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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, August 10, 2017, at 1600 S. 2nd St., Mount Vernon, Wash.

MEMBERS PRESENT:

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

MEMBERS ABSENT: Brian Heinrich

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 Carl Weimer, seconded by Ron Wesen, the minutes for the June 8, 2017, meeting were approved 6-0.

ACTION ITEMS**Resolution 556 – Authorize amending the fiscal year 2018 Operating Fund – Alicia Huschka**

NWCAA Chief Financial Officer Alicia Huschka presented Resolution 556 for Board approval. This resolution authorizes the Agency to carry forward unspent funds that were previously committed to the Columbia Valley woodsmoke reduction program (\$41,800) and funds dedicated to the Legal expense fund (\$18,319), as well as transferring \$23,789 of the FY 2017 carry forward balance 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 556 was made by Jim Campbell, seconded by Rick Hannold, and approved 6-0.

Bills and claims

Board members discussed the bills and claims reports for June and July 2017. Weimer made a motion to approve the June (\$453,489.36) and July (\$346,661.29) 2017 bills and claims. Hannold seconded the motion, and the Board approved the bills and claims 6-0.

STAFF REPORTS**Update on the recent wildfire smoke – Mark Buford**

NWCAA Executive Director Mark Buford gave a brief presentation about the recent wildfire smoke that inundated the Pacific Northwest. This smoke event originated from the wildfires in British Columbia. The fires have burned 1,427,170 acres so far, and depending on the winds, the smoke typically has been flowing to the northeast, but for 10 consecutive days, the smoke flowed into Washington and Oregon.

This event led to some high readings for particulate in our jurisdiction, and also affected those south of it. The monitor at Enumclaw reported some exceptionally high ozone levels related to the smoke and pollution in this area.

Fiscal Year 2017 Year-end financial report – Alicia Huschka

Agency Chief Financial Officer Alicia Huschka presented a summary report for the close of fiscal year 2017.

	Actual as of June 30, 2017	Budget	% of Annual Budget
Revenues	\$4,647,598	\$4,584,139	101%
Expenses	\$4,219,913	\$4,503,757	94%

	Operating Fund	Cumulative Reserve Fund	Capital Replacement Fund	Supplemental Environmental Fund	Personnel Costs Reserve Fund	Legal Reserve Fund	Total
Assets	\$1,423,962	\$709,245	\$182,475	\$1,497,966	\$264,035	\$251,448	\$4,329,130
Liabilities	211,809	0	0	0	0	0	211,809
Fund Balance	1,212,152	709,245	182,475	1,497,966	264,035	251,448	4,117,321
Liabilities and Fund Balance	\$1,423,961	\$709,245	\$182,475	\$1,497,966	\$264,035	\$251,448	\$4,329,130

Huschka 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 2017 expenses to date	Cumulative Project Expenses	Balance
Opportunity Council	Community Energy Challenge	\$ 2,700,000	\$ 684,616	\$2,325,500	\$ 374,500
Washington State University	Farm energy audits	\$ 241,681	\$ 33,550	\$ 241,659	<i>Completed 12/31/16</i>
City of Bellingham	Hydro-electric project or Solar panels	\$ 760,000	\$ 0	\$ 0	\$ 760,000
Sustainable Connections	Energy Prize, Nat'l. Leadership	\$ 150,000	\$ 74,749	\$ 141,331	\$ 8,669
Whatcom Council of Governments	Smart Trips	\$ 95,000	\$ 21,000	\$ 21,000	\$ 74,000
NWCAA Administration	Legal services, contract management, admin. overhead	\$ 676,726	\$ 52,012	\$ 474,600	\$ 202,126
Totals		\$4,623,407	\$ 865,927	\$3,204,090	\$1,419,295

NWCAA Rules revisions, update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre discussed the progress of the rule changes that were introduced to the Board at the July Board Meeting. These rule changes are in the following areas: construction permits, references to National Ambient Air Quality Standards (NAAQS), sulfur dioxide standards, definitions, references to state/federal rules, and changes to the NWCAA facility registration program.

McIntyre explained that there has been a delay due to the agency's desire to submit the NWCAA rule changes to the U.S. Environmental Protection Agency (EPA) for an informal review prior to them being included into the State Implementation Plan (SIP). The SIP is a mandatory state plan for complying with the NAAQS. Agency rules that we rely on to comply with the NAAQS are incorporated into the SIP. Not all Agency rules fall in this category, and in the past we've made numerous rule changes without needing to go through this process. This set of rule changes is different because we do rely on these rules for compliance with the NAAQS. Therefore, we'll need to request that EPA incorporate them into the SIP.

Agency Engineer Lyn Tober recently spoke with EPA staff who offered a 6-month informal review period of the draft rule. During this review, EPA will provide recommendations for

any additional changes needed before our rule changes can be incorporated into the SIP. We did not anticipate this review step when we first discussed timelines, but now understand it is EPA's preferred approach. Taking this step into account, we now anticipate that we will bring the rule changes before the Board for approval at the end of calendar year 2018 (instead of early 2018, as we previously thought). We hope that having EPA's buy-in on the draft rule changes will result in a smooth SIP submittal process and eliminate the need for additional rule changes down the road.

Source registration update – Toby Mahar

Agency Compliance Manager Toby Mahar recently met with two Advisory Council members, Steve Crockett and Sandy Paris, to review the registration fees. The goal of this project is a new registration fee structure that more fairly assesses fees based on compliance workload and facility emissions. The proposal will be revenue neutral.

Director's report – Mark Buford

Buford asked the Board for input regarding any future presentations they may like to see. Board members expressed interest in the following topics: what NWCAA has jurisdiction over, learning about the latest news with climate change, local industry issues (e.g., could refineries export crude?).

Buford reported to the Board on the following matters:

- Advisory Council member Rudy Allen's term will soon expire, and the Advisory Council has identified that a representative from Island County with a health or academic background would enhance the composition of the Council. Buford has been working with Rick Hannold to identify possible volunteers who might be interested in serving on this committee. Hannold believes that Island County's Director of Environmental Health, Jill Wood, would be a good candidate. Buford has arranged for her to attend the September Advisory Council meeting for an interview.
- Buford informed the Board that there was a recent opinion article lobbying for San Juan County to go back under the Agency's jurisdiction. In 1983, San Juan County elected to opt out of NWCAA's jurisdiction, and instead was ruled directly by Ecology. Terry Nyman mentioned that they are the only county in Western Washington not covered by a Clean Air Agency, and he supported Buford reaching out to San Juan County government to see if there is any interest in rejoining NWCAA's jurisdiction. The Board supported Buford exploring this option.

New source review and air operating permit update – Agata McIntyre

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

During June 2017, the agency received four applications for construction permits and issued two construction permits. During July 2017, the agency received four applications and issued eight construction permits.

One of the permits the Agency recently issued was for the BP Cherry Point refinery to replace existing coker heaters with new heaters. The 30-day appeal period for the permit has ended, and the NWCAA permit was not appealed. However, this project required two air

permits, one from the NWCAA and one from the Washington State Department of Ecology. The Ecology permit was appealed by the National Parks Conservation Association, which previously voiced concerns about visibility impairment in the national parks due to the project's air emissions. The appeal is to the Pollution Control Hearings Board.

NWCAAs staff recently drafted a permit for Petrogas Ferndale Storage Terminal to enable the facility to operate their old compressor engines as back-up (in case of breakdown/maintenance) for the new compressor engines they purchased. A public comment period and hearing were requested. The 30-day public comment period is now open, and a hearing is scheduled for 6:30 pm on September 5th, 2017 at the Ferndale Public Library.

NWCAA staff also recently issued a permit to the Tesoro refinery for the Clean Products Upgrade project. Tesoro will upgrade equipment to reduce sulfur in products, construct equipment to extract and ship xylene, and install vapor controls at the marine shipping dock. The Agency issued the permit after holding a hearing and responding to public comments. The 30-day permit appeal period ends August 17, 2017. So far, the permit has not been appealed.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported that the inspectors are primarily focused on conducting annual registered source inspections. Mahar also noted that odor complaints have increased over the summer. Many of the complaints that were processed in June, were a result of the tanker vessel odor incident.

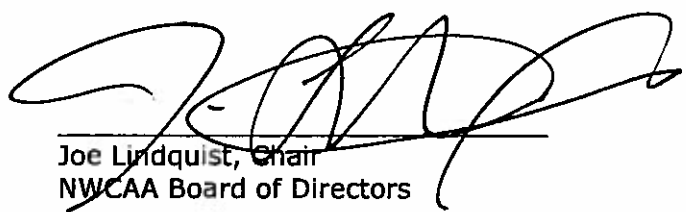
ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:55 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 August 10, 2017, in Mount Vernon, Washington.

ATTEST: 
Terry Nyman, Secretary
NWCAA Board of Directors


Joe Lindquist, Chair
NWCAA Board of Directors

DATED: September 14, 2017