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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, Sept. 13, 2018, at 1600 S. 2nd St., Mount Vernon, Wash.

MEMBERS PRESENT:

Skagit County	Ron Wesen
Island County	Richard Hannold Bob Severns
Whatcom County	Brian Heinrich
Member-At-Large	Terry Nyman

MEMBERS ABSENT:

Joe Lindquist
Satpal Sidhu

ALSO PRESENT:

NWCAA staff members	Mark Buford, Matt Holmquist, Alicia Huschka, Toby Mahar, Agata McIntyre, Lyn Tober, and Laurie Caskey-Schreiber
Legal counsel	Lisa Keeler for Loch Clark

CALL TO ORDER

Board of Directors Chairman Brian Heinrich called the meeting to order at 1:30 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Rick Hannold, seconded by Bob Severns, the minutes for the August 9, 2018, meeting were approved 4-0 (*Ron Wesen arrived shortly after the vote*).

PRESENTATION**Fiscal Year 2018 Year-end financial report – Alicia Huschka**

Agency Chief Financial Officer Alicia Huschka presented a summary report for the close of fiscal year 2018.

	Actual as of June 30, 2018	Budget	% of Annual Budget
Revenues	\$4,139,208	\$4,273,615	97%
Expenses	\$4,132,370	\$4,423, 262	93%

	Operating Fund	Cumulative Reserve Fund	Capital Replacement Fund	Supplemental Environmental Fund	Personnel Costs Reserve Fund	Legal Reserve Fund	Total
Assets	\$1,570,729	\$582,437	\$184,777	\$1,123,491	\$267,376	\$179,630	\$3,908,440
Liabilities	228,812	0	0	0	0	0	228,812
Fund Balance	1,341,917	582,437	184,777	1,123,491	267,376	179,630	3,679,628
Liabilities and Fund Balance	\$1,570,729	\$582,437	\$184,777	\$1,123,491	\$267,376	\$179,630	\$3,908,440

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	Balance
Opportunity Council	Community Energy Challenge	\$ 2,708,669	\$ 302,410	\$2,627,910	\$ 80,759
Whatcom Council of Governments	Smart Trips	\$ 95,000	\$ 39,500	\$ 60,500	\$ 34,500
City of Bellingham	Hydro-electric project or Solar panels	\$ 760,000	\$ 0	\$ 0	\$ 760,000
Sustainable Connections	Energy Prize, Nat'l. Leadership	\$ 141,331	\$ 0	\$ 141,331	<i>Completed 12/31/16</i>
Washington State University	Farm energy audits	\$ 241,681	\$ 0	\$ 241,681	<i>Completed 12/31/16</i>
NWCAA Administration	Legal services, contract management, admin. overhead	\$ 676,726	\$ 52,711	\$ 545,760	\$ 130,966
Totals		\$4,623,407	\$ 394,621	\$3,617,159	\$1,006,225

ACTION ITEMS**Resolution 566 – Authorize amending the fiscal year 2019 Operating Fund and Cumulative Reserve Fund Budgets – Alicia Huschka**

NWCAA Chief Financial Officer Alicia Huschka presented Resolution 566 for Board approval. This resolution authorizes the Agency to utilize \$275,000 in grant money that NWCAA received from the Department of Ecology to fund the Columbia Valley Woodsmoke reduction program. The funds were awarded after the fiscal year 2019 budget was adopted.

This resolution authorizes a budget amendment allocating funds to the Columbia Valley woodstove replacement program. The Agency will transfer \$16,958 from the Cumulative Reserve Fund to support the Woodstove program, bringing the total amount for the FY19 Woodstove Program expenses in the Operating Fund to \$291,958. A contract with the Opportunity Council in the amount of \$280,500 has been entered into to facilitate the woodstove change-outs, and \$11,458 will be allocated for NWCAA promotion of the program.

Motion to approve Resolution 566 was made by Severns, seconded by Hannold, and approved 5-0.

Resolution 567 – Appointing an Agent to receive any claims for damages – Alicia Huschka

Huschka presented Resolution 567 for Board approval. This resolution is a housekeeping matter that appoints NWCAA's executive director as agent to receive any claims for damage as is required by RCW 4.96.020. 017.

Motion to approve Resolution 567 was made by Hannold, seconded by Terry Nyman, and approved 5-0.

Resolution 568 – Adopting amended Rules by NWCAA

NWCAA Executive Director Mark Buford presented Resolution 568 for Board approval. This resolution reflects a lengthy process that took place to update NWCAA's Rules pertaining to gasoline stations, spray coating operations, and public records requests. A public hearing was held on August 22, 2018, and the Agency also held a public comment period. Agency staff have responded to the comments that were submitted.

The new Rules will become effective 31 days (Oct. 12, 2018) after adoption.

Motion to approve Resolution 568 was made by Hannold, seconded by Severns, and approved 5-0.

Bills and claims

Board members discussed the bills and claims report for August 2018. Wesen made a motion to approve the August (\$340,544.21) bills and claims. Severns seconded the motion, and the Board approved the bills and claims 5-0.

STAFF REPORTS

- **Director's report – Mark Buford**

- **Update on the recent wildfire smoke –**

Buford gave a brief presentation about the recent wildfire smoke that recently inundated the Pacific Northwest. This smoke event originated from the wildfires in Eastern Washington, Olympic Peninsula, and British Columbia.

NWCAA experienced the worst air quality in the Agency's history. This event led to high readings for particulate in NWCAA's jurisdiction. Bellingham had six days above the limit of the National Ambient Air Quality Standards (NAAQS), Anacortes also had six days over the permissible range, and Oak Harbor had two days of poor air quality.

NWCAA called an air quality burn ban from August 20–27, 2018. Prior to this event, the Agency had never called a summer burn ban. With this type of burn ban, all outdoor burning is prohibited including agricultural and recreational fires. Frequently, during fire safety burn bans, recreational and sometimes agricultural fires are permitted.

On August 6, Agency staff met with health department staff from Island, Skagit, and Whatcom counties, to coordinate messaging in wildfire smoke events. The mutual goal was to be better prepared to address communication needs between each county for wildfire smoke events. During this recent smoke event, NWCAA staff coordinated the burn ban information with the Fire Marshals and fire departments to get out accurate information.

Because this smoke event was so widespread across the state, Washington state officials will likely apply to the Environmental Protection Agency (EPA) to treat this time period of heavy smoke, as an exceptional event. Which would mean that these high particulate readings would not be factored in when the EPA reviews the areas in our State that should be put into non-attainment status for violating the NAAQS.

Buford also reported to the Board on the following matters:

- Buford asked the Board how they felt about the recent joint Advisory Council meeting with guest speaker Bill Becker. Board members supported that type of meeting, and at some point in the future they would like to schedule another 20-30 minute session with the Advisory Council members. Members also expressed their support for the information that was shared by Bill Becker. Nyman wanted to stress the importance for the fuel economy standards that were proposed under the Obama administration, these standards were designed to not only curb emissions, but to save consumers money, as well. The current efforts to roll back these standards are something perhaps the Agency and Board should weigh in on.
- The expected new air monitoring equipment van has been delayed. Apparently the van that the Agency ordered, per the State contract, was damaged in transit prior to the NWCAA taking possession. So once again, NWCAA will be ordering a new van.
- Buford informed the Board that he was recently nominated to serve on the Board of Directors for the National Association of Clean Air Agencies (NACAA). Buford explained that if he serves on this Board, there may be instances when his name and the Agency, will be affiliated with a stance that NACAA is advocating for, and would the Board be comfortable with this association. Board members indicated their support for Buford participating on NACAA's Board, acknowledging that such an appointment reflects well on Buford and the NWCAA.

- Buford announced that they are preparing a resolution seeking Board approval for the October Board meeting that will allow the Agency to purchase from the Municipal Research Service Center small works roster.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the August 2018 construction permit (new source review) activity.

During August, the Agency received three applications for construction permits and issued three construction permits.

One of the construction permits received was from the BP Refinery. They intend to modify an existing heater unit by replacing burners that are wearing out. The new replacement burners will be 50% larger and will allow for greater capacity to suit their future needs. This is a fairly large project and Whatcom County will be the SEPA lead agency.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported that the Compliance team issued five enforcement actions during the month of August.

One of the Agency’s largest registered sources, Petrogas, recently installed two new natural gas-fired compressor engines. The engines were permitted as “certified” in accordance with EPA standards. However, the engines that were installed were not certified, changing the compliance requirements. The situation results in a cascade of compliance points that were missed, including failure to notify, obtain the appropriate permit, test, and report. Petrogas is taking steps to correct these problems.

A \$10,000 fine was issued to the BP refinery for excess SO2 emissions. The notice of violation incorporated four separate incidents related to sulfur plant operations. Three of the incidents involved relatively minor excess emissions. However, the fourth event resulted in the release of 35 tons of SO2 in a single day.

The number of complaints in August were within historical norms. The Agency did receive several odor complaints indicating Ershigs as the source. Ershigs is a fiberglass fabrication facility located in Bellingham that emits styrene. Styrene has a low threshold for odor detection.


ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:35 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. 13, 2018, in Mount Vernon, Washington.

ATTEST: 
For Terry Nyman, Secretary
NWCAA Board of Directors


Brian Heinrich, Chair
NWCAA Board of Directors

DATED: October 11, 2018