



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, Sept. 12, 2019, at 1600 S. 2nd St., Mount Vernon, Washington.

### **MEMBERS PRESENT:**

Skagit County	Mary Hudson Ron Wesen
Island County	Bob Severns Janet St. Clair
Whatcom County	Brian Heinrich
Member-At-Large	Terry Nyman

**MEMBERS ABSENT:** Satpal Sidhu

### **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 Ron Wesen called the meeting to order at 1:33 p.m.

### **APPROVAL OF PRIOR BOARD MEETING MINUTES**

On motion by Mary Hudson, seconded by Terry Nyman, the minutes for the August 8, 2019, meeting were approved 6-0.

**PRESENTATION**

**Fiscal Year 2019 Year-end financial report – Alicia Huschka**

Agency Chief Financial Officer Alicia Huschka presented a summary report for the close of fiscal year 2019 ended June 30, 2019.

	<b>Actual as of June 30, 2019</b>	<b>Budget</b>	<b>% of Annual Budget</b>
<b>Revenues</b>	\$4,535,025	\$4,365,961	104%
<b>Expenses</b>	\$4,330,764	\$4,721,769	92%

	<b>Operating Fund</b>	<b>Cumulative Reserve Fund</b>	<b>Capital Replacement Fund</b>	<b>Supplemental Environmental Fund</b>	<b>Personnel Costs Reserve Fund</b>	<b>Legal Reserve Fund</b>	<b>Total</b>
<b>Assets</b>	<b>\$1,816,456</b>	<b>\$578,789</b>	<b>\$188,823</b>	<b>\$606,322</b>	<b>\$273,610</b>	<b>\$183,819</b>	<b>\$3,647,819</b>
<b>Liabilities</b>	244,892	0	0	0	0	0	244,892
<b>Fund Balance</b>	1,571,564	578,789	188,823	606,322	273,610	183,819	3,402,927
<b>Liabilities and Fund Balance</b>	<b>\$1,816,456</b>	<b>\$578,789</b>	<b>\$188,823</b>	<b>\$606,322</b>	<b>\$273,610</b>	<b>\$183,819</b>	<b>\$3,647,819</b>

Huschka gave a brief update on the Greenhouse Gas mitigation projects, which are paid for from the Supplemental Environmental Fund as of July 31, 2019:

<b>Recipient</b>	<b>Project Description</b>	<b>Total Commitments Paid</b>	<b>Resources funded by fees and grants (BP Fee, PSR/Linde fee, City of Oak Harbor, interest earnings)</b>	<b>Funds Available</b>
Opportunity Council	Community Energy Challenge	\$ 2,700,000		
Whatcom Council of Governments	Smart Trips	\$ 95,000		
City of Bellingham	Solar panels	\$ 511,862		
Sustainable Connections	Energy Prize, Nat'l. Leadership	\$ 141,331		
Washington State University	Farm energy audits	\$ 241,681		
NWCAA Administration	Legal services, contract management, admin. overhead	\$ 573,563		
<b>Totals</b>		<b>\$4,263,437</b>	<b>\$4,764,834</b>	<b>\$501,397</b>

## **ACTION ITEMS**

### **Bills and claims**

Board members discussed the bills and claims report for August 2019. Brian Heinrich made a motion to approve the August (\$403,835.48) bills and claims. Bob Severns seconded the motion, and the Board approved the bills and claims 6-0.

## **STAFF REPORTS**

### **Director's report – Mark Buford**

Buford reported to the Board on the following matters:

- The Agency recently had Public Records Officer Gail King retire. Ms. King had been with the Agency for 26 years. The Agency is presently conducting a search to refill this position. There will also be two more long-time employees retiring in 2020. These positions will be reviewed and restructured if management decides that is in the best interest of the Agency. Also included in this category will be NWCAA's legal counsel, as the current representative Simi Jain of the Carmichael Clark law firm has taken a job in New Mexico. NWCAA has contracted with this law firm since 1992. Similar to the in-house positions, this is an opportunity to review NWCAA's legal counsel role and determine what is in the best interest of the NWCAA moving forward.
- Agency staff have been reviewing some changes that are being proposed to Whatcom County Code Title 20, regarding the industrial zoning provisions for Cherry Point. The Agency plans to submit comments once the internal review has been completed.

Buford requested that the Board consider the direction and amount of Agency engagement with some of the plans that cities and counties are crafting to address climate action on a local level.

- Buford informed the Board that after a multitude of problems with the new air monitoring van, NWCAA staff has concluded that it would be best to sell this vehicle and purchase another one. Board members indicated their support for this direction. Acquisition details will come via a budget amendment at a later date.
- The Advisory Council recently met and discussed possible projects to fund with the remaining Greenhouse Gas (GHG) mitigation funds. Janet St. Clair submitted a proposal, requesting \$25,000 to complete an updated GHG Emissions Inventory and Resource Conservation Plan for Island County. Buford will arrange some time after the Strategic Plan work session (November 14) for the Advisory Council to further discuss the project options, and possibly put forth their recommendations to the full Board for approval.

### **New source review and air operating permit update – Agata McIntyre**

NWCAA Engineering Manager Agata McIntyre reported on the August 2019 construction permit (new source review) activity.

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

One of the construction permits received was for the Green Apple renewable fuels facility, which would be built in the Cherry Point area of Whatcom County. Green Apple is a partnership between Renewable Energy Group and the Phillips 66 refinery. If built, Green Apple could produce up to 350 million gallons of renewable diesel per year. The raw materials used to produce the renewable diesel will be plant and animal fats and oils.

Renewable diesel is made using a different process than biodiesel. This process results in a fuel that is a full replacement to petroleum diesel.

Green Apple plans to use some P66 equipment (such as the flare, wastewater treatment, product and raw material loading / unloading facilities) to minimize their GHG footprint. The new equipment being installed will be:

- Raw material filtration / pre-cleaning equipment
- 3 Process heaters (88MMBtu/hour total) – natural gas
- Hydrogen plant (350 MMBtu/hour, natural gas & P66 refinery gas as fuels)
- 18 (or so) tanks; piping

McIntyre reported that there has been public interest in this project. The Agency will hold a 30-day public comment and hearing on this project. Whatcom County is the SEPA lead agency for this project.

**Enforcement update – Toby Mahar**

NWCAA Compliance Manager Toby Mahar reported that the Compliance team issued two enforcement actions and issued three penalties during the month of August 2019.

**ADJOURNMENT**

There being no further business to consider, the meeting adjourned at 2:32 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. 12, 2019, in Mount Vernon, Washington.

ATTEST:   
 \_\_\_\_\_  
 Terry Nyman, Secretary  
 NWCAA Board of Directors

  
 \_\_\_\_\_  
 Ron Wesen, Chair  
 NWCAA Board of Directors

DATED: October 10, 2019