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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, November 13, 2014, at the Washington State University Mount Vernon Research Center, 16650 State Route 536, Mount Vernon, Washington.

MEMBERS PRESENT:

Island County	Jim Campbell Keith Higman
Skagit County	Ron Wesen Joe Lindquist
Member-At-Large	Terry Nyman

MEMBERS ABSENT:

Whatcom County	Rud Browne Brian Heinrich
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ALSO PRESENT:

NWCAA staff members	Mark Asmundson, Mark Buford, Therese Holm, Toby Mahar, Agata McIntyre, 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 Ron Wesen, seconded by Keith Higman, the minutes for the October 9, 2014, Board meeting were approved 4-0. (Joe Lindquist arrived after the vote.)

ACTION ITEMS

Resolution 504- Changing authorized signers on bank accounts – Therese Holm

Resolution 504 changes authorized signers on the Agency's USBank checking and money market accounts to reflect recent changes in staff responsibilities.

Terry Nyman moved to adopt Resolution 504, Jim Campbell seconded, and the Board approved the resolution 4-0. (Lindquist arrived after the vote.)

Resolution 505- Amending FY2015 Operating Fund budget – Mark Asmundson

NWCAA Executive Director Mark Asmundson explained that Resolution 505 authorizes the agency to augment the Wood Smoke Reduction Program with \$90,720 in FY 2014 penalty money. Holm provided a budget breakdown as part of the resolution. All expenses will fund efforts to improve the air quality in the Columbia Valley.

Higman moved to adopt Resolution 505, Nyman seconded, and the Board approved the resolution in a 4-0 vote. (Lindquist arrived after the vote.)

Bills and claims

NWCAA Finance Director Therese Holm presented the October bills and claims report.

Campbell moved to approve the October 2014 bills and claims of \$516,076.68 and Lindquist seconded. Bills and claims were approved by all.

Holm distributed copies of the State Auditor's email response regarding Rud Browne's recent questions about whether the agency or the state had any rules related to air miles or other incentives that employees might accrue for travel conducted on behalf of the agency. In this email, Jennifer Lofton from the State Auditor's Office stated:

As long as the Agency is not incurring any additional costs due to the employee using a credit card that offers personal benefits, we would not consider the reimbursement of travel expenses, a gift of funds or employees gaining benefits through the use of public funds.

The auditor also recommended our travel policy include language to ensure the agency receives the best possible price for airfare. Holm said the following language was added to NWCAA's travel policy:

Airfare for basic coach class at the lowest published rate for reasonable travel arrangements, i.e., minimum number of connections, least overall travel time, and daytime travel if possible. To secure a favorable rate, air travel should be booked several weeks in advance except in emergency situations.

STAFF REPORTS**Director's report – Mark Asmundson**

Asmundson thanked the Board for passing Resolution 505. He acknowledged the importance of these extra funds to combat the air quality problems facing Columbia Valley.

Asmundson reported on the following items:

- The actual penalty revenue for FY 2015 will exceed the budgeted amount. The agency recently received \$150,000 in penalty money from Tesoro. The annual penalty revenue budget is \$80,000. During the next few months, the Board may see a similar request to direct these funds to the Columbia Valley woodsmoke reduction program, as this is the most serious air quality problem in our jurisdiction.
- The interior office remodel is near completion. Next week, workers will install the new cubicles and set up the furniture. Once this is complete, electricians will finish their work, and we hope to have staff move into their new spaces during the first week of December. The next Board meeting will take place in Mount Vernon at the NWCAA office.

- Management has been meeting with a potential new hire for the engineering section. With diligence and a bit of luck, the agency should be fully staffed by Spring 2015.
- The Bellingham Herald continues to run agency guest columns every two months. Overall, we’ve garnered positive responses to these columns. However, we recently received a letter, directed to the Board, complaining about one employee, whom the writer had a negative experience with more than a decade ago. Asmundson has talked to the employee, who has no recollection of this complainant nor the incident. Asmundson has written to the complainant and now considers the matter closed, unless the Board wishes him to take action. Board members expressed their satisfaction with Asmundson’s course of action.
- The agency recently received notice that its health insurance costs will increase 5 percent for the 2015 calendar year. However, because we have established a successful wellness program, we will receive a 2 percent reduction, so the actual increase to our health insurance costs in 2015, will be 3 percent. Considering a zero increase last year, we are very pleased with our insurance obtained through Washington Association of Cities.
- The permitting staff recently completed a five-day Lean training exercise, examining each step of the permitting process, and identifying areas for improvement. The staff worked very hard ensure that each step taken adds value. The results of this work will be implemented within the next few months.

FY 2015 First Quarter Financial Report (July 1 - September 30, 2014) – Therese Holm

Holm reviewed actual financial results compared to the annual budget for FY 2015 for the Operating Fund for the three-month period ending September 30, 2014.

	Year-to-date	Annual Budget	% of Annual Budget
Revenues	\$2,666,461	\$3,874,561	69%
Expenses	\$ 961,800	\$4,246,025	23%

Holm identified the following revenue and expense highlights:

- Air operating permit revenues increased over the prior year by \$140,000 as budgeted.
- Registration fees budgeted at \$485,000 will be invoiced in February 2015.
- Personnel costs are down compared to the prior year due to the retirement of the former special projects coordinator in March 2014.
- Travel and training costs are higher than the prior year due to the tuition costs associated with Deputy Director Mark Buford’s public administration master’s program.
- Intergovernment services expenses are up compared to the prior year due to increased expenses for the Columbia Valley wood smoke program.
- Capital expenses of \$93,254 are for building improvements and monitoring equipment.

New source review and air operating permit update – Agata McIntyre

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

McIntyre highlighted a recent accomplishment for engineering staff: Engineer Lyn Tober just issued the renewal of Shell Puget Sound Refinery’s five-year air operating permit. McIntyre went on to explain that we have 26 sources that operate under the air operating permit program. These are some of the largest air pollution sources in our jurisdiction. For each source, NWCAA issues an air operating permit which includes all federal, state, and local air regulations and construction permits. The air operating permit organizes all of these applicable requirements in one place and identifies what the source must do to comply.

McIntyre added that this is a large undertaking, especially for a source as large and complex as Shell Puget Sound Refinery. We work hard to meet the time deadlines for the permit renewal process of our air operating permit sources.

Enforcement update – Toby Mahar

Compliance Manager Toby Mahar reported on enforcement issues that occurred in October.

Mahar noted that the agency issued a notice of violation to Whatcom Builders. The company is trying to resolve some ongoing odor problems that seems to be largely a result of homes being located next to this asphalt plant.

Buford added that the agency recently submitted a letter to the Ferndale Planning Director, stating that adding multi-family housing units near this facility will lead to more complaints being lodged against this industry.

Mahar mentioned that people are sensitive to asphalt odors, and responding to these complaints can be very labor intensive for our agency.

MISCELLANEOUS

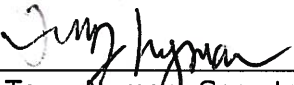
Higman received a call from an Island County citizen, who requested that NWCAA consider using penalty money to establish an incentive fund to award good business practices for improving air quality. Asmundson stated that we have funded private projects in the past, such as retrofitting diesel vehicles with pollution control equipment, but there are very strong state constitutional restrictions about gifts of public funds that the agency must adhere to. Asmundson stated that he appreciated receiving the suggestion and will give it some consideration.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:17 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 November 13, 2014, in Mount Vernon, Washington.

ATTEST: 
Terry Nyman, Secretary
NWCAA Board of Directors


Ron Wesen, Chair
NWCAA Board of Directors

DATED: December 11, 2014