



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, May 14, 2020, via video conference.

MEMBERS PRESENT:

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

ALSO PRESENT:

NWCAA staff members	Mark Buford, Alicia Huschka, Toby Mahar, Agata McIntyre, Seth Preston, Lyn Tober, and Laurie Caskey-Schreiber
Legal counsel	Svend Brandt-Erichsen

CALL TO ORDER

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

APPROVAL OF PRIOR BOARD MEETING MINUTES

On a motion by Janet St. Clair, seconded by Brian Heinrich, the minutes for the April 9, 2020 meeting were approved 7-0.

NEW BUSINESS

Fiscal year 2020 third quarter financial report (through March 31, 2020) – Alicia Huschka

NWCAA Chief Financial Officer Alicia Huschka reviewed actual financial results compared to the annual budget for fiscal year 2020 for the Operating Fund for the nine-month period ending March 31, 2020.

	Year-to-date	Annual Budget	% of Annual Budget
Revenues	\$4,499,348	\$4,628,972	97%
Expenses	\$3,729,886	\$4,926,670	76%

Huschka stated that the revenues are tracking as anticipated, noting the cyclical nature of when certain revenues are billed and received during the year.

Fiscal year 2021 proposed budget – Alicia Huschka

Agency budget calendar:

- January-February – Internal budget development
- March 26 – Review draft budget with Advisory Council
- April 9 – Review proposed budget with Finance Committee
- May 14 – Presentation of proposed budget to Board of Directors
- June 11 – Adoption of budget by Board of Directors
- July 1 – New fiscal year begins

Proposed Budget Overview:

Incorporation of strategic plan elements and support of the following actions:

- Meet EPA’s expectations on timely compliance and permitting actions for the air operating permit program (AOP) – 4 full compliance evaluations and 6 AOP renewals due in FY 2021, plus two new AOPs.
- FY 2021 begins year two of our digital records management modernization project, which utilizes enterprise content management software system (Laserfiche), purchased in the current year.
- Continue to locate unregistered businesses and bring them into the registered source program.
- Continue work with Columbia Valley area residents on long-term strategy for reducing wood smoke pollution.
- Complete recently funded greenhouse gas mitigation projects approved by the Board, which may include adding solar array panels to the roof of our building.
- Continue to monitor and maintain adequate budget reserves.

Huschka and NWCAA Executive Director Mark Buford then presented the proposed fiscal year 2021 budget, highlighting the following items:

Revenues – Fiscal year 2021 total proposed revenues of \$4,438,537

- Air Operating Permit program revenue before prior year adjustment is \$3,148,092; 23 AOP facilities
- Registered Source program fees of \$671,000; 493 sources/facilities

- New Source Review fees \$100,000
- Per capita fee income of \$153,762 is budgeted at the same \$0.35 cents per capita rate established in 1989
- Penalty revenue budgeted at \$85,000

Expenses – Fiscal year 2021 total proposed expenses of \$4,742,525

- Personnel costs for 22.7 FTEs, include:
 - 2.5% cost-of-living adjustment, based on 2019 annual average Consumer Price Index-Urban for the Seattle/Tacoma/Bellevue area.
 - Addition of an air monitoring (instrument) technician position, to start six months into FY 2021.
- Social marketing project - \$62,000 funded by a transfer-in from Cumulative Reserve Fund
- Outdoor burn program increased from \$50,000 to \$100,000
- Capital Outlay
 - Scheduled air monitoring equipment replacements \$55,000
 - \$17,800 for computer and office equipment

Fund balance and reserves – Fiscal year 2021 estimated Ending Operating Fund and Reserve Funds' balance at 6/30/2021:

• Operating Fund	\$ 860,000
• Cumulative Reserve Fund	727,000
• Personnel Cost Reserve Fund	277,000
• Capital Replacement Reserve Fund	192,000
• Legal Reserve Fund	<u>154,000</u>
• Total Operating and Reserves Fund Balances	\$2,210,000

Board members did not suggest any changes to the proposed fiscal year 2021 budget. Resolutions to adopt the fiscal year 2021 budget will be presented to the Board at the June 11 meeting for adoption.

ACTION ITEMS

Resolution 581 – Adopting amended rules by NWCAA

Buford explained that this resolution is both a routine and necessary housekeeping measure. The Agency enforces the federal clean air rules by reference, therefore, when their rules change, we need to reflect a date change to encompass their revisions. This is typically done on an annual basis.

The second change involves eliminating a second set of definitions in the NWCAA Rules, Section 580 because they were previously rolled into Section 200. Todd Donovan made a motion to approve Resolution 581, seconded by Heinrich. Board members approved the motion 7-0.

Resolution 582 – Amending the Fiscal year 2020 Operating Fund budget

Huschka explained that Resolution 582 is necessary to transfer \$100,000 from the Legal Reserve Fund into the Operating Fund to increase the special legal services budget. This resolution also increased the building improvements budget by \$28,000 for the restroom facility renovation project and increased the vehicle budget by \$65,000 for the purchase of

a new van to be used for the air monitoring program. Donovan made a motion to approve Resolution 582, seconded by St. Clair. Board members approved the motion 7-0.

Bills and claims

Board members discussed the bills and claims reports for April 2020 (totaling \$584,775.95). Heinrich made a motion to approve the April 2020 bills and claims. Mary Hudson 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:

- Clean Air Agencies are considered as part of the essential workforce during the COVID-19 crisis. However, staff will continue to work remotely to aid in reaching the goals of Governor Inslee's stay-at-home order. The front desk area will undergo a bit of transformation by installing a glass partition so that staff can safely assist walk-in clients when the Agency opens its door to the public again.

The inspectors are inspecting outdoor facilities such as gas stations wherever possible, and developing strategies to safely be onsite at more restricted facilities. In the meantime, staff are having video conversations with sources and requesting records for review as would occur in a typical inspection.

- The data collected for 2017, 2018, and 2019 indicate that the sulfur dioxide (SO₂) emissions at the Ferndale ALCOA Intalco Aluminum smelter had higher amounts of SO₂ than what is permissible under the National Ambient Air Quality standards. This will result in the U.S. Environmental Protection Agency establishing a non-attainment zone in Whatcom County. NWCAA and Ecology are hoping that it will fall very near the fence-line boundaries of the Intalco plant.
- The Department of Ecology was set to release a plan for reducing the sulfur dioxide levels in conjunction with the Intalco plant. However, recently ALCOA announced that the Intalco aluminum smelter will curtail their operations starting in July 2020. Buford will relay information to the Board, about this process, once it unfolds – likely in the coming weeks.
- The two employees recently hired, Evan Bing and Shannon Logan, have started working at NWCAA.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the April 2020 construction permit (new source review) activity. In April, the agency received one application for a construction permit and issued three construction permits.

McIntyre noted that the construction application was from Debusk Services Group. They are contractors who use portable combustors for degassing tanks and other process units. This provides control for the vapors left in tanks and process units when they are emptied. Rather than releasing the vapors into the air, the vapors are combusted on site.

Significant work is also ongoing on Air Operating Permits, which need to be renewed every five years.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported on compliance and enforcement issues that occurred in April. Mahar noted that three violations were issued and no penalties were issued for this period of time.

During the month of April, there was an increase in outdoor burning complaints.

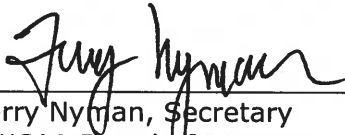
ADJOURNMENT

There being no further business to consider, the meeting adjourned at 3:16 p.m.

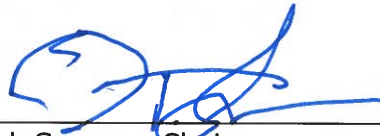
CERTIFICATION

I hereby certify this is a true and correct copy of the minutes of the meeting of the NWCAA Board of Directors held on May 14, 2020, via video conference.

ATTEST:



Terry Nyman, Secretary
NWCAA Board of Directors



Bob Severns, Chair
NWCAA Board of Directors

DATED: June 11, 2020