second Street, Mount Vernon, Washington.

MEMBERS PRESENT:

Skagit County	Ron Wesen Joe Lindquist
Whatcom County	Rud Browne Tara Sundin for Brian Heinrich
Member-At-Large	Terry Nyman

MEMBERS ABSENT:

Island County	Jim Campbell Keith Higman
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ALSO PRESENT:

NWCAA staff members	Mark Asmundson, Mark Buford, Therese Holm, Julie O'Shaughnessy, Katie Skipper, Laurie Caskey-Schreiber
Legal counsel	Loch Clark

CALL TO ORDER

Board Chair Ron Wesen called the meeting to order at 1:30 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Joe Lindquist, seconded by Terry Nyman, the minutes for the May 8, 2014, Board meeting were approved.

PRESENTATIONS

Agency Executive Director Mark Asmundson reported that he recently attended a Western States Air Resources Council (WESTAR) meeting. WESTAR consists of representatives from 15 states and was formed to discuss western regional air quality issues of common concern. Asmundson enjoyed meeting with this group and was impressed by a presentation about oil exploration in North Dakota. Asmundson shared with the Board some highlights from this presentation:

- Currently there are 10,022 oil wells in North Dakota, 6,627 of those wells produce Bakken oil.

- By 2015, they will have about 40,000 oil wells.
- Systemic demands related to oil exploration –
 - Tanks and pipeline terminals for fluids
 - Treatment facilities for fluids and contaminated soils
 - Gas plants and compressors
 - Rock/sand/gravel exploration – asphalt plants
 - Electricity generation
 - Rail loading / load-out facilities
 - Infrastructure improvements to handle communication needs, federal regulations, roads, lodging, etc.
- Agency staffing issues – training and retention problems lead to added costs.
- Disposal and safe handling of “technically enhanced naturally occurring radioactive material.”
- Large volume of oil produced per day, newer wells producing 10 times the volume as older wells. Typical Bakken well produces 100 barrels (42 gallons) of oil a day and should last for 45 years. Typical cost to build a Bakken well is \$9 million. Typical profit is about \$23 million over the life of the well.
- Exploration success rate in Bakken field is 95 percent

NEW BUSINESS

Proposed changes to NWCAA rules – Mark Buford

NWCAA Assistant Director Mark Buford reviewed the following rule changes with the Board.

Change	Benefits
<i>Separating fee schedules from regulations</i>	<ul style="list-style-type: none"> • Avoid lengthy process for fee revisions • Fee revisions still require Board approval and public process • Past success with separating permit and order fee schedules
<i>Create clear and consistent regulations</i>	<ul style="list-style-type: none"> • Begins a process to create one set of our rules versus the two that we now work have to work with: <ul style="list-style-type: none"> ○ Federal Register version (<i>out-of-date</i>) ○ Local or current version • Enables these sections of Federal and local rules to eventually be consistent with each other • Streamline our process, address housekeeping issues • The rules are as they should be before they become part of the State Implementation Plan (SIP)
<i>Update our version of rules with the state and federal rules</i>	<ul style="list-style-type: none"> • NWCAA rules will be consistent with state and Federal laws

Buford explained that no action was needed today, however, agency staff hope to bring these changes forward at the September Board meeting for adoption.

ACTION ITEMS

Resolution 494 – Authorize supplemental (per capita) income for fiscal year 2015 of \$141,425 – Mark Asmundson

Asmundson presented Resolution 494 for Board approval. This resolution authorizes the collection of supplemental income for calendar year 2015 in the amount of \$141,425 from cities, towns and counties based on a \$0.35 per capita rate. Asmundson noted that the rate has not changed since 1989. The small increase is due to small increases in population.

Motion to approve Resolution 494 was made by Lindquist, seconded by Tara Sundin, and approved unanimously.

Resolution 495 – Approve Operating and Reserve Fund budgets for Fiscal Year 2015 – Mark Asmundson

Asmundson presented Resolution 495 to approve the FY 2015 budgets for the Operating Fund and Reserve Funds.

	<i>Revenues and transfers-in</i>	<i>Expenses and transfers-out</i>	<i>Estimated ending balance</i>
FY 2015 Operating Fund	\$3,978,623	\$4,126,025	\$702,597
FY 2015 Reserve Funds	\$1,150	\$75,000	\$951,970

Rud Browne made a motion to approve Resolution 495, Lindquist seconded, and it was unanimously approved.

Resolution 496 – Establish the FY 2015 Budget for Supplemental Environmental Projects Fund – Mark Asmundson

Asmundson presented Resolution 496 to establish a FY 2015 budget for greenhouse gas mitigation projects, which were previously approved by Board Resolution 481.

FY 2015	<i>Revenues</i>	<i>Expenses and transfer-out</i>	<i>Estimated ending balance</i>
Supplemental Environmental Projects Fund	\$5,000	\$1,418,562	\$2,586,438

Sundin made a motion to approve Resolution 496, Lindquist seconded, approved by all.

Resolution 497 – Authorizing the creation of Senior Engineer classification – Mark Asmundson

Asmundson presented Resolution 497 for adoption. He explained that this resolution creates a new job classification and merges salary range 6-c with 7.

Browne made a motion to approve Resolution 497, seconded by Nyman, and it was approved by all.

Bills and claims

Agency Finance Director Therese Holm explained a modification to the Bills and Claims report to add a brief description for each expense. Board members expressed their support for the additional information. Lindquist made a motion to approve the May 2014 bills and claims totaling \$261,383.57, seconded by Browne, and unanimously approved.

STAFF REPORTS

Director's report – Mark Asmundson

Asmundson reported to the Board on the following matters:

- The agency recently conducted a public hearing for the Shell Puget Sound Refinery feedstocks import project. No one from the public attended this event. Asmundson attributes this to good public outreach, which agency Communications Director Katie Skipper engaged in prior to the hearing. Asmundson believes that the public is beginning to understand the agency's limited role in the permitting process for these types of projects.
- The U.S. Environmental Protection Agency recently announced major greenhouse gas reduction requirements for existing electrical generation units, such as coal fired electrical plants. We do not have any of these in our jurisdiction. The overall goal is to reduce our nation's greenhouse gas emissions by 30 percent by 2030.
- Agency staff continue to be engaged in Lean training provided by the state Auditor's Office. Agency staff will be doing some intensive five-day work sessions with this model to assess our new source review process, as well as conduct an assessment of the compliance side of our work.
- The agency also has scheduled training in July focused on enhancing writing skills.

New source review and air operating permit update – Mark Buford

Buford reported that the agency received three applications for construction permits. One of those applications is for the new Safeway Fuel Center in Bellingham. Safeway applied for Stage I (controls gas vapors in the tanker truck offloading process) and Stage II (controls vapors when gas is being loaded into automobiles) permits.

Buford said the agency also issued four project permits during the month of May. (See monthly activity report for details.)

Enforcement update – Julie O'Shaughnessy

Director of Compliance Julie O'Shaughnessy reported on enforcement issues that occurred in May.

O'Shaughnessy commented on the recent modifications that have been made to the monthly activity report. One of the additions was to offer explanations for recent violations. O'Shaughnessy asked Board members if they would like to see these added to the Penalties section. Board members stated that this redundancy wasn't necessary. Board members did express support for adding brief descriptions as to why the initial penalty amount was reduced for some violations.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:40 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 June 12, 2014, in Mount Vernon, Washington.

ATTEST:



Terry Nyma, Secretary
NWCAA Board of Directors



Ron Wesen, Chair
NWCAA Board of Directors

DATED: August 14, 2014