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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 13, 2015, at 1600 South Second Street, Mount Vernon, Washington.

MEMBERS PRESENT:

Island County	Jim Campbell Richard Hannold
Skagit County	Ron Wesen
Whatcom County	Brian Heinrich Carl Weimer
Member-At-Large	Terry Nyman

MEMBERS ABSENT:

Joe Lindquist

ALSO PRESENT:

NWCAA staff members	Mark Asmundson, Jason Bouwman, Mark Buford, Therese Holm, Matt Holmquist, Agata McIntyre, Scott Pratschner, Katie Skipper, Lyn Tober, and Laurie Caskey-Schreiber
Legal counsel	Loch Clark

CALL TO ORDER

Board Chair Brian Heinrich called the meeting to order at 1:30 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Jim Campbell, seconded by Richard Hannold, the minutes for the June 11, 2015, Board meeting were approved 6-0.

PRESENTATIONS

Agency staff member Jason Bouwman presented information about NWCAA's new optical gas imaging / forward looking infrared (FLIR) camera.

NWCAA and the Puget Sound Clean Air Agency (PSCAA) applied jointly for and received the camera and training from the U.S. Environmental Protection Agency (EPA). The EPA awarded 10 cameras to agencies across the nation. Bouwman and two employees from

PSCAA were trained to operate of the FLIR camera. The camera detects volatile organic compound emissions. The EPA grant requires agencies to:

- Use the camera in an enforcement and compliance strategy.
- Participate in a community practice group.
- Use the camera in at least 10% of relevant compliance evaluations.
- Submit a detailed report to EPA documenting the results of the camera’s use(s).

Bouwman identified the following limitations and uses for the camera:

- Affected by environmental conditions:
 - Weather (wind, humidity, rain)
 - Relative temperatures of objects in the observation area
 - Chemicals that interfere with the camera’s ability to see VOCs
- Camera requirements:
 - Chemicals that the camera is looking at must absorb infrared radiation between 3.3 and 3.5 microns to be visible
 - The gas the camera is attempting to look at must be a different temperature than its surroundings
 - Motion
- Uses:
 - Leak detection
 - Inspections
 - Compliance

Bouwman has taken the camera to refineries, chemical manufacturing plants, gas stations, manure digesters, and paint booth businesses. He hopes to visit more sources in the future to assist them with identifying leaks and compliance issues. So far, sources have been positive about the information that he has shared with them. Often leaks are associated with lost revenue, so most of the sources the agency regulates are interested in reducing loss wherever possible.

NEW BUSINESS

Resolution 520 - Proposed changes to NWCAA rules – Mark Buford

NWCAA Deputy Director Mark Buford reviewed with the Board proposed changes to the agency burn ban regulations.

Change	Details & Benefits
<i>Consistency with state laws</i>	<ul style="list-style-type: none"> • Change the thresholds for both the first and second stages of impaired air quality (burn bans) to match those in state law. • Include the ability to call a second stage burn ban without having first called a stage one burn ban, as allowed by state law. • Clarify the rule language to state that both the state Department of Ecology and NWCAA have the authority to call first and second stages of impaired air quality burn bans within the NWCAA jurisdiction. • Creates consistency with state and federal rules and laws.

Update language to make implementation consistent	<ul style="list-style-type: none"> Currently, NWCAA regulations state that enforcement of the opacity standards within the burn ban regulation is only on a complaint basis. Agency implementation of this has been cumbersome and inconsistent with other Washington agencies and potentially confusing. Proposing removal of this sentence.
Correct a typographical error	<ul style="list-style-type: none"> NWCAA Section 309 was promulgated with a typographical error in the numbering of the subsections. Proposing a rule change to correct this error.

Resolution 521 – Proposed New Source Review fee schedule change – Mark Buford

As a result of recent Lean exercises, the agency has created general orders for permitting gas stations and automotive spray booths. These general orders are pre-written construction permits that provide for faster and less expensive application processing and permit issuance to applicants who meet all the included requirements and conditions. The agency is proposing modifications to the fee schedule to include lower fees for these general orders. In addition, the proposed fee schedule addresses new source categories, and the costs involved with the permit process for these sources.

Change	Details & Benefits
Adding a fee for general orders	<ul style="list-style-type: none"> General orders are expedited construction permits written by the agency for certain categories of sources for which NWCAA receives numerous applications each year. These permit applications require less time to review, and can be processed for a lower fee, than our traditional construction permits. NWCAA is proposing to add a fee of \$875 for general orders.
Adding a fee for bulk commodities marine shipping terminals (shipping coal /or dry sulfur)	<ul style="list-style-type: none"> Currently, NWCAA has fees that are inadequate for evaluating permit applications for this type of facility. The current schedule would allow NWCAA to charge \$437, but based on the estimated hours involved, this project would require a source-specific fee of \$9,900. NWCAA is proposing to add a \$9,900 source-specific fee for bulk commodities marine shipping terminals.
Adding an environmental impact statement (EIS) coordination fee	<ul style="list-style-type: none"> The current fee schedule includes specific fees for three types of State Environmental Policy Act (SEPA) determinations, when NWCAA is the SEPA lead agency and is making the determination without an EIS. However, should a project require an EIS, NWCAA would expect a significantly larger amount of work. This fee adds a SEPA/EIS coordination fee of \$10,400 to the new source review fee schedule to cover the costs of additional work.

<p>Removing the Prevention of Significant Deterioration (PSD) inapplicability determination fee</p>	<ul style="list-style-type: none"> • The current fee of \$4,521 was originally conceived to provide support when a PSD inapplicability determination was requested by Ecology during a NWCAA permitting action. • This fee has not been used for years; on the rare occasion that a PSD inapplicability determination was requested of Ecology, it did not require any support by NWCAA. • This fee is no longer necessary, and NWCAA is proposing to delete it from the fee schedule.
<p>Clarify applicability of additional fee for landfill or digester gas combustion</p>	<ul style="list-style-type: none"> • The current fee schedule includes a fee for review of applications that propose landfill or digester gas combustion. • This fee pertains to facilities that obtain a traditional construction permit, and not a general order. • NWCAA is proposing to clarify this intent.

Buford explained that no action was needed today, however, agency staff hope to bring these changes forward at the October Board meeting for adoption. Public hearings for both resolutions are planned for September.

ACTION ITEMS

Resolution 517 – Order adopting proposed amendment to NWCAA Rules – Mark Asmundson

Agency Executive Director Mark Asmundson explained that Resolution 517 was discussed during the June Board meeting and it allows the agency to update its rules and make them more consistent with state and federal regulations.

Carl Weimer made a motion, seconded by Ron Wesen, to approve Resolution 517. The Board approved the resolution 6-0.

FY 2015 year-end financial report (7/1/14 - 6/30/15) – Therese Holm

Agency Chief Financial Officer Therese Holm presented a year-end financial report for fiscal year 2015.

	Actual as of June 30, 2015	Budget	% of Annual Budget
Revenues	\$4,043,094	\$4,024,561	100%
Expenses	\$4,135,737	\$4,486,746	92%

Holm identified some key revenue and expense highlights:

- Penalty revenue - \$233,950 actual compared to original \$80,000 budget and 102% of the budget as amended.
 - Resolution 506 authorized \$25,000 for building renovation expenses
 - Resolution 507 authorized \$125,000 for special legal services

- Personnel costs of \$1,931,247 are 96% of budget due to budgeted position for new engineer for nine months when actual was less than five months.
- Air operating permit (AOP) expenses are \$85,000 less than the estimated AOP fees for FY 2015. The excess collected will be refunded to AOP sources in FY 2017 fees.

FY 2015 Ending Fund Balance	Amount
<i>Operating fund balance</i>	\$1,340,694
<i>Cumulative reserve</i>	563,875
<i>Personnel cost reserve</i>	261,835
<i>Capital replacement reserve</i>	126,003
<i>Supplemental environmental</i>	3,284,151
Total fund balance and reserves	\$5,576,558

Resolution 519 – Amending the FY 2016 Operating Fund – Mark Asmundson

Asmundson presented Resolution 519 for Board approval. This resolution increases the FY 2016 budgeted expenses by \$234,449, utilizing the carry-forward balance from FY 2015 (which resulted from an Ecology grant extension, and remaining balances in the Special Legal Services expense line item and Intergovernmental Ozone Study funds). Budget line items will be increased as follows:

- Columbia Valley (CV) Wood Smoke Reduction Grant- revenue – \$61,000
- Professional services – CV Wood Smoke Reduction- expenses - \$61,000
- Professional services expense – Special legal services \$80,449
- Intergovernmental Services – Ozone Study \$93,000

Wesen made a motion, seconded by Terry Nyman, to approve Resolution 519. The Board approved the resolution 6-0.

Bills and claims

Campbell made a motion, seconded by Wesen, to approve the June (totaling \$578,038.35) and July (totaling \$338,581.14) 2015 bills and claims. The bills and claims for June and July were approved 6-0.

STAFF REPORTS

Director’s report – Mark Asmundson

Asmundson reported to the Board on the following matters:

- Matt Holmquist recently joined NWCAA as an air quality inspector. Holmquist worked many years for the Spokane Clean Air Agency. He has a wealth of experience and his work is well-respected in Washington state. NWCAA is very pleased to be able to hire him.
- The agency also recently hired Robyn Jones to fill the engineer position. Jones currently works for the Phillips 66 refinery in Baton Rouge, Louisiana. As the agency

wanted to gain another engineer with refinery experience, staff is thrilled to hire Ms. Jones.

- The agency recently had the parking lot repaired, seal-coated, and re-stripped. The next building improvement project will be to upgrade the bathrooms.
- Asmundson has been meeting with agency managers to identify their goals and objectives for the next couple of years.
- Asmundson requested that three Board members meet with him after the meeting to discuss some future options for the agency (Hannold, Heinrich, and Weimer volunteered to meet with Asmundson).

New source review and air operating permit update – Agata McIntyre

Agency Engineering Manager Agata McIntyre reported that the agency received five applications for construction permits during June and July and issued 10 construction permits.

McIntyre added that she was excited about the creation of a new general order for permitting auto-body shops. This approach will reduce the permit application processing costs for these sources from \$2,000 to \$845 due to reduced staff time for case-by-case permit application review. Agency staff should also be able to generate these permits in less time.

Enforcement update – Scott Pratschner

Agency Air Quality Inspector Scott Pratschner, filling in for Compliance Manager Toby Mahar, reported on enforcement issues that occurred in June and July.

Pratschner noted that odor and dust complaints increased for the months of June and July, and most of these were related to the hot dry weather that the area has been experiencing.

Pratschner gave a couple of examples of collaborative work that the compliance team recently engaged in. One case involved the Twin Bridges Marina being affected by dust from the Three Trees Lumber yard.

Pratschner worked with both parties to solve the dust problem. Three Trees installed wetting systems and moved their pile to another location—adjacent marina property that the marina wasn't using. The situation is now resolved and acceptable to both parties. This was a great example of the collaborative role that NWCAA can play in the community.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:47 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 13, 2015, in Mount Vernon, Washington.

ATTEST: 
 Terry Nymah, Secretary
 NWCAA Board of Directors


 Brian Heinrich, Chair
 NWCAA Board of Directors

DATED: August 13, 2015