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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, June 11, 2015, at 1600 South Second Street, Mount Vernon, Washington.

MEMBERS PRESENT:

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

ALSO PRESENT:

| | |
|---------------------|--|
| NWCAA staff members | Mark Asmundson, Mark Buford, Therese Holm, Toby Mahar, Agata McIntyre, Katie Skipper, Lyn Tober, Bob Uhrich, and Laurie Caskey-Schreiber |
| Legal counsel | Loch Clark |

CALL TO ORDER

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

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Richard Hannold, seconded by Ron Wesen, the minutes for the May 14, 2015, Board meeting were approved 6-0 (Joe Lindquist arrived shortly after the vote).

PRESENTATIONS

Agency Chief Financial Officer Therese Holm announced that the AWC Employee Benefit Trust recently awarded NWCAA a 2015 Well City Award. As a result, in 2016, the agency qualifies for a 2 percent discount on medical premiums. Holm acknowledged the work of the 2012-2014 agency wellness committee members; Bob Uhrich, Toby Mahar, Therese Holm, and Laurie Caskey-Schreiber.

NEW BUSINESS

Proposed changes to NWCAA rules – Mark Buford

NWCAA Deputy Director Mark Buford reviewed the following rule changes with the Board.

| Change | Details & Benefits |
|--|--|
| <i>Update the maximum daily civil penalty</i> | <ul style="list-style-type: none"> • Reflects adjustment for inflation as provided by law. • Increases penalty maximum from \$15,000 per day per violation to \$19,000 per day. • Creates consistency with state and federal rules and laws. |
| <i>New and updated definitions of greenhouse gases and volatile organic compounds</i> | <ul style="list-style-type: none"> • Makes NWCAA definitions match state and federal definitions. |
| <i>Update our version of rules with the state and federal rules, allowing certain exemptions from new source permitting</i> | <ul style="list-style-type: none"> • Makes NWCAA rules consistent with state and federal laws • Removes requirement that regulated sources obtain permits for projects with negligible ambient air impact, relieving an unnecessary burden on businesses and agency staff. |
| <i>Update adoption-by-reference changes and housekeeping corrections</i> | <ul style="list-style-type: none"> • Removes duplicative adoption-by-reference language in the New Source section, allowing NWCAA to implement the most recent version of the referenced state and federal rules. • Readopts the section that implements the State Environmental Policy Act, allowing NWCAA to use the most recent SEPA checklist version in the state rule. • Reduces processing time. • Improves clarity of NWCAA regulations. |

Buford explained that no action was needed today, however, agency staff hope to bring these changes forward at the August Board meeting for adoption. Later in the year, staff will bring another chunk of needed revisions for the Board to consider.

ACTION ITEMS

Resolution 518 – Authorize additional funds for the Opportunity Council – Mark Asmundson

Agency Executive Director Mark Asmundson explained that Resolution 518 authorizes the agency to provide a \$500,000 increase in a contract with the Opportunity Council's Community Energy Challenge program. The increase will allow the Opportunity Council to expand the program.

Carl Weimer made a motion, seconded by Wesen, to approve Resolution 518. The Board approved the resolution 7-0.

Resolution 511 – Authorize supplemental (per capita) income for fiscal year 2016 of \$142,485 – Mark Asmundson

Asmundson presented Resolution 511 for Board approval. This resolution authorizes the collection of supplemental income for calendar year 2016 in the amount of \$142,485 from cities, towns, and counties based on a \$0.35 per capita rate. Asmundson noted that the rate has not changed since 1989. The small increase is due to small increases in population.

Motion to approve Resolution 511 was made by Lindquist, seconded by Wesen, and approved unanimously.

Resolution 512 – Approve Operating and Reserve Fund budgets for fiscal year 2015 – Mark Asmundson

Asmundson presented Resolution 512 to approve the FY 2016 budgets for the Operating Fund and Reserve Funds.

| FY 2016 | <i>Revenues and transfers-in</i> | <i>Expenses and transfers-out</i> | <i>Estimated ending balance</i> |
|-----------------------|---|--|--|
| Operating Fund | \$4,428,742 | \$4,746,927 | \$731,815 |
| Reserve Funds | \$55,955 | \$125,806 | \$881,849 |

Weimer made a motion, seconded by Terry Nyman, to approve Resolution 512. The Board approved the resolution 7-0.

Resolution 513 – Establish the fiscal year 2016 budget for Supplemental Environmental Projects Fund – Mark Asmundson

Asmundson presented Resolution 513 to establish a FY 2016 budget for greenhouse gas mitigation projects, which were previously approved by Board Resolution 481.

| FY 2016 | <i>Revenues</i> | <i>Expenses and transfer-out</i> | <i>Estimated ending balance</i> |
|---|------------------------|---|--|
| Supplemental Environmental Projects Fund | \$3,000 | \$1,710,733 | \$1,813,733 |

Hannold made a motion, seconded by Wesen, to approve Resolution 513. The Board approved the resolution 7-0.

Resolution 514 – Establish Legal Reserve Fund – Mark Asmundson

Asmundson presented Resolution 514 for adoption. This agency will pay for unanticipated legal expenses from this fund. The amount dedicated to this fund may change as additional money is available.

| FY 2016 | <i>Revenues and transfers-in</i> | <i>Expenses and transfer-out</i> | <i>Estimated ending balance</i> |
|---------------------------|---|---|--|
| Legal Reserve Fund | \$250,300 | \$0 | \$250,300 |

Jim Campbell made a motion, seconded by Lindquist, to approve Resolution 514, and the resolution was approved by all.

Resolution 515 – Amending and re-adopting the personnel manual – Mark Asmundson

Asmundson discussed the proposed revisions to the agency personnel manual. Most of the changes will improve administration of existing policies, and some revisions are the result of recommendations that were made during the agency’s recent audit process.

Lindquist made a motion, seconded by Weimer, to approve Resolution 515. The Board approved the resolution 7-0.

Bills and claims

Hannold made a motion, seconded by Wesen, to approve the May 2015 bills and claims totaling \$296,384.31. The bills and claims were approved 7-0.

STAFF REPORTS

Director’s report – Mark Asmundson

Asmundson reported to the Board on the following matters:

- The search for an engineer is moving along. There have been several applicants, and the recruiting company is reviewing all applications. NWCAA does not have a completion date for this search.
- The agency is approaching final negotiations with a website designer. Staff expects to have this accomplished shortly, and the work will commence immediately thereafter.
- The agency has two matters under appeal to the Pollution Control Hearings Board. Staff have been actively involved in settlement negotiations with the parties to both appeals and have come much closer to resolving the issues. There remains a good chance that settlement will occur.
- NWCAA staff member Jason Bouwman, who specializes in on-site emissions testing at regulated facilities, has been trained in the use of a specialized camera, called a forward looking infrared radiometer, or FLIR camera. NWCAA and the Puget Sound Clean Air Agency jointly obtained the camera through a grant from EPA. Bouwman has been using the camera in a variety of settings and has discovered a number of interesting emission issues. The agency is planning to have Bouwman give a presentation to the Board in August, which will include a number of the videos he has captured with this camera.
- A reminder that there is no Board meeting in the month of July.

New source review and air operating permit update – Agata McIntyre

Agency Engineering Manager Agata McIntyre reported that the agency received numerous applications for construction permits. McIntyre highlighted some of the applications received:

- Mavrik Marine submitted an application for a new paint spray booth. Mavrik Marine anticipates being granted a state contract to coat the hull of a Washington state ferry.
- Janicki Bioenergy submitted an application for a new, larger version of its Omni Processor unit, which generates electricity by processing biosolids from a wastewater, and makes potable water as a byproduct. The first unit Janicki produced is being tested onsite in Senegal, and the company hopes to market the newer version to other countries.
- Phillips 66 refinery submitted a number of applications for various administrative changes to its existing construction permits. After these changes are made, these permits will be rolled into the refinery’s air operating permit, which is up for its 5-year renewal.
- The agency issued one construction permit for an existing gas station.

Enforcement update – Toby Mahar

Agency Compliance Manager Toby Mahar reported on enforcement issues that occurred in May.

Mahar noted that odor complaints increased for the month of May, and some of these were related to work that was being done at the BP refinery at Cherry Point.

McIntyre explained that BP recently went through its turn-around process, which sometimes involves out-of-the-ordinary odorous activities.


ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:10 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 June 11, 2015, in Mount Vernon, Washington.

ATTEST:


Terry Nyman, Secretary
NWCAA Board of Directors


Brian Heinrich, Chair
NWCAA Board of Directors

DATED: August 13, 2015