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BOARD MEETING MINUTES

The meeting of the Board of Directors of the Northwest Clean Air Agency was held at 1:30 p.m. Thursday, August 11, 2022, 1600 South Second Street, Mount Vernon, WA.

MEMBERS PRESENT:

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

MEMBERS ABSENT:

Janet St. Clair

ALSO PRESENT:

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

CALL TO ORDER

Board of Directors Chair Mary Hudson called the meeting to order at 1:30 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Ron Wesen, seconded by Tara Hizon, the minutes for the June 9, 2022, meeting were approved 6-0.

PRESENTATION

Proposed Changes to Asbestos Program

NWCAA Air Quality Specialists, Scott Pratschner and Chadd Tripp, reviewed the list of proposed changes to the Asbestos program, which would enable this program to achieve full cost recovery.

The changes being proposed to the fee schedule are as follows:

- The proposed fee schedule would be phased in over two years.
- The fee category "Alternate Means of Compliance" was created to provide cost recovery for asbestos projects that require an additional review for hazardous conditions.
- The fee category "≥10,000 Ln Ft or ≥50,000 Sq Ft" was created to provide cost recovery for extremely large asbestos projects.
- The proposed fee schedule will have a minimal increase to homeowners or to owner occupied single family primary residences (OOSFPR).
- This fee schedule will continue to be annually adjusted with the standard annual CPI adjustment similar to NWCAA's other fee schedules.

The intent of the proposed regulation change is to:

- Add vermiculite into the asbestos-containing material definition with an associated test method. (NWCAA Section 570)
- Remove seasonal residences from the definition of owner-occupied, single-family residence. (NWCAA Section 570)
- Update notification waiting period table to correspond with the concurrent asbestos program fee schedule change. (NWCAA Section 570)
- Update the adoption-by-reference date to allow implementation of the most recent version of the referenced state and federal rules and add a small number of federal programs to the list. (NWCAA Section 104)
- Correct a regulation citation cross-reference to reflect previously revised section numbering. (NWCAA Section 309)

The projected timeline for these revisions is:

- June 2022 – Introduction of proposal to Board
- July 2022 – Informal Stakeholder input
- August 2022 – Draft proposal brought to Board
- September 2022 – Receive public and stakeholder comments
- October 2022- Update Board on Progress
- November 2022 – Board vote on adopting recommended changes

PRESENTATION

Fiscal Year 2022 Year-end financial report – Alicia Huschka

Agency Chief Financial Officer Alicia Huschka presented a summary report for the close of fiscal year 2022.

	Actual as of June 30, 2022	Budget	% of Annual Budget
Revenues	\$4,871,031	\$4,899,682	99%
Expenses	\$4,879,059	\$5,159,233	95%

	Operating Fund	Cumulative Reserve Fund	Capital Replacement Fund	Supplemental Environmental Fund	Personnel Costs Reserve Fund	Legal Reserve Fund	Total
Assets	\$1,474,886	\$621,961	\$192,690	\$443,872	\$279,278	\$251,038	\$3,263,725
Liabilities	266,458	0	0	0	0	0	266,458
Fund Balance	1,208,428	621,961	192,690	443,872	279,278	251,038	2,997,267
Liabilities and Fund Balance	\$1,474,886	\$621,961	\$192,690	\$443,872	\$279,278	\$251,038	\$3,263,725

Huschka also noted that the Supplemental Environmental fund balance is fully committed to funding the previous Board approved projects with the Opportunity Council and the NWCAA office solar project.

ACTION ITEMS

Resolution 602 – Authorizes amending fiscal year 2023 Operating Fund Budget – Alicia Huschka

Huschka presented Resolution 602 for Board approval. This resolution authorizes the Agency to carry forward unspent special legal services funds in the amount of \$40,567 to fiscal year (FY) 2023 that were previously committed to the legal services program in FY 2022.

Motion to approve Resolution 602 was made by Todd Donovan, seconded by Brian Heinrich, and approved 6-0.

Bills and claims

Board members discussed the bills and claims reports for June and July 2022. Heinrich made a motion to approve the June (\$601,862.04) and July (\$341,135.58) 2021 bills and claims. Wesen 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:

- Buford mentioned that wildfire smoke from fires in California caused some air quality impacts at the end of July. It is difficult to forecast wildfire smoke. There are multiple factors that influence a smoke forecast, including the weather, size, and intensity of the fires. However, so far this year, our area has had minimal impacts. That said, for the past two years the most significant wildfire smoke impacts in our area have been between mid-August and mid-September.
- NWCAA recently had one of our newly hired engineers leave for another position at a refinery. The Agency has been having conversations with a potential new engineer.
- Agency staff have been working with Whatcom County on the Petrogas issue. We will not be a co-lead for SEPA but will assist Whatcom County as needed in their role as SEPA lead agency.
- State legislation that will direct more material to composters have triggered some concerns from local composters (Skagit Soils and Lautenbach). If these sources increase the size of their operations, they may have to adopt additional control methods to reduce emissions and potential for nuisance odor.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the June and July 2022 construction permit (new source review) activity.

During June 2022, the Agency received seven applications for construction permits and issued five construction permits.

One of the applications received in June was from Simple Cremation, which is starting up a new crematorium in Bellingham.

During July 2022, the Agency received two applications for construction permits and issued six permits.

One of the applications received in July was from the Whidbey Naval Air Station. On base, they have a fleet of gas stations, and they are upgrading the equipment for one of those stations.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported that the Agency issued four violations in June. Three of those violations were to the Marathon Anacortes Refinery:

- **Case 4557** – Involved an equipment problem at the gasoline loading rack, releasing an estimated 390 pounds of VOC to the atmosphere.
- **Case 4559** – During May of 2021, about 67 tons of VOC and 3,827 pounds of H₂S from a heat exchanger leak were released through a storage tank that was not designed to control these emissions. The event took place over a multiple day period. The facility has implemented additional monitoring in the unit to better prevent and detect such leaks if they occur in the future.

- **Case 4560** – There was a series of relatively small emissions events related to a large valve that has had leaking issues. The valve is slated for repair at the next turnaround.

The fourth violation for the month of June, involved the Bellingham Post Point Wastewater Treatment Plant. Since the issuance of this NOV, an amended NOV has been issued and will appear in the next board report.

- **Case 4564** – Sewage sludge incinerators exceeded allowable feed rates of five separate days during October 2021 source testing.

NWCAA also issued three violations in July. Two involved record keeping issues for two of our registered sources (Slivastar Forest Products LLC and Ferndale & Kaiser Woodworks Inc.) and a referral from the Skagit Fire Marshal's office resulted in a violation for outdoor burning in a UGA.

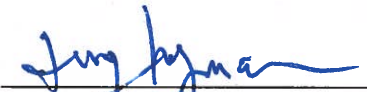
ADJOURNMENT

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 August 11, 2022, in Mount Vernon, Washington.

ATTEST:



Terry Nyman, Secretary
NWCAA Board of Directors



Mary Hudson, Chair
NWCAA Board of Directors

DATED: September 8, 2022