



1600 South Second Street
Mount Vernon, WA 98273-5202
ph 360.428.1617
fax 360.428.1620
www.nwcleanair.org

BOARD MEETING MINUTES

The meeting of the Board of Directors of the Northwest Clean Air Agency was held at 1:30 p.m., Thursday, December 10, 2009, at 1600 South Second Street, Mount Vernon, Washington.

MEMBERS PRESENT:

Skagit County	Sharon Dillon
Island County	Cathy Rosen Angie Homola
Whatcom County	Laurie Caskey-Schreiber David Webster
Member-At-Large	Terry Nyman

MEMBERS ABSENT:

Joe Lindquist

ALSO PRESENT:

NWCAA Staff Members	Mark Asmundson, Mark Buford, Scott Pratschner, Julie O'Shaughnessy, Toby Allen, Lyn Tober, Margarita Smith
Advisory Council	no one present
Legal Counsel	Loch Clark

CALL TO ORDER

Laurie Caskey-Schreiber, Board Chairperson, called the meeting to order at 1:35 p.m.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by Cathy Rosen, seconded by Sharon Dillon, the minutes of the November 12, 2009 Board meeting were approved.

UNFINISHED BUSINESS

Mark Asmundson requested a short Executive Session just after the Board Meeting to follow up on a potential litigation matter.

NEW BUSINESS**Resolution 422 – Adopt a Fee Schedule for Registered Sources for CY 2010 – Mark Asmundson/Julie O’Shaughnessy**

Asmundson presented the proposed fee schedule for registered sources, which reflects a 7.5% increase for all categories. The goal is to gradually move closer to full cost recovery for the Registration Program. These proposed fees for CY 2010 were posted on the NWCAA website for the required 30 days. No comments from the public were received prior to the meeting, and no one from the public wished to speak.

David Webster asked why “odor source” was listed twice, and why the amount was different on each page. Julie O’Shaughnessy explained that the “additional odor fee” appearing on page 2 could be imposed in special circumstances. There could be an instance where a source, not classified as an odor source, could create a series of odor nuisance events where a violation might be issued, and thus trigger the additional fee. This fee is in addition to any penalties assessed.

Angie Homola proposed an amendment that the odor fee on page 2 be corrected to read \$1,192, the same as on page 1. The Board agreed unanimously with the amendment.

Motion to approve Resolution 422 made by David Webster, seconded by Sharon Dillon, was approved unanimously.

Resolution 423 – Adopt a Fee Schedule for New Source Review – Mark Buford

Mark Buford presented the proposed fee schedule for New Source Review, stating that these fees reflect a 6% increase from last year. There is a new fee category for composting facilities and a new “additional” fee for landfill or digester gas combustion. The proposed New Source Review fee schedule was also posted to the NWCAA website for the required 30 days. Caskey-Schreiber asked how we compare to other agencies, and Buford responded that we are most similar to the Puget Sound Clean Air Agency.

Homola asked if 6% was typical of our annual increases. Asmundson explained that this increase is typical of most years. Last year, however, was an exception due to a major revision of the New Source Review fee schedule structure.

Caskey-Schreiber asked for public comment, and there was none. Motion to approve Resolution 423 made by Cathy Rosen, seconded by Terry Nyman, was approved unanimously.

Resolution 426 – Amend the FY 2010 Operating Fund Budget – Mark Asmundson

Asmundson presented Resolution 426 to make several changes to the FY 2010 Operating Fund Budget. Federal and state funds are being updated due to revised funding levels, and funding from the Department of Ecology for the Woodstove grant has increased. In addition, since 75% of budgeted penalty monies have been received, the Agency desires to utilize these funds to expand the Climate Change Program, extend the use of interns, and utilize the contract engineer’s services through the end of June 2010.

Caskey-Schreiber asked for more details about the Climate Change Program. Asmundson described the agency’s collaborative efforts with other interested local parties, especially regarding sustainable green buildings, and the desire to refine our climate change goals. He

referenced the necessity of contracting with outside entities to develop and secure future grant funding for specific climate change projects.

Asmundson also described the various projects the interns are carrying out, as well as the importance of continuing the services of the effective Air Operating Permit writer, Alan Butler, who has been providing essential contract services since his retirement from the Puget Sound Clean Air Agency and the Department of Ecology.

Motion to approve Resolution 426 made by David Webster, seconded by Cathy Rosen, was approved unanimously.

STAFF REPORTS

Director's Report – Mark Asmundson

Asmundson reported to the Board on the following matters:

- The regular, ongoing business of the Agency has been fairly typical for the last month.
- The Agency held two meetings with representatives of local governments and not-for-profit organizations for the purposes of refining our Climate Change Program and setting an agenda for focused community outreach. It appears that we will be able to play a helpful role as a convener of climate change activities and as a hub around which organizations in our jurisdiction will be able to share resources, ideas, and programs, as well as to pursue grant opportunities.
- The terms of three Advisory Council members have expired, or will expire, at the end of the year. These members are Mary Hess, Polly Dubbel, and Katherine Hanowell. All three have indicated a desire for reappointment; and, as they are very active members, Asmundson recommends that the Board reappoint them. The terms are four years.

Motion to reappoint all three members for another four-year term made by Angie Homola, seconded by Cathy Rosen, was approved unanimously.

- After numerous rescheduling by the State Auditor's Office, the audit of the Agency has now commenced. Jim Mickel is performing an "Accountability Audit" for FYs 07, 08, and 09. FY 09 has been included since the audit began after the end of that FY. The Accountability Audit focuses on such matters, among other issues, as our agency's internal controls and compliance (e.g., with state laws, the BARS Manual, etc.). Recently, Jim and his audit manager, Jamilah McLaughlin, decided they will also need to perform a financial audit for the same three FYs. This type of audit is necessary since we have had revenues over \$2 million beginning with FY 07.

Jim will be working through December 18, and then he takes two weeks off for a vacation. He will return in January for additional fieldwork, and we hope to have the report issued by sometime in February. Jim has also given me a "heads up" on some of the topical issues that have been included in his audit work (e.g., unclaimed property, loss/theft reporting requirements).

- Agency staff held a pre-application meeting with BP concerning a significant project which they will be proposing in early 2010. It is a major project related to

modifications necessary to meet more stringent standards for both benzene and sulfur. The reductions of these components in fuel are expected to have significant positive public health benefits.

- As we anticipate the upcoming legislative session, it is again a time to be grateful for the financial support received through the Department of Ecology, but at the same time be grateful that our Agency operations are not principally dependant on tax revenues.

New Source Review & Air Operating Permit (AOP) Update – Mark Buford

Permit Actions (1)

- Tesoro AOP – Issued Draft

Ongoing OAC Projects (8)

- ConocoPhillips Company, Ferndale Refinery – Enhanced Selective Non-Catalytic Reduction (ESNCR)
- Cowden Gravel & Concrete Inc. – Modify concrete batch plant
- Shell Puget Sound Refinery (4) – Changes to existing OAC for AOP cleanup
- Socco, Inc. – Installation of Wood Fired Boiler, Two New Lumber Kilns – Incomplete Application
- Lakeside Industries – Belleville Asphalt Plant

New Applications Received (1)

- Yorky's – Gasoline Station Modification

Air Operating Permit (11)

- Chemco – Initial permit underway
- BP Cherry Point Refinery (Blaine) – Renewal underway
- ConocoPhillips Refinery (Ferndale) – Renewal underway
- PSR Shell (Anacortes) – Renewal underway
- Tesoro (Anacortes) – Draft Issued
- Sierra Pacific – Initial permit underway
- Tenaska – Administrative Amendment
- PSE, Encogen - Renewal underway
- PSE, Whitehorn - Renewal underway
- PSE, Fredonia – Renewal underway
- PSE, Sumas – Initial Permit underway

MISCELLANEOUS

Approval of Bills and Claims

On motion by Sharon Dillon, seconded by Angie Homola, the Board approved Bills and Claims for November 2009.

Presentation to Laurie Caskey-Schreiber

On behalf of NWCAA Staff, Asmundson made a special presentation to Laurie Caskey-Schreiber in thanks for her commitment and service as Board member for many years. She was presented with a framed picture with plaque and card and wished well in her future endeavors.

Member-At-Large Position – Mark Asmundson

Asmundson informed the Board that Terry Nyman’s position as Member-At-Large is expiring at the end of December 2009. Nyman has confirmed his desire to continue as Member-At-Large. Motion to approve Terry Nyman for an additional four-year term as Member-At-Large made by David Webster, seconded by Cathy Rosen, was approved unanimously.

Next Meeting

There will be NO Board meeting during the month of January 2010. The next Board meeting will be held on Thursday, February 11, 2010 at 1:30 p.m.

EXECUTIVE SESSION (litigation matter)

The NWCAA Board of Directors went into a brief Executive Session at 2:20 p.m.

ADJOURNMENT

As there was no further business, Laurie Caskey-Schreiber adjourned the meeting at 2:30 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 December 10, 2009, in Mount Vernon, Washington.

ATTEST: _____
Terryl Nyman, Secretary
NWCAA Board of Directors

, Chair
NWCAA Board of Directors

DATED: February 11, 2010