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BOARD MEETING MINUTES

The Board of Directors of the Northwest Clean Air Agency met at 1:30 p.m. Thursday, February 8, 2024, at 1600 South Second Street, Mount Vernon, WA.

MEMBERS PRESENT:

Skagit County	Mary Hudson Ron Wesen via ZOOM
Island County	Tara Hizon Janet St. Clair
Whatcom County	Todd Donovan Eric Johnston
Member-At-Large	Terry Nyman via ZOOM

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 Chairman Ron Wesen called the meeting to order at 1:30 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Tara Hizon, seconded by Mary Hudson, the minutes for the Dec. 14, 2023, meeting were approved 6-0. (*Janet St. Clair abstained from the vote. Terry Nyman approved Mary Hudson to sign the minutes on his behalf.*)

NEW BUSINESS

ELECTION OF BOARD OFFICERS

Wesen opened the floor for the annual Board elections. Buford explained that traditionally the Vice Chair moves to Chair, and the three counties rotate to the Vice Chair position. Buford suggested having Todd Donovan serve as Chair and Tara Hizon as Vice Chair. Board members indicated their support for this direction.

Janet St. Clair made a motion to nominate the following slate of Board positions: Todd Donovan for Chair of the Board, Tara Hizon for Vice Chair, and Terry Nyman for Secretary. Hizon seconded the motion and it passed 7-0.

Chairman Donovan appointed the following Board members to the Finance Committee:

Finance Committee		
Chair	Mary Hudson	Skagit – City of Mt. Vernon
Member	Janet St. Clair	Island County
Member	Todd Donovan	Whatcom County
Employer/Employee Relations Committee	All positions are ex officio	
Chair	Todd Donovan	Whatcom County
Member	Tara Hizon	Island – City of Oak Harbor
Member	Mary Hudson	Skagit – City of Mt. Vernon

PRESENTATION

Fiscal Year 2024 second quarter financial report (July 1 – Dec. 31, 2023) – Alicia Huschka

NWCAA Chief Financial Officer Alicia Huschka reviewed actual financial results compared to the annual budget for fiscal year 2024 for the Operating Fund for the six-month period ended Dec. 31, 2023.

	Year-to-date	Annual Budget	% of Annual Budget
Revenues	\$3,944,969	\$5,697,091	69%
Expenses	\$2,584,521	\$6,427,066	40%

Huschka identified the following revenue and expense highlights:

- Air operating permit revenues are \$3,624,891 through December 31, 2023, which is 99 percent of the annual budgeted amount.
- Registration fees budgeted at \$767,000 will be invoiced in February 2024.
- The asbestos program continues to be busy, and revenues so far are at \$79,293 or 45% of budgeted revenue for the year.
- Per capita fees totaling \$225,300 were billed in January 2024.
- Penalty revenues are \$7,813, which is 9% of the budgeted amount of \$85,000. This amount does fluctuate from year to year, dependent on a variety of factors.
- Salaries & wages are close to where they should be at 50% of the budget spent.

Huschka stated that the fiscal year 2024 budget is on track, and the Agency is where it should be compared to the budget for the period ended Dec. 31, 2023.

Huschka reviewed the Agency’s consolidated balance sheet as of Dec. 31, 2023:

	Operating Fund	Cumulative Reserve Fund	Capital Replacement Fund	Supplemental Environmental Fund	Personnel Costs Reserve Fund	Legal Reserve Fund	Total
Assets	\$3,180,297	\$4,507,635	\$204,181	\$274,088	\$296,105	\$525,415	\$8,987,721
Liabilities	331,942	0	0		0	0	331,942
Fund Balance	2,848,355	4,507,635	204,181	274,088	296,105	525,415	8,655,779
Liabilities and Fund Balance	\$3,180,297	\$4,507,635	\$204,181	\$274,088	\$296,105	\$525,415	\$8,987,721

Huschka gave a brief report on the current and expected fund balances for the reserve funds.

NWCAA Executive Director Mark Buford gave an update on the status of San Juan County’s request to re-join NWCAA’s jurisdiction.

Recently Buford met with the San Juan County Council and County staff to go over the details of the potential merger. The next step is for San Juan County to submit a formal letter of intent to NWCAA, and then Buford will deliver their request to the Island, Skagit, and Whatcom County Council or Commissions and they will have to adopt resolutions to approve San Juan County rejoining the NWCAA jurisdiction. Once those steps have been completed it will come back to the NWCAA Board for final approval.

Bills and claims

Board members discussed the bills and claims reports for December 2023 (\$524,503.71) and for January 2024 (\$483,504.52). Hudson made a motion to approve the December 2023 and January 2024 bills and claims. Hizon seconded the motion, and the Board approved the bills and claims 7-0.

STAFF REPORTS

Director’s report – Mark Buford

Buford reported to the Board on the following matters:

- EPA has adopted a revision to the primary (health-based) annual PM2.5 ambient standard from its past level of 12.0 micrograms per cubic meter to 9 micrograms per cubic meter. EPA retained the current primary and secondary 24-hour PM2.5 standards, primary and secondary PM10 standards, and secondary (welfare-based) annual PM2.5 standard. The change also includes revisions to other key aspects related to the PM NAAQS, including revisions to the Air Quality Index (AQI) and monitoring requirements.

Buford doesn't anticipate any problems in the NWCAA jurisdiction with meeting this new standard for PM2.5. Currently our annual PM2.5 ambient standard falls within the range of 5-6 micrograms per cubic meter (even including elevated PM2.5 concentrations from summertime wildfires), well under the new standard.

- NWCAA Engineering Manager Agata McIntyre has been working with staff at EPA and Ecology on a plan to maintain attainment with the federal sulfur dioxide (SO₂) ambient standard in the area around the ALCOA/Intalco property. The area was formerly designated as nonattainment (didn't meet the standard) while the Intalco aluminum smelter operated. Monitored SO₂ concentrations fell precipitously when Intalco ceased operating and are now well below the standard. This makes the area eligible for redesignation back to an SO₂ attainment area once EPA approves the plan that Ecology and NWCAA created for maintaining attainment with the standard.

Since Intalco ceased operating, the SO₂ emissions in the nonattainment area have been reduced to almost zero. McIntyre and staff at Ecology are developing options in the plan for tracking emissions in lieu of operating the two costly SO₂ ambient monitors which are now superfluous. EPA has informally approved the plan, but the plan needs to go through a public comment process followed by formal EPA approval before the area can be re-designated and before NWCAA can execute the plan.

- Buford has been tracking activities in the WA legislature, which is currently in session. There are two bills right now that Air Agencies are following. SB 6121 involves the production of biochar. Buford reported that there are problems with this bill. It is silvicultural burning in portable kilns. There is no incentive for forestry operations to use this process. The bill has since been amended.

Another bill that is being followed is the CURB Bill, which may impact Agencies that are SEPA leads.

- Agency staff are currently working on the 2025 Fiscal Year Budget. The timeline for our budget process is as follows:
 - A draft budget will be presented to the Advisory Council in March,
 - Presented to the Finance Committee in April,
 - Presented to the full Board in May, then
 - Board votes on adopting the budget in June.
- Recently the State Supreme Court declined to hear the case involving the requirement that Board members authorize all air operating permits before the Appeals Court hears the case.
- Due to inclement weather the January Advisory Council meeting had to be rescheduled, it will now take place on Feb. 29, 2024.

New source review and air operating permit update – Agata McIntyre

NWCAA Engineering Manager Agata McIntyre reported on the December 2023 and January 2024 construction permit (new source review) activity.

- During December, the Agency received one application for construction permits. Three permits were issued.
- In January, the Agency received four construction permit applications and issued four construction permits.
- One of the construction permit applications received in January was from Janicki and one of the permits issued for that month was for the Haskell Corporation. Both permits were for adding laser plasma cutters to their operations. Laser cutting vaporizes the metal that's being cut and releases metal fumes. NWCAA's permits control and limit the amount of metal fumes released from these operations.
- Staff recently completed a renewal of the Air Operating Permit (AOP) for Whidbey Island Naval Air Station. The AOP compiles all of the federal, state, and local air quality requirements and construction permits into a single document. The permit must be renewed every 5 years. The renewed AOP should be in final form and issued during the month of February.

Enforcement update – Toby Mahar

NWCAA Compliance Manager Toby Mahar reported on December 2023 and January 2024 enforcement and provided the following highlights of compliance activities.

- NWCAA issued four Notice of Violations (NOVs) in December, and four penalties. Among the NOV's that were issued was:
 - **Case 4692** – Chemtrade Solutions LLC experienced four excess emission events in 2022 and 2023, all were related to equipment maintenance failures. They are in process upgrading the facility preventive maintenance and there are several capital projects in process to improve equipment.
- NWCAA issued five NOVs in January. Mahar highlighted the following violations:
 - **Case 4699** – to IKO Pacific for failing to immediately repair a baghouse and maintain records discovered by an inspector in the field.
 - **Case 4697** – Auto Collision Repair – discontinuation of registration as a result of failure to pay registration fees in a timely manner. They will now need to get a new permit to resume operating.

NWCAA Board member Janet St. Clair suggested that NWCAA employees out in the field may wish to start carrying NARCON on them, due to the increased rate of Fentanyl use in our communities.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:50 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 February 8, 2024, in Mount Vernon, Washington.

ATTEST: 

Terry Nyman, Secretary
NWCAA Board of Directors



Todd Donvoan, Chair
NWCAA Board of Directors

DATED: March 14, 2024