



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 Board of Directors of the Northwest Clean Air Agency met at 1:30 p.m. Thursday, May 12, 2022, at 1600 S. Second Street, Mount Vernon, WA, and by video conference.

MEMBERS PRESENT:

Skagit County	Mary Hudson Ron Wesen
Whatcom County	Todd Donovan Brian Heinrich
Member-At-Large	Terry Nyman

MEMBERS ABSENT:

Tara Hizon
Janet St. Clair

ALSO PRESENT:

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

CALL TO ORDER

Board of Directors Chair Mary Hudson called the meeting to order at 1:39 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Todd Donovan, seconded by Ron Wesen, the minutes for the April 14, 2022, meeting were approved 5-0.

PRESENTATIONS & NEW BUSINESS

Whatcom Specialized Emergency Response Program (SERP): Team leader Chuck Henkel of the Bellingham Fire Department and Whatcom Fire District 7 Division Chief of Training, Justin Iverson, and Thomas D’Angelo of BP Cherry Point visited the NWCAA Board meeting to express their appreciation for the grant that the Board approved in 2021. The grant funded the acquisition of their self-contained breathing equipment (SCBA).

Before the Board meeting, SERP team members demonstrated their new SCBA equipment to NWCAA staff and Board members in the parking lot. The group thanked everyone involved for investing in their program.

Fiscal year 2022 third quarter financial report (through March 31, 2022) – Alicia Huschka.

NWCAA Chief Financial Officer Alicia Huschka reviewed actual financial results compared to the annual budget for fiscal year 2022 for the Operating Fund for the nine-month period ending March 31, 2022.

	Year-to-date	Annual Budget	% of Annual Budget
Revenues	\$4,645,721	\$4,899,682	95%
Expenses	\$3,591,534	\$5,159,233	70%

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 2023 proposed budget – Alicia Huschka

Agency budget calendar:

- January-February – Internal budget development
- March 24 – Reviewed draft budget with Advisory Council
- April 14 – Reviewed proposed budget with Finance Committee
- May 12 – Presentation of proposed budget to Board of Directors
- June 9 – 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 includes 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

2023 budget, highlighting the following items:

Revenues – Fiscal year 2023 total proposed revenues of \$4,981,786

- Air Operating Permit program revenue before prior year adjustment is \$3,305,460 AOP facilities
- Registered Source program fees of \$682,000; currently 534 sources/facilities
- New Source Review fees \$100,000
- Per capita fee income of \$155,190 is budgeted at the same \$0.35 cents per capita rate established in 1989
- Penalty revenue budgeted at \$85,000

Expenses – Fiscal year 2023 total proposed expenses of \$5,512,174

- Personnel costs for 23.6 FTEs, include:
 - 4.6% cost-of-living adjustment, based on 2021 annual average Consumer Price Index-Urban for the Seattle/Tacoma/Bellevue area
 - Reflects the part-time Accounting Tech moved to full-time
- New Air Quality Inspector full-time position – not included
- Outdoor burn program is \$100,000
- Columbia Valley woodstove replacement project grant of \$260,000
- Capital Outlay
 - Scheduled air monitoring equipment replacements of \$55,000
 - \$43,500 for vehicle replacement (Toyota RAV4 Plug-in Hybrid)
 - \$100,000 for website redevelopment (over 2 years)
- One-time projects funded from reserves:
 - Upriver (east) Skagit County outdoor burn reduction pilot project (Cumulative Reserve Fund) \$50,000
 - Install PurpleAir Sensors at public schools in 3-county region, 10-15 installs/year (Cumulative Reserve Fund) \$4,000
 - Solar Array project at NWCAA (SEP Fund), \$270,000
 - Fire alarm & security alarm systems (Capital Reserve Fund), \$60,000
 - Total one-time projects: \$384,000, 7% of budget

Fund balance and reserves – Fiscal year 2023 estimated Ending Operating Fund Balance and Reserve Funds' estimated balance at 6/30/2022:

• Operating Fund	<u>\$ 990,000</u>
• Cumulative Reserve Fund	\$ 621,000
• Personnel Cost Reserve Fund	279,000
• Capital Replacement Reserve Fund	193,000
• Legal Reserve Fund	<u>251,000</u>
• Total Other Fund Balance Reserves	\$ 1,344,000

Board members and Agency staff discussed the need to increase the \$0.35 Local Assessment per-capita rate. A new full-time position (FTE), air quality specialist/inspector, was included in the early drafts of the FY 2023 budget; however, the funding to support the new position was not in place so the FTE was removed from the final draft of the budget. The Agency first needs to focus on revenue generation to support this future cost that will be considered in the FY 2024 budget. The two revenues that are under review for potential increases are asbestos

fees and the per-capita Local Assessment which has been at the \$0.35 rate since 1989. A presentation and review of asbestos fees compared to program costs will be presented at a future meeting.

Huschka presented a comparison of all clean air agencies in Washington state and their per-capita rates. NWCAA has the lowest per capita rate amongst the group. Agency staff advocated for a 15-cent increase, to bring the total per capita rate to \$0.50 for the FY 2023 budget. The Advisory Council supported increasing the per-capita rate for the FY 2023 budget, so that the added Inspector position could be filled in 2024. Finance Committee members had indicated their support for the increase from \$0.35 to \$0.50. After discussion, Board members indicated their support for the proposed increase to the per capita rate.

Board members did not suggest any other changes to the proposed fiscal year 2023 budget. Resolutions to adopt the fiscal year 2023 budget will be presented to the Board at the June 9 meeting for adoption.

ACTION ITEMS

Resolution 598 – Amends the NWCAA Personnel Manual:

NWCAA Chief Financial Officer Alicia Huschka reviewed the three proposed revisions to the NWCAA Personnel Manual.

1. **Office Hours:** The Personnel Manual states that the regular NWCAA office hours begin at 8:00 a.m. and end at 4:30 p.m. Monday through Friday. We propose changing our official office hours to begin at 8:30 a.m., ending at 4:30 p.m.
2. **Holidays:** Juneteenth, June 19th, became a recognized U.S. Federal holiday for the first time in 2021. It is now known as Juneteenth National Independence Day. The federal government, State of Washington, banks, and many local government agencies and companies have added Juneteenth as a recognized holiday for their agencies. NWCAA proposes to add this holiday for our agency.
3. **Leave, Annual Leave, bonus day for minimum sick leave used:** Employees who use three or fewer sick days in a calendar year receive one additional vacation day added in the next calendar year. We propose eliminating this additional leave day as it could be viewed as encouraging staff to come to work even when they are sick, and/or it could incentivize employees to not use sick leave when they otherwise may need to. This proposed change originated from and is supported by staff.

Brian Heinrich made a motion to approved Resolution 598, seconded by Wesen. Board members approved the motion 5-0.

Bills and claims

Board members discussed the bills and claims report for April 2022 (totaling \$360,357.28). Hudson made a motion to approve the April 2022 bills and claims. Todd Donovan 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:

- Beginning in May, the State Department of Ecology will be using only one index to explain the different levels of air quality. In the past, Washington State had their version, which wasn't identical to the National Air Quality Index (AQI). This change is supported by the Washington State Department of Health, which conducted extensive public outreach. Other local clean air agencies in Washington, including NWCAA, have also made this change to reduce confusion caused by having two indices.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the April 2022 construction permit (New Source Review) and Air Operating Permit activity.

During April, the Agency received 13 applications for a construction permits and issued six construction permits.

One of the permit applications submitted was for the Petrogas Ferndale Terminal. They are hoping to install a ground flare, 50-foot diameter by 108 feet high.

Enforcement update – Toby Mahar

NWCAA Compliance Manger Toby Mahar reported on April 2022 enforcement activities. One Notice of Violation (NOV) was issued to Vicious Autoworks for failure to operate a paint spray coating booth with proper filtration, monitoring, and record keeping.

Inspectors have been visiting spray coating sources following up on the new regulations that required compliance by October 2021.

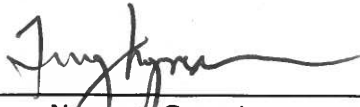
ADJOURNMENT

There being no further business to consider, the meeting adjourned at 3:04 p.m.

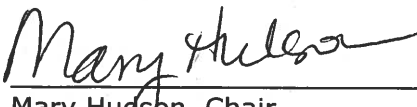
CERTIFICATION

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 12, 2022, in Mount Vernon, Washington.

ATTEST:



Terry Nyman, Secretary
NWCAA Board of Directors



Mary Hudson, Chair
NWCAA Board of Directors

DATED: June 9, 2022