



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. 14, 2019, at 1600 S. 2nd St., Mount Vernon, Washington.

MEMBERS PRESENT:

Skagit County	Mary Hudson
Island County	Janet St. Clair
Whatcom County	Brian Heinrich Satpal Sidhu (via conference call)
Member-At-Large	Terry Nyman

ABSENT: Bob Severns
Ron Wesen

ALSO PRESENT:

NWCAA staff members	Mark Buford, Alicia Huschka, Toby Mahar, Agata McIntyre, Seth Preston, and Laurie Caskey-Schreiber
Legal counsel	Simi Jain

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 a motion by Terry Nyman, seconded by Mary Hudson, the minutes for the Dec. 13, 2018, meeting were approved 4-0. (Janet St. Clair abstained from 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 officer or committee duties to new Board members for their first year. However, this being a special year due to two new board members, Buford suggested skipping Island County's rotation to the Chair position. Board members indicated their support for this direction.

Heinrich made a motion to nominate the following slate of Board positions; Ron Wesen for Chair of the Board, Satpal Sidhu for Vice Chair, and Terry Nyman for Secretary. Hudson seconded the motion and it passed 5-0.

Being that the newly-elected Chair Wesen was absent, the Board agreed to hold off on appointing committee members until the next meeting.

PRESENTATION

Fiscal Year 2019 second quarter financial report (July 1 – Dec. 31, 2018) – Alicia Huschka

NWCAA Chief Financial Officer Alicia Huschka reviewed actual financial results compared to the annual budget for fiscal year 2019 for the Operating Fund for the six-month period ending Dec. 31, 2018.

	Year-to-date	Budget	% of Annual Budget
Revenues	\$3, 210,807	\$4,365,961	74%
Expenses	\$1,969,664	\$4,721,769	42%

Huschka identified the following revenue and expense highlights:

- Air operating permit revenues are \$2,711,090 through December 31, 2018, which is 99 percent of the annual budgeted amount.
- Registration fees budgeted at \$627,000 will be invoiced in February 2019.
- The asbestos program continues to be busy and revenues so far are at \$50,645 or 48% the budgeted revenue for the year.
- Per capita fees totaling \$148,117 have been received.
- Penalty revenues are \$188,683, which is more than the budgeted amount of \$85,000. This amount does fluctuate year to year, dependent on a variety of factors.
- Salaries & wages are close to where they should be at 47% of the budget.
- Capital expenses for monitoring equipment (including a van), new Prius, and building improvements are at 44% of the budget.

Huschka stated that the fiscal year 2019 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, 2018:

	Operating Fund	Cumulative Reserve Fund	Capital Replacement Fund	Supplemental Environmental Fund	Personnel Costs Reserve Fund	Legal Reserve Fund	Total
Assets	\$2,862,161	\$571,829	\$186,613	\$942,887	\$270,320	\$181,608	\$5,015,418
Liabilities	256,274	0	0	290,486	0		546,760
Fund Balance	2,605,888	571,829	186,613	652,400	270,320	181,608	4,468,658
Liabilities and Fund Balance	\$2,862,162	\$571,829	\$186,613	\$942,886	\$270,320	\$181,608	\$5,015,418

Huschka gave a brief update on the Greenhouse Gas mitigation projects, which are paid for from the Supplemental Environmental Project Fund:

Recipient	Project Description	Award Amount	FY 2019 expenses to date	Cumulative Project Expenses	Project Budget Balance
Opportunity Council	Community Energy Challenge	\$ 2,708,669	\$ 33,171	\$2,661,081	\$ 47,588
Whatcom Council of Govt.	Smart Trips	\$ 95,000	\$ 21,200	\$ 81,700	\$ 13,300
City of Bellingham	Solar project	\$ 760,000	\$ 421,453	\$ 421,453	\$ 338,547
Sustainable Connections	Energy Prize, Nat'l. Leadership	\$ 141,331	\$ 0	\$ 141,331	\$ 0
Washington State University	Farm energy audits	\$ 241,681	\$ 0	\$ 241,659	\$ 0
NWCAA Administration	Legal services, contract management, admin. overhead	\$ 676,726	\$ 5,870	\$ 551,630	\$ 125,096
Totals		\$4,623,407	\$ 481,694	\$4,098,853	\$ 524,531

Fiscal year 2020 proposed budget – Alicia Huschka

Agency budget calendar:

- January - March – Internal budget development
- March 21 – Review draft budget with Advisory Council
- April 11 – Review proposed budget with Finance Committee
- May 9 – Presentation of proposed budget to Board of Directors
- June 13 – Adoption of budget by Board of Directors
- July 1 – New fiscal year begins

ACTION ITEMS

Bills and claims

Board members discussed the bills and claims reports for December 2018 (totaling \$326,301.15) and for January 2019 (totaling \$629,824.65). Janet St. Clair made a motion to approve the December 2018 and January 2019 bills and claims. Hudson seconded the motion, and the Board approved the bills and claims 5-0.

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

Buford reported to the Board on the following matters:

- Buford welcomed new Board members, Hudson and St. Clair to their first Board meeting.
- The recent Government shutdown did delay some planning efforts to prepare for the 2019 wildfire season. However, NWCAA and the Washington Department of Ecology Air Program were fully operational throughout this event.
- The Agency will soon be setting up the new portable monitoring trailer near the Eagleridge Elementary School in Ferndale (Whatcom County). This unit will be focused on measuring particulate matter and sulfur dioxide.
- Buford has been attending and presenting at public meetings to educate people about the Agency and the services we provide. The next meeting will take place at the Island County Board of Health meeting on March 19, 2019.
- The Advisory Council met in early January, and discussed the problems with possible non-attainment issues with the Intalco Aluminum smelter, located in Whatcom County. The group also discussed response options for the upcoming wildfire smoke season. The group voted to support using excess penalty money to assist in establishing in-home clean air spaces. NWCAA is working closely with local Health Departments to identify what assistance is possible and helpful.
- The Agency Strategic Plan is up for a three-year review, so Buford will be working with the Advisory Council to update this document.
- Buford also attended the National Association of Clean Air Agencies conference, which was held in Washington, D.C. While there, he met with EPA staff, and had a good conversation with the Director of the Los Angeles local clean air agency about problems with tankers venting while offshore. He learned that South Coast Air Quality Management District (Los Angeles) has issued the first violation, and there is potential international interest in addressing this issue. NWCAA will be watching this case develop. He also had discussions with other Directors about developing plans for continuity of operations, during or after disasters or emergencies.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the December 2018 and January 2019 construction permit (new source review) activity.

McIntyre shared some information about what is contained in the Monthly Activity reports. The Agency refers to businesses that emit emissions in our jurisdiction as sources. Currently there are 24 large sources, which the Agency refers to as AOPs (facilities that are large enough to require special Air Operating Permits). Sources that fall into this category are refineries, power plants, Sierra Pacific lumber mill, and other large scale facilities. McIntyre explained that a part of this program involves renewing their permits 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. The work involved renewing these permits is extensive and time consuming. The other sources in our

jurisdiction fall into the Registered Source category. Currently, there are approximately 500 Registered Sources at NWCAA. The Agency also deals with a variety of construction permits from new and existing sources.

In January one of the construction permits issued was for the Darigold plant in Lynden to add a new boiler to replace an old boiler. Darigold has been working on a series of improvements at the facility.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported on December 2018 and January 2019 enforcement and provided the following highlights of additional compliance staff activities.

- NWCAA issued eight Notice of Violations (NOVs) and five penalties in December. One large penalty agreement involved a developer and a low-income multi-family housing project located in Mount Vernon. The Developer, Mr. Shulman, failed to handle asbestos containing material properly.
- NWCAA issued five NOVs in January and four penalties. One of the NOV's issued was to Venoil, and it involves them having to shut down their operation for failing to submit a report of their emissions for 2017 and failing to pay their 2018 registration fee. These actions will now require this business to submit a new application and permit will be required before they resume operation.
- NWCAA recently learned that the Whatcom Superior Court issued a Notice of Dismissal regarding the Brooks legal appeal. Apparently the case was dismissed as a result of Brooks failing to issue a required legal response. The Okanogan Superior Court has not issued their decision regarding the appeal case involving Super Duper Foods.

BOARD MEETING SCHEDULE

The Board agreed to continue meeting on the second Thursday for each month in 2019, with the exception of January and July.


ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:40 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. 14, 2019, in Mount Vernon, Washington.

ATTEST:



Terry Nyman, Secretary
NWCAA Board of Directors



Ron Wesen, Chair
NWCAA Board of Directors

DATED: March 14, 2019