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BOARD MEETING MINUTES

The Board of Directors of the Northwest Clean Air Agency met at 1:30 p.m. Thursday, May 13, 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

ALSO PRESENT:

NWCAA staff members	Mark Buford, Matt Holmquist, Alicia Huschka, Agata McIntyre, Seth Preston, and Laurie Caskey- Schreiber
Legal counsel	Svend Brandt-Erichsen

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 Todd Donovan, seconded by Mary Hudson, the minutes for the April 8, 2021, meeting were approved 6-0 (*Bob Severns arrived shortly after the vote*).

PRESENTATIONS & NEW BUSINESS

Fiscal year 2021 third quarter financial report (through March 31, 2021) – 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 nine-month period ending March 31, 2021.

	Year-to-date	Annual Budget	% of Annual Budget
Revenues	\$4,257,428	\$4,455,596	96%
Expenses	\$3,267,617	\$4,900,205	67%

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 2022 proposed budget – Alicia Huschka

Agency budget calendar:

- January-February – Internal budget development
- March 25 – Reviewed draft budget with Advisory Council
- April 8 – Reviewed 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

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).
- Continue progress on our multi-year digital records management modernization project, which utilizes Laserfiche, an enterprise content management software system.
- 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 the 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 2022 budget, highlighting the following items:

Revenues – Fiscal year 2022 total proposed revenues of \$4,639,632

- Air Operating Permit program revenue before prior year adjustment is \$3,248,454; 22 AOP facilities
- Registered Source program fees of \$663,000; currently 492 sources/facilities
- New Source Review fees \$100,000

- Per capita fee income of \$155,393 is budgeted at the same \$0.35 cents per capita rate established in 1989
- Penalty revenue budgeted at \$85,000

Expenses – Fiscal year 2022 total proposed expenses of \$4,680,443

- Personnel costs for 23.2 FTEs, include:
 - 1.7% cost-of-living adjustment, based on 2020 annual average Consumer Price Index-Urban for the Seattle/Tacoma/Bellevue area.
 - Reflects the full-time addition of an air quality instrument technician position, which was first added January 2021 of FY 2021.
- Special projects coordinator position remains an authorized position but not budgeted for in FY 2022 – pending review of duties.
- Outdoor burn program is \$100,000
- Capital Outlay
 - Scheduled air monitoring equipment replacements of \$57,500
 - \$100,000 for vehicles (monitoring van and Toyota RAV4 Hybrid)
 - \$63,500 for computer equipment including 24 workstation replacements

Fund balance and reserves – Fiscal year 2022 estimated Ending Operating Fund and Reserve Funds’ balance at 6/30/2022:

• Operating Fund	\$ 1,043,000
• Cumulative Reserve Fund	730,000
• Personnel Cost Reserve Fund	279,000
• Capital Replacement Reserve Fund	192,000
• Legal Reserve Fund	155,000
• Total Operating and Reserves Fund Balances	\$ 2,399,000

Board members did not suggest any changes to the proposed fiscal year 2022 budget. Resolutions to adopt the fiscal year 2022 budget will be presented to the Board at the June 10 meeting for adoption.

ACTION ITEMS

Resolution 588 – Authorizes Executive Director to negotiate grant contract with the Specialized Emergency Response Program (SERP) to fund self-contained breathing apparatus (SCBA) equipment.

NWCAA Executive Director Mark Buford presented Resolution 588 for adoption, explaining that NWCAA will negotiate a contract with SERP to fund the purchase of twenty SCBAs, including other accessories, in the amount of \$170,661.

Hudson made a motion to approved Resolution 588, seconded by Janet St. Clair. Board members approved the motion 7-0. St. Clair also requested an update from the SERP group during 2022 to learn how the equipment is working for their program.

Bills and claims

Board members discussed the bills and claims report for April 2021 (totaling \$374,949.21). Bob Severns made a motion to approve the April 2021 bills and claims. Ron Wesen 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:

- The State Legislative session recently concluded, and significant work was accomplished to address climate change issues.
 - **House Bill 1091** passed the Legislature. This bill aims to reduce GHG emissions per unit of fuel to 20% below 2017 levels by 2038. This bill also encourages the use of in-state bio-fuel.
 - **House Bill 1287** known as the Clean Cars Bill, was passed by the Legislature. This would mandate that public and private passenger vehicles sold in Washington State, starting in 2030, be electric.
 - **House Bill 5126** passed the Legislature. If signed by the Governor, Washington will develop a Climate Commitment Act / Cap and Invest program, similar to the one in place in California. It will cover three-quarters of greenhouse gas (GHG) emissions. The intent is to reduce GHG emissions, while requiring large sources pay a fee that is then directed to communities who are affected by pollution - building an environmental justice program. Buford added that there are many questions/issues as to how this will be implemented in practice and the role of the NWCAA.
 - **Senate Bill 5141** passed the Legislature. This is the Healthy Environment for All (HEAL) Act. The goal is to reduce environmental and health disparities in Washington by implementing the recommendations of the environmental justice task force. Though it applies only to state agencies (NWCAA is not a state agency) in this current form, it is believed to be only a matter of time before these or similar requirements apply at the local government level. Because the State has a more limited role in the regulation of air pollution (as compared to water, for example), local clean air agencies including the NWCAA will be engaged with the Department of Ecology as they develop an implementation plan for their air program.

All of these Bills will impact NWCAA to some extent. Once the details get worked out, Buford will know more about the real impacts to the Agency.

- The Agency is still working remotely due to COVID issues.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the April 2021 construction permit (New Source Review) and Air Operating Permit activity.

During April, the Agency received one application for a construction permit, an administrative modification for the Shell refinery, and issued two construction permits for gas stations.

Air Operating Permit renewal work continues at a brisk pace. McIntyre also noted that HollyFrontier recently purchased the Shell Puget Sound Refinery in Anacortes for \$350 million, plus the cost of the refinery’s hydrocarbon inventory.

Enforcement update – Matt Holmquist for Toby Mahar

NWCAA Registered Source Program Manager Matt Holmquist reported on April 2021 enforcement activities. Three Notice of Violations (NOV) were issued for outdoor burning where garbage was burned.

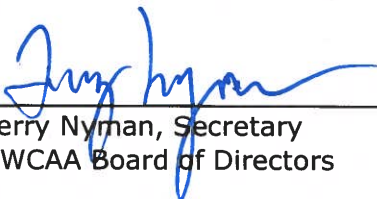
Two penalties were issued, one was for an illegal asbestos removal and demolition, and the other one was related to burning garbage.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:56 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 13, 2021, in Mount Vernon, Washington.

ATTEST: 
Terry Nyman, Secretary
NWCAA Board of Directors


Brian Heinrich, Chair
NWCAA Board of Directors

DATED: June 10, 2021