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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 8, 2017, at 1600 S. 2nd St., Mount Vernon, Wash.

MEMBERS PRESENT:

Skagit County	Joe Lindquist
Island County	Richard Hannold
Whatcom County	Brian Heinrich Carl Weimer
Member-At-Large	Terry Nyman

MEMBERS ABSENT:

Jim Campbell
Ron Wesen

ADVISORY COUNCIL:

Polly Dubbel

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 motion by Brian Heinrich, seconded by Richard Hannold, the minutes for the May 11, 2017, meeting were approved 5-0.

NEW BUSINESS

NWCAA Executive Director Mark Buford stated that staff is proposing several changes to the NWCAA regulation intended to streamline and update them. The proposed changes do not affect the stringency of the rules. Buford also noted that this is the start of a lengthy process, and no Board action is required at this meeting. Staff will provide a progress update at the upcoming August board meeting.

NWCAA Engineering Manager Agata McIntyre discussed planned updates to the rules for construction permits, references to National Ambient Air Quality Standards, sulfur dioxide standards, definitions, and references to state/federal rules. Compliance Manager Toby Mahar discussed changes to the NWCAA facility registration program.

1. **New Source Review (NSR) / Construction permits:** Some of the permits required by current NWCAA rules for very small projects do not provide significant air quality benefits. There are two main justifications for changing this rule to eliminate the need for NWCAA permitting for these small projects.
 - o Recent (within the last 10 years) U.S. Environmental Protection Agency (EPA) rules now reduce air pollution for these same projects. Layering NWCAA permits on top of these rules is not an efficient use of resources and does not provide significant added air quality benefits. Agency staff want to re-focus permitting on those areas where they can provide significant air quality benefits.
 - o The permits cost permit applicants time and money both in obtaining the permit and in the ongoing compliance and administrative activities associated with having a permit. NWCAA does not believe this burden is justified given the size of the projects and that the permit is not adding air quality protections.

The Agency does not anticipate any negative impacts to local air quality as a result of changing this rule to allow these project to proceed without a NWCAA permit.

2. **Registration:** Agency staff are collecting and reviewing emissions data for the facilities in NWCAA's jurisdiction, and based on this information are hoping to establish some new categories for businesses. Mahar hopes to break out some of the registration fees for smaller businesses, which should reduce their cost burden. Mahar will be working with a sub-group of Advisory Council members in July and August to assist her with this process. Mahar is also advocating for a cleanup of the language used for registered sources.

3. **References to National Ambient Air Quality Standards (or NAAQS):** The NWCAA rules include a narrative listing of the NAAQS. The NAAQS are set and periodically changed by EPA. Each time EPA updates the NAAQS, NWCAA must update our rules as well.

Because the NAAQS are also in the Washington Department of Ecology's rule, we're looking at being more efficient by simply adopting Ecology's rule by reference instead of listing the standards in our rules. The benefit of this change is that when EPA changes the NAAQS, the NWCAA will have a more efficient way to update the NAAQS in our rule.

4. **Sulfur dioxide (SO₂) limit in NWCAA 460**

The current NWCAA rule includes a monthly limit on the amount of SO₂ emitted by certain large sources. We are considering removing this limit for the following reasons:

- Emissions from facilities (including refineries) are much lower now; and we now have additional regulations to keep emissions low. Current emission limits in effect through other rules and permits at these sources are more stringent than the limit in NWCAA 460. As a result, the limit in NWCAA 460 does not result in improved air quality.
- Tracking compliance with a rule that does not result in improved air quality is an unnecessary burden.

5. Definitions: NWCAA staff propose adding/change definitions to improve clarity and consistency.

6. Annual update of federal and state rules: As Ecology and EPA make rule changes, we need to adopt the changes by reference so we can enforce them. We make this update annually to keep up to date.

McIntyre outlined the expected timeline:

- July–September – The possible changes will be discussed internally and the Agency will seek input from stakeholders including Ecology and EPA.
- August – A progress update will be given during the August Board meeting.
- October–November – A public comment period will be held.
- December – Revisions presented to the Board for adoption.
- January 1, 2018 – Implement the revised rules.

ACTION ITEMS

Resolution 551 – Authorize amending the fiscal year 2017 Operating Fund – Alicia Huschka

NWCAA Chief Financial Officer Alicia Huschka presented Resolution 551 for Board approval. This resolution authorizes the Agency to shift \$322,000 of penalty revenue to the Cumulative Reserve Fund. The money will remain in that fund until a future and specific Board-approved purpose is determined.

Motion to approve Resolution 551 was made by Heinrich, seconded by Terry Nyman, and approved 5-0.

Resolution 552 – Authorize supplemental (per capita) income for fiscal year 2018 of \$146,202 – Alicia Huschka

Huschka presented Resolution 552 for Board approval. This resolution authorizes the collection of supplemental income for calendar year 2018 in the amount of \$146,202 from cities, towns, and counties based on a \$0.35 per capita rate. Huschka noted that the rate has not changed since 1989. The small increase is due to small increases in population.

Motion to approve Resolution 552 was made by Carl Weimer, seconded by Nyman, and approved 5-0.

Resolution 553 – Approve Operating and Reserve Fund budgets for fiscal year 2018 – Alicia Huschka

Huschka presented Resolution 553 to approve the FY 2018 budgets for the Operating Fund and Reserve Funds.

FY 2018	Total Revenues	Total Expenses	Net Transfers In	Change in Fund Balance
Operating Fund	\$4,273,615	\$4,263,144	\$77,122	\$87,593

Heinrich made a motion, seconded by Hannold, to approve Resolution 553. The Board approved the resolution 5-0.

Resolution 554 – Establish the fiscal year 2018 budget for Supplemental Environmental Projects Fund – Alicia Huschka

Huschka presented Resolution 554 to establish the FY 2018 budget for greenhouse gas mitigation projects previously approved by the Board.

FY 2018	Revenues	Expenses and transfer-out	Change in Fund Balance
Supplemental Environmental Projects Fund	\$3,000	\$1,281,791	\$ (1,278,791)

Hannold made a motion, seconded by Weimer, to approve Resolution 554. The Board approved the resolution 5-0.

Resolution 555 – Amending Contract with Opportunity Council – Mark Buford

Buford presented Resolution 555 for adoption. The Opportunity Council was awarded a Greenhouse Gas Reduction project grant on June 1, 2013. Since that time, it has received an additional \$200,000 via Resolution 526, which the Board approved in October 2015. Resolution 555 approves an 18-month extension to the current term to permit the agency to perform the remaining work.

Hannold made a motion, seconded by Heinrich, to approve Resolution 555. The resolution was approved 5-0.

Bills and claims

Board members discussed the bills and claims report for May 2017. Hannold made a motion to approve the May 2017 bills and claims totaling \$375,130.89. Heinrich seconded the motion, and the Board approved the bills and claims 5-0.

STAFF REPORTS

Director's report – Mark Buford

Buford reported to the Board on the following matters:

- The Agency responded to two separate odor events (on 6/1 and 6/2/17). The most recent incident was related to an oil tanker vessel parked near Vendovi Island, and

the other event affected an area in Ferndale, which included a middle school. NWCAA's role in these situations is not that of a first responder, but rather the Agency is here to investigate and conduct enforcement if there were any violations of the Agency's compliance regulations.

- Buford recently attended the International Airshed meeting, which was held in Blaine, this year. While there, he met with air quality stakeholders from Washington State, U.S. Environmental Protection Agency, Metro Vancouver, the B.C. Ministry of Environment, Environment and Climate Change Canada, Health Canada, and other officials responsible for the region's air quality.

Among the various topics that were discussed was the likelihood of seeing an increase in the use of portable emissions monitors. In the lower British Columbia area, they are seeing an uptick in the use and information that is distributed to the public from these particulate measuring monitors. Some are concerned because these monitors do not consistently perform well, often have no or very limited data quality checks, and often do not come with suitable instructions on how to interpret data. Placement and humidity can also impact the effectiveness of the monitors.

However, the monitors are inexpensive (hundreds of dollars) compared with traditional, proven air quality monitors (tens of thousands of dollars). Low cost and user-friendly setup allow interested consumers to place the monitors in areas of concern to them. Public demand and interest in these low cost monitors is something clean air agencies across the US and Canada agency are beginning to address. At this point, we have a good idea of the technical drawbacks of these monitors and we believe their adoption is inevitable. Our challenge is how to best help the public understand what the data from these low-cost/low performance monitors means and how we as public agencies can use the data from these units (which is often available online) to better protect air quality.

- Buford reminded Board members that the Board will not meet in July.

New source review and air operating permit update – Agata McIntyre

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

During May 2016, the agency received seven applications for construction permits and issued five construction permits.

One of the applications received was from the Ferndale Petrogas Storage facility. Petrogas applied for and was granted permits for two new compressor engines for their pipeline storage terminal operation. However, during the time that the new engines were being built, one of the existing engines failed. They made a decision to invest in repairing the existing engines. As a result, they have requested a permit modification to allow the option to use the old, rebuilt engines as back-up units to their new compressor engines.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported on the two recent odor incidents.

Mahar reported that the first incident took place on June 1, 2017. NWCAA received three complaints, the first at 1:37 p.m. reporting a strong gas fume odor that had started around

11:30 a.m. NWCAA later learned that the Whatcom County Emergency Management system received many complaints, including from the Ferndale School District.

NWCAA found that earlier that day Phillips 66 experienced an upset that caused an on-site odor.

An Agency inspector responded to the Ferndale area, but was unable to detect the odor. Agency staff are still investigating this incident.

The second incident occurred late Friday afternoon on June 2. Approximately 23 complainants reported a strong petroleum odor from Samish Island to Bow. Based on complainant information, the source of the odor was a tanker vessel at anchor in the Vendovi Anchorage just north of Samish Island. NWCAA Inspector Bob Uhrich investigated and confirmed the odor. Inspector Rebecca Brown notified the U.S. Coast Guard of the reported impacts.

Subsequent conversations determined the identity of the tanker vessel and contents: the Mare Siculum contained extra light crude oil bound for the BP refinery. In the heat of the day on June 2, the tanker pressure relief system released vapors from the storage tanks. Review of wind measurements confirmed the Mare Siculum as the source of the Samish Island to Bow odors on June 2.

NWCAA staff heard accounts of similar odors on June 3, in Bellingham, from the local Fire Department. Again, the Mare Siculum was upwind during a pressure relief venting and was determined as the likely source of the odor.

NWCAA has no jurisdiction over mobile sources, including tanker vessels (as well as motor vehicles, locomotives, and aircraft). However, NWCAA asked the Coast Guard to inspect the tanker’s vapor recovery system and involved the staff at the BP Refinery. BP was able to reschedule the offloading of this ship, which allowed the ship to leave the area sooner than planned.

Mahar recognized the importance of NWCAA sharing any information we have at the time of the event. NWCAA also gained new contacts for information that may be useful in the event of future vessel odor issues.

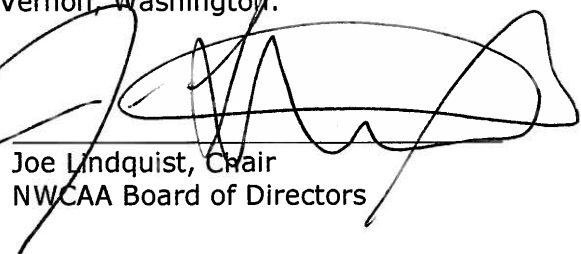
ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:33 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 8, 2017, in Mount Vernon, Washington.

ATTEST: 
Terry Nyman, Secretary
NWCAA Board of Directors


Joe Lindquist, Chair
NWCAA Board of Directors

DATED: August 10, 2017