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BOARD MEETING MINUTES

The Board of Directors of the Northwest Clean Air Agency met at 1:30 p.m. Thursday, February 11, 2021, 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

ADVISORY COUNCIL: Mary Hess

ALSO PRESENT:

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

CALL TO ORDER

Board of Directors Vice Chairman Brian Heinrich called the meeting to order at 1:32 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Bob Severns, seconded by Todd Donovan, the minutes for the Dec. 10, 2020, meeting were approved 6-0 (*Mary Hudson 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. Board members indicated their support for this direction.

Janet St. Clair made a motion to nominate the following slate of Board positions: Brian Heinrich for Chair of the Board, Mary Hudson for Vice Chair, and Terry Nyman for Secretary. Todd Donovan seconded the motion and it passed 6-0.

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

<i>Finance Committee</i>		
Chair	Janet St. Clair	Island County
Member	Ron Wesen	Skagit County
Member	Todd Donovan	Whatcom County
<i>Employer/Employee Relations Committee</i>	All positions are ex officio	
Chair	Brian Heinrich	City of Bellingham
Member	Mary Hudson	City of Mount Vernon
Member	Janet St. Clair	Island County

NWCAA Executive Director Mark Buford put forward Island County Health Department employee Cris Matochi to serve as the Advisory Council replacement for Jill Wood.

Board member St. Clair made a motion to appoint Matochi to finish Wood’s term, which expires in December 2021. Severns seconded the motion. The Board voted 6-0 to approve the appointment.

PRESENTATION

Fiscal Year 2021 second quarter financial report (July 1 – Dec. 31, 2020) – Alicia Huschka

NWCAA Chief Financial Officer Alicia Huschka reviewed actual financial results compared to the annual budget for fiscal year 2021 for the Operating Fund for the six-month period ended Dec. 31, 2020.

	Year-to-date	Annual Budget	% of Annual Budget
<i>Revenues</i>	\$3,426,180	\$4,455, 596	77%
<i>Expenses</i>	\$2,147,744	\$4,900,205	44%

Huschka identified the following revenue and expense highlights:

- Air operating permit revenues are \$2,966,568 through December 31, 2020, which is 99 percent of the annual budgeted amount.
- Registration fees budgeted at \$671,000 will be invoiced in February 2021.

- The asbestos program continues to be busy and revenues so far are at \$50,568 or 48% of budgeted revenue for the year. However, there has been a slight decrease in asbestos activity compared to last year, so asbestos revenues are 16% less than what the Agency collected last year during this time period.
- Government grants are at \$157,887, which is 50% of what was budgeted.
- Per capita fees totaling \$153,762 were billed in December 2020.
- Penalty revenues are \$63,884, which is 75% of the budgeted amount of \$85,000. This amount does fluctuate from year to year, dependent on a variety of factors.
- Salaries & wages are close to where they should be at 49% of the budget spent.

Huschka stated that the fiscal year 2021 budget is on track, and the Agency is where it should be compared to the budget for the period ended Dec. 31, 2020.

Huschka reviewed the Agency’s consolidated balance sheet at Dec. 31, 2020:

	Operating Fund	Cumulative Reserve Fund	Capital Replacement Fund	Supplemental Environmental Fund	Personnel Costs Reserve Fund	Legal Reserve Fund	Total
Assets	\$2,773,544	\$790,863	\$192,240	\$506,746	\$278,626	\$154,559	\$4,696,578
Liabilities	278,104	0	0	4,038	0	0	282,142
Fund Balance	2,495,440	790,863	192,240	502,708	278,626	154,559	4,414,436
Liabilities and Fund Balance	\$2,773,544	\$790,863	\$192,240	\$506,746	\$278,626	\$154,559	\$4,696,578

Huschka gave a brief update on the Supplemental Environmental Fund, noting that all of the initial Greenhouse Gas (GHG) mitigation projects have been completed, and there is approximately \$267,000 available for new projects.

Huschka reviewed the upcoming budget process with Board members.

Fiscal year 2022 -Agency budget calendar:

- January - March – Internal budget development
- March 25 – Review draft budget with Advisory Council
- April 8 – Review proposed budget with Finance Committee
- May 13 – Presentation of proposed budget to Board of Directors
- June 10 – 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 2020 (\$360,610.41) and for January 2021 (\$378,566.66). Donovan made a motion to approve the December 2020 and January 2021 bills and claims. Ron Wesen seconded the motion, and the Board approved the bills and claims 7-0.

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

Buford reported to the Board on the following matters:

- The ALCOA Intalco nonattainment area has been paused temporarily for review by the incoming administration. Recently the U.S. Environmental Protection Agency (EPA) designated a small area around the facility as out of attainment with the SO₂ NAAQS. But with the change in the federal administration, there has been a hold placed on recent actions by the previous administration. This is normal with a change in administration and not an indication of a potential issue.
- Buford briefed Board members about the recent oil train derailment that occurred on Dec. 22, 2021. A 108-car tanker train hauling crude oil went off the tracks in Custer (near Ferndale in Whatcom County), and two of the cars caught fire. The flames were extinguished rather quickly by the emergency response teams. Whatcom County's Specialized Emergency Response Program (SERP) was able to deploy portable air monitors at the site of the crash. Ecology and EPA will review the environmental impacts of this accident.

Buford reached out to SERP Chief Chuck Henkel about how their new monitoring equipment performed. (The Agency issued a grant for \$130,000 to SERP to buy the portable monitoring equipment in 2018). Henkel reported that the upgraded equipment allowed them to interface with EPA's equipment in a seamless fashion. When asked if there was anything else SERP needed to respond to an event like this, Henkel said they would like to update their self-contained breathing equipment (SCBA), which is now 25 years old and well past the recommended expiration use date. The cost for acquiring this new SCBA would be approximately \$170,000.

Buford mentioned that this type of grant would be funded out of penalty revenue. Board members requested that Buford invite a member from the SERP group to offer more insight into their grant request.

- Buford stated that the marijuana odor complaints have increased in Whatcom County. Staff believes that the 300-foot setback rule is not enough of a buffer for outdoor grow operations. In Skagit County, there doesn't seem to be an issue because outdoor grow operations are prohibited. There is a large outdoor grow operation in Kendall (eastern Whatcom County), and there is a processing plant that is looking to co-locate in that area.
- The legislative Bill that would allow agencies to respond to odor complaints from people in public spaces is moving forward in the Legislature. This Bill would definitely expand NWCAA's response areas. Currently, staff can only respond to odor complaints when people are impacted at their homes or their place of work.
- Julie O'Shaughnessy will be retiring in April 2021. O'Shaughnessy has been heading up the Columbia Valley response efforts for the past few years.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the December 2020 and January 2021 construction permit (new source review) activity.

- During December, the Agency received three applications for construction permits and issued one construction permit.
- In January, the Agency received one construction permit application and issued no new construction permits.
- During December and January engineering staff have been focusing on renewing the large source Air Operating Permits (AOPs) as construction permit applications have slowed down. AOPs need to be renewed every five years. Currently, the Agency has 22 businesses that fall into this category. The permits for AOP sources are often lengthy and complicated, as they consolidate all of the federal, state, and local air-related permits and regulations for the operation of these facilities. The AOP for the Chemco facility is currently out for public comment, available on the Agency's website. Others will follow soon.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported on December 2020 and January 2021 enforcement and provided the following highlights of additional compliance staff activities.

- NWCAA issued one Notice of Violation (NOV) in December. The violation pertained to an illegal auto body shop that must obtain permits from the NWCAA and county.
- NWCAA issued three NOVs in January. Two were intended to prompt facilities to provide needed information to complete permitting, and the other NOV pertained to an illegal removal of asbestos and demolition of a residential structure located at a business. One penalty was issued for an illegal burn that occurred in eastern Skagit County during a fire safety burn ban.
- NWCAA has experienced an uptick in outdoor burning and woodstove smoke-related complaints. Neighbors' tolerance for smoke has decreased.

BOARD MEETING SCHEDULE

The Board agreed to continue meeting on the second Thursday for each month in 2021, with the exception of January and July.

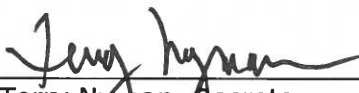
ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:37 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 February 11, 2021, in Mount Vernon, Washington.

ATTEST:



Terry Nyman, Secretary
NWCAA Board of Directors



Brian Heinrich, Chair
NWCAA Board of Directors

DATED: March 11, 2021