



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, Feb. 8, 2018, at 1600 S. 2nd St., Mount Vernon, Wash.

MEMBERS PRESENT:

Skagit County	Joe Lindquist Ron Wesen
Island County	Richard Hannold Bob Severns
Whatcom County	Brian Heinrich Satpal Sidhu
Member-At-Large	Carl Weimer for Terry Nyman

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 Vice Chairman Brian Heinrich called the meeting to order at 1:31 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On a motion by Richard Hannold, seconded by Ron Wesen, the minutes for the Dec. 14, 2017, meeting were approved 5-0. (Bob Severns abstained from the vote and Joe Lindquist arrived shortly after the vote.)

NEW BUSINESS

ELECTION OF BOARD OFFICERS

Heinrich opened the floor for the annual Board elections. Buford explained that traditionally the Vice Chair moves to Chair, and the three counties rotate to the Vice Chair position.

Buford also mentioned that typically the Board refrains from assigning any committee duties to new Board members for their first year.

Wesen made a motion to nominate Brian Heinrich for Chairman of the Board, seconded by Hannold. The motion passed 6-0. Heinrich made a motion to nominate Richard Hannold for Vice Chairman of the Board, seconded by Severns. The motion passed 6-0. Heinrich made a motion to nominate Terry Nyman for Board Secretary, seconded by Wesen. The motion passed 6-0.

Newly elected Chairman Heinrich appointed the following Board members to the Finance Committee:

<i>Finance Committee</i>		
Chair	Ron Wesen	Skagit County
Member	Brian Heinrich	Whatcom County
Member	Terry Nyman	Member-At-Large
<i>Employer/Employee Relations Committee</i>	All positions are ex officio	
Chair	Brian Heinrich	City of Bellingham
Vice Chair	Richard Hannold	Island County
Finance Chair	Ron Wesen	Skagit County

PRESENTATION

Whatcom County's Specialized Emergency Response Program (SERP)

Chuck Henkel, the team leader and Bellingham Fire Department Battalion Chief, explained the overall purpose of the Specialized Emergency Response Program (SERP).

The SERP was formed in 1996 to serve as the primary hazardous materials response team for Whatcom County. SERP is a non-profit public-private partnership formed to respond to any hazardous materials event. The team is manned by approximately 30 volunteers from various agencies. HAZMAT team members responded to an odor incident in the Ferndale area, and NWCAA Executive Director Mark Buford became aware of their need to upgrade the air monitoring equipment that they use to respond to incidents.

NWCAA is not a first responder, so the information collected by this group could be beneficial to the Agency. SERP team member Thomas D'Angelo stated that their air-monitoring equipment is more than 10 years old, starting to fail and not compatible with the latest real-time technology that the State and Federal HAZMAT teams use. This limits the team's ability to track down and identify transient odors.

Buford will review their list of equipment that they would like to upgrade and possibly bring forward a request at the March Board meeting to provide some funding for the SERP team's air-monitoring equipment needs.

Fiscal Year 2018 second quarter financial report (July 1 – Dec. 31, 2017) – Alicia Huschka

NWCAA Chief Financial Officer Alicia Huschka reviewed actual financial results compared to the annual budget for fiscal year 2018 for the Operating Fund for the six-month period ending Dec. 31, 2017.

	Year-to-date	Annual Budget	% of Annual Budget
Revenues	\$3,178,805	\$4,273,615	74%
Expenses	\$1,952,781	\$4,348,262	45%

Huschka identified the following revenue and expense highlights:

- Air operating permit revenues are \$2,879,147 through December 31, 2017, which is 99 percent of the annual budgeted amount.
- Registration fees budgeted at \$580,000 will be invoiced in February 2018.
- Government grants are at \$48,776, which is 14% of what was budgeted. The State wood smoke grant was held up with the State Capital budget, and it is unlikely to be received during this woodstove season.
- The asbestos program continues to be busy and revenues so far are at \$50,288 or 59% what was budgeted for the year.
- Per capita fees totaling \$146,202 have been received.
- Penalty revenues are \$4,173, which is less than the budgeted amount of \$85,000.
- Salaries & wages are right where they should be at 50% of the budget.
- Capital expenses for monitoring equipment, including a van and a new monitoring trailer, are in the budget and will be expended by the end of FY 2018.

Huschka stated that the fiscal year 2018 budget is on track, and the agency is where it should be compared to the budget for the second quarter.

Huschka reviewed the agency's consolidated balance sheet as of Dec. 31, 2017:

	Operating Fund	Cumulative Reserve Fund	Capital Replacement Fund	Supplemental Environmental Fund	Personnel Costs Reserve Fund	Legal Reserve Fund	Total
Assets	\$2,686,791	\$711,736	\$183,431	\$1,302,213	\$265,389	\$252,737	\$5,402,297
Liabilities	234,870	0	0	18,793	0		253,663
Fund Balance	2,451,921	711,736	183,431	1,283,420	265,389	252,737	5,148,634
Liabilities and Fund Balance	\$2,686,791	\$711,736	\$183,431	\$1,302,213	\$265,389	\$252,737	\$5,402,297

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 2018 expenses to date	Cumulative Project Expenses	Project Budget Balance
Opportunity Council	Community Energy Challenge	\$ 2,708,669	\$ 188,055	\$2,513,555	\$ 195,114
Washington State University	Farm energy audits	\$ 241,681	\$ 0	\$ 241,659	\$ 0
City of Bellingham	Solar project	\$ 760,000	\$ 0	\$ 0	\$ 760,000
Sustainable Connections	Energy Prize, Nat'l. Leadership	\$ 141,331	\$ 0	\$ 141,331	\$ 0
Whatcom Council of Govt.	Smart Trips	\$ 95,000	\$ 15,800	\$ 36,800	\$ 58,200
NWCAA Administration	Legal services, contract management, admin. overhead	\$ 676,726	\$ 18,531	\$ 511,580	\$ 165,146
Totals		\$4,623,407	\$ 222,386	\$3,444,924	\$1,178,460

Fiscal year 2019 proposed budget – Alicia Huschka

Agency budget calendar:

- January - March – Internal budget development
- March 1 – Review draft budget with Advisory Council
- April 12 – Review proposed budget with Finance Committee
- May 10 – Presentation of proposed budget to Board of Directors
- June 14 – Adoption of budget by Board of Directors
- July 1 – New fiscal year begins

ACTION ITEMS

Appointment to the Advisory Council

Buford explained the role of the Agency's Advisory Council. The Council meets four to five times per year, and provides feedback regarding issues that are important to staff members and to the Board of Directors. During the January 2017 Advisory Council retreat, members identified the importance of adding a representative from the environmental community to the Council to gain a wider perspective on the issues that they address.

Buford asked the Council to consider Carl Weimer for this position and the Advisory Council unanimously agreed that Weimer would be a good choice for this position. Buford asked the Board to approve this appointment, listing the advantages of having Weimer in this position – institutional memory, Board member perspective, and well-respected in the environmental community. Board members expressed their support for appointing Carl Weimer to the Advisory Council.

Bills and claims

Board members discussed the bills and claims reports for December 2017 (totaling \$348,920.35) and for January 2018 (totaling \$362,379.52). Joe Lindquist made a motion to approve the December 2017 and January 2018 bills and claims. Hannold seconded the motion, and the Board approved the bills and claims 7-0.

STAFF REPORTS**Executive Director's report – Mark Buford**

Buford reported to the Board on the following matters:

- Buford expressed some concern that the air quality in Columbia Valley was poor due to some stagnant climate systems that occurred in December 2017. In early January, he met with the Director of the Opportunity Council, Greg Winter, to identify some alternatives in our approach that may improve the situation.
- Buford recently attended the National Air Quality conference held by the Environmental Protection Agency (EPA). While there, they discussed the challenges of promoting air quality in areas where they are heavily reliant on the use of woodstoves. The NWCAA was highlighted in a presentation by the EPA for our work in Columbia Valley.
- Buford also attended the National Association of Clean Air Agencies conference, which was held in Washington, D.C. While there, he met with the new EPA Assistant Administrator for the Office of Air and Radiation and learned about some changes that the new administration at the EPA hope to accomplish in the coming year.
- A data programmer from Puget Sound Clean Air Agency (PSCAA), has become available to do some work for NWCAA. Buford would like to hire her to work on the Agency's database. In the long run, hiring this person will be about the same cost as contracting out with the Canadian business that NWCAA has used in the past. The advantage is that we would benefit from the programmer's 17 years of experience with PSCAA. Having knowledge of what air agencies do is tremendously valuable to someone who is designing tools that NWCAA staff will use. The types of projects that NWCAA has are similar to those the programmer worked on at PSCAA, so we would gain from her experience. Board members supported this opportunity hire.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the December 2017 and January 2018 construction permit (new source review) activity.

In January one of the construction permits received was from the Safe Harbor Funeral Services. McIntyre explained that they are hoping to change their permit so that they are able to handle 2,500 additional cremations per year. McIntyre added that these types of facilities, if not operating properly, can put out smoke and air toxics.

McIntyre explained that a part of the Air Operating Permit (AOP) program involves renewing AOPs every five years. AOPs consolidate construction permits as well as applicable federal, state, and local air regulations into one place for each facility. AOPs are issued only to larger facilities. In 2017, the engineers renewed 9 out of the Agency's 25 AOPs. This reflects a tremendous amount of work. The Washington Department of Ecology just concluded a statewide audit of AOP programs. Washington has 8 such programs, including NWCAA. NWCAA was recognized as having the lowest backlog of AOP renewals of all the agencies statewide and was complimented on the quality of the AOPs.

Last year, the Agency also issued 44 construction permits for new or modified sources.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported on December 2017 and January 2018 enforcement and provided the following highlights of additional compliance staff activities.

- The EPA recently engaged in a performance review of the Compliance and Enforcement programs across the nation. EPA found all elements of NWCAA’s program met or exceeded expectations. Mahar pointed out that NWCAA is the only agency in Washington State to be recognized with this accomplishment.
- NWCAA issued six NOVs in January. Four of the six were issued to the Tesoro refinery: Each pertaining to separate issues. The remaining two addressed illegal burning and asbestos issues.
- NWCAA issued three penalties in December addressing illegal burning and asbestos violations.
- NWCAA recently settled two Pollution Control Hearings Board appeals. Two other appeals remain pending.
- NWCAA recently settled NOV 4241 with the Tesoro Refinery. Tesoro coordinated a multi-party capital project to upgrade power equipment minimizing power interruptions to the Chemtrade facility that result in excess emissions at the refinery.
- NWCAA will be proposing a regulation within the coming months that will impose basic enclosure, filtration, exhaust, records, and covered container standards for spray-coating operations. The standards integrate with fire and worker safety requirements as well as other local air quality regions. NWCAA will release an informal proposal first, followed by a formal rulemaking process.

BOARD MEETING SCHEDULE

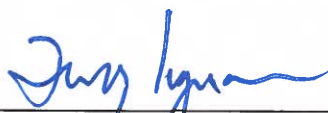
The Board agreed to continue meeting on the second Thursday for each month in 2018, with the exception of January and July.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:53 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 Feb. 8, 2018, in Mount Vernon, Washington.

ATTEST: 

Terry Nyman, Secretary
NWCAA Board of Directors



Brian Heinrich, Chair
NWCAA Board of Directors

DATED: March 8, 2018