



1600 South Second Street
Mount Vernon, WA 98273-5202
ph 360-428-1617
fax 360-428-1620
info@nwcleanairwa.gov
www.nwcleanairwa.gov

BOARD MEETING MINUTES

The meeting of the Board of Directors of the Northwest Clean Air Agency was held at 1:30 p.m. Thursday, September 14, 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	Brian Heinrich Carl Weimer
Member-At-Large	Terry Nyman

ALSO PRESENT:

NWCAA staff members	Mark Buford, 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 Richard Hannold, seconded by Jim Campbell, the minutes for the August 10, 2017, meeting were approved 6-0 (*Ron Wesen arrived shortly after the vote*).

NEW BUSINESS

PRESENTATION: NWCAA Jurisdiction (Stationary Sources) – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre presented information about the types of businesses (sources) that the Agency regulates.

- NWCAA regulates stationary sources (attached to the ground) in Whatcom, Skagit, and Island counties, but does not regulate non-stationary or mobile sources (such as planes, trains, and automobiles).
- NWCAA regulates most, but not all, stationary sources. One exception is the Intalco Aluminum smelter, which is regulated by the Washington State Department of Ecology. Ecology also maintains jurisdiction over all pulp and paper mills in the state (none currently operating in Whatcom, Skagit, or Island counties).
- The U.S. Environmental Protection Agency (EPA) sets National Ambient Air Quality Standards (NAAQS) for six principal pollutants. The six criteria air pollutants are:
 - Carbon Monoxide (CO)
 - Lead (Pb)
 - Nitrogen Dioxide (NO₂)
 - Ozone (O₃)
 - Particle Pollution (PM_{2.5})
 - Sulfur Dioxide (SO₂)

Each of these pollutants has a defined limit. If monitored concentrations are above a limit, EPA will designate a geographic area as out-of-attainment (nonattainment) for that pollutant.

- Presently, NWCAA’s jurisdiction is designed in-attainment for all NAAQS. However, SO₂ emissions in the Cherry Point area need scrutiny to see whether the area is in (or out) of attainment with the 2010 SO₂ NAAQS (75 parts per billion SO₂, measured as the 99th percentile of 1-hr daily maximum concentrations, averaged for three years).
- Annual SO₂ emissions for some of the large industrial sources in Whatcom, Skagit, and Island counties:

SOURCE	Phillips 66 Refinery	BP Refinery	Intalco Aluminum	Shell Refinery	Andeavor Refinery	Chemtrade
AMOUNT of SO₂	45 tons	781 tons	4,374 tons	246 tons	125 tons	174 tons
LOCATION	Cherry Point	Cherry Point	Cherry Point	March Point	March Point	March Point

- NWCAA has jurisdiction over Phillips 66, BP, Shell, Andeavor, and Chemtrade, but not Intalco. The Washington Department of Ecology retains jurisdiction for Intalco.
- There are five SO₂ monitors in Skagit County near March Point. All five show readings in attainment with SO₂ NAAQS.

- There are five SO₂ monitors at/near the Cherry Point area. Three of the monitors (near town of Custer, near BP refinery, and near Phillips 66 refinery) are showing readings in attainment with SO₂ NAAQS. The two monitors near Intalco have shown readings that may be high enough to exceed the NAAQS. The NAAQS is based on a three-year average, and we're only in the first year of gathering data. Therefore, no definitive conclusion can be made.
- If the current trend of emissions continues at the monitors near Intalco, Ecology and NWCAA will need to discuss an SO₂ nonattainment designation with EPA.
- States must propose nonattainment area boundaries to EPA, but it is EPA that makes the decision. As a default, EPA generally designates nonattainment area boundaries along county lines unless strong evidence supports a different boundary. The State provides this evidence. In this case, evidence may support setting the Cherry Point area (rather than all the entirety of Whatcom County) as the boundary. The boundary could be set even smaller, but as the area gets smaller, the required justification becomes more rigorous. NWCAA would be a stakeholder in any proposal that the State may eventually be required to make.
- If an area is deemed as nonattainment for a pollutant, all of the industrial sources in the area will need to install more stringent air pollution controls for that pollutant when they have construction projects and will need to offset project-related emission increases of that pollutant with decreases elsewhere in the air-shed. Again, at this point there is only one year of data. It is premature to suggest that nonattainment will occur, but not too early to be aware of the possibility.

NWCAA Executive Director Mark Buford stated that Intalco is aware of the situation, but Alcoa (the owner of Intalco) appears reluctant to invest significantly in this facility.

Appointment of new Advisory Council member – Mark Buford

The Advisory Council met last week, and Island County's Environmental Health Director, Jill Wood, attended the meeting as a guest. The Advisory Council fully supported Wood being appointed to the Council. Buford will bring forward this recommendation for a vote at the December Board meeting.

Bills and claims

Board members discussed the bills and claims reports for August 2017. Campbell made a motion to approve the August 2017 (\$329,711.84) bills and claims. Brian Heinrich seconded the motion, and the Board approved the bills and claims 7-0.

STAFF REPORTS

Director's Report – Mark Buford

- **Update on the recent wildfire smoke**

Buford gave a brief presentation about the recent wildfire smoke that flowed into NWCAA's jurisdiction. The September smoke event resulted from forest wildfires in Eastern Washington. Currently there were 13 active wildfires in this area, and approximately 200,000 acres have burned. In British Columbia they had 1,427,170 acres burn (as of

August 4, 2017). As a result of this smoke, Bellingham had four days where the NAAQS for particulate was in excess of the allowable amount.

In addition to the high readings for particulate in our jurisdiction, the wildfires have 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. The State is considering whether to appeal to EPA that these high values be determined to result from an "exceptional event." If the State asks and if EPA agrees, these high values could be discarded when determining if the Seattle and surrounding area is in attainment with the national ambient air quality standard for ozone. There is no such need in the NWCAA jurisdiction where air quality, though poor, was not bad enough to trigger such a need.

- **The State capital budget has been held up in the Legislature.**

The budget hold-up has a potential impact on the Agency's ability to fund wood stove replacements in the Columbia Valley area. In the past, the State has budgeted close to \$1 million for woodstove replacement projects across the State. The amount that NWCAA will receive this year is uncertain and is delayed pending the passage of the State capital budget.

Additionally, the Core grant that the Agency typically receives from EPA has not been distributed, and at this point in time the State is uncertain as to whether EPA will continue with the amount that they have distributed in the past.

Buford explained the Agency is well positioned financially to continue the mission fully and without impact while these situations are resolved, but it may require transferring funds from reserves. Buford may bring forward such a resolution in the next couple of months.

- **Board member At-Large position is set to expire in December.**

Terry Nyman has agreed to serve four more years on the Board in the Citizen-At-Large position. Staff recognize that Nyman's extensive experience in air quality issues has been a valuable asset to the Board and the Agency. Staff fully supports and recommends that the Board reappoint Nyman and trusts that the Board agrees. The appointment is a Board decision. After brief discussion among Board members, Buford stated he intends to bring this issue forward for Board approval at the December Board meeting.

- **Legal decision for Brooks Manufacturing Appeal.**

Buford reported that a judge in Thurston County Superior Court recently ruled in favor of upholding the Pollution Control Hearing's Board decision that Brooks Manufacturing needed to get a permit for their replacement baghouse.

Brooks can further appeal this decision with the Washington Court of Appeals.

NWCAA Rules revisions - Registered Source Fee schedule update – Toby Mahar

Agency Compliance Manager Toby Mahar recently met with Advisory Council subcommittee members Steve Crockett, Mary Hess, and Sandy Paris to assist in the drafting of a proposal to change 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 group and staff have entertained different concepts for fees, and currently Mahar is leaning

toward a base fee, along with additional fees based on workload, and emissions for each source or category of sources.

The Advisory Council subcommittee will meet later this month to finalize the proposal with the goal of an initial Board discussion in October (there will be no Board action in October on this subject). The proposal will be revenue neutral. Some sources will experience a decrease in their registration fees, while others will see an increase. Mahar intends to bring the details of the proposed revisions to the October Board meeting.

New source review and air operating permit update – Agata McIntyre

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

During August, the agency received five applications for construction permits and issued four construction permits.

Agency staff recently held a public hearing regarding a permit for the Petrogas Ferndale Storage Terminal to operate their old compressor engines as back-up (in case of breakdown/maintenance) to new engines they're in the process of installing. In 2016, Petrogas received a NWCAA permit to install the new compressor engines. At that time, Petrogas indicated that they would replace the old compressor engines with the new engines. They applied in 2017 for a modification to the permit to enable them to preserve the old engines as back-up. NWCAA received comments from one member of the public and one Petrogas consultant during the hearing. Staff are working on a response to comments.

Agency staff are also working on a permit for the BP refinery, to install a new compressor and ancillary equipment. The new compressor will help capture gas during venting of existing coke drums and route the gas to the refinery fuel-gas system instead of it being released directly to the air. NWCAA received a public request for both a public comment period and a hearing for this project.

NWCAA rules stipulate that a 30-day public comment period must be held any time one is requested. For hearings, NWCAA rules state that a hearing is held if the Agency determines that there is significant public interest. NWCAA currently does not have a policy to better define when a hearing should be held.

Board members encouraged NWCAA staff to develop a written policy about defining the public's interest for hearings, or when there are grounds for denying a request for a public hearing. Buford stated the agency will side with greater public involvement, but recognizes that the Agency could benefit from a policy. Buford will work with staff on developing a policy.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported that in August, the Agency issued three Notice of Violations for illegal outdoor burning, all occurred during burn ban periods.

Agency staff have also been working on a case involving Wilcox Farms at its egg-laying facility in Burlington. There is conflict around their ventilation system discharging onto a neighboring property. Mahar will update Board members as this case evolves.

Mahar also noted that dust and odor complaints have increased over the summer.


ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:45 p.m.

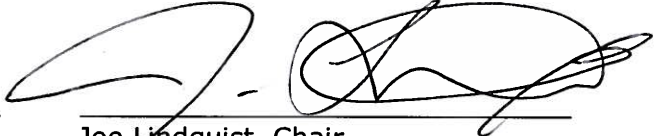
CERTIFICATION

I hereby certify this is a true and correct copy of the minutes of the meeting of the NWCAA Board of Directors held on Sept. 14, 2017, in Mount Vernon, Washington.

ATTEST:



Terry Nyman, Secretary
NWCAA Board of Directors



Joe Lindquist, Chair
NWCAA Board of Directors

DATED: October 12, 2017