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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 10, 2010, at 1600 South Second Street, Mount Vernon, Washington.

MEMBERS PRESENT:

Skagit County	Ron Wesen Joe Lindquist
Island County	Angie Homola Sandra Place for Cathy Rosen
Whatcom County	David Webster Carl Weimer
Member-At-Large	Terry Nyman

MEMBERS ABSENT: Cathy Rosen

ALSO PRESENT:

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

CALL TO ORDER

Joe Lindquist, Board Vice Chair, called the meeting to order at 1:32 pm in Cathy Rosen's absence.

APPROVAL OF PRIOR BOARD MEETING MINUTES

On motion by David Webster, seconded by Terry Nyman, the minutes of the May 20, 2010 Board meeting were approved. Carl Weimer was not present for the vote.

NEW BUSINESS

Asmundson informed the Board that one additional Resolution was being added to the Agenda under New Business. Resolution 441 pertains to the official adoption of the amended NWCAA Rules and Regulations, upon approval by the Board at today's meeting.

Resolution 434 – CY 2011 Supplemental Income (per capita assessments) – Asmundson/Allison

Asmundson presented Resolution 434 to authorize collection of supplemental income for calendar year 2011 in the amount of \$137,305 from component cities, towns, and counties based on a \$.35 per capita rate. He noted that this rate hasn't changed since 1989. Motion to approve Resolution 434 made by Terry Nyman, seconded by Ron Wesen, was approved unanimously.

Resolution 435 – FY 2011 Operating Fund Budget – Asmundson/Allison

Asmundson presented the FY 2011 Operating Fund Budget. Minor changes since the May Board meeting include personnel cost increases to reflect the 0.6% COLA for employees, a small increase in Professional Services, and \$32,000 in carry forward for the Public Education and Climate Change Programs. In addition, the Interfund Transfer to the Supplemental Environmental Projects Fund has been reduced by \$45,000, to reflect payment to the counties for the Fire Warden Program.

Wesen asked if the Agency had gotten any responses from the public about the raising of registration fees. Asmundson commented that only one e-mail had been received after an article appeared in the Skagit Valley Herald. The Agency will come up with a revised fee schedule which will be posted on the agency's website and voted upon at a Board meeting in the fall. Lindquist asked if the Agency might be flexible in particular hardship cases. Asmundson commented that the Agency could consider flexible pay schedules in certain cases.

Nyman presented his concerns about the grant funds available for the Supplemental Environmental Projects Fund under the Interfund Transfers In/Out. He would prefer to see that the \$45,000 deducted for the Fire Warden Program be added back into the total amount available, so that the counties are not penalized for carrying out their important Fire Warden Program. He would like to see the available grant amount restored to \$137,305.

Motion to approve Resolution 435, made by Terry Nyman, seconded by Angie Homola, was approved unanimously. Nyman then presented a motion to amend the Interfund Transfer to the Supplemental Environmental Projects Fund to \$137,305, to fully provide all per capita paying entities with their available grant funding. Homola seconded the motion, and Resolution 435, with the amendment, was approved unanimously.

Resolution 436 – FY 2011 Diesel Retrofit Program Fund Budget – Asmundson/Allison

Asmundson presented Resolution 436 to reflect interest income and program expenses for the Diesel Retrofit Program as projected for FY 2011. Motion to approve Resolution 436 made by David Webster, seconded by Sandra Place, was approved unanimously.

Resolution 437 - FY 2011 Supplemental Environmental Projects Fund Budget – Asmundson/Allison

Asmundson presented Resolution 437 to approve Supplemental Environmental Projects Funding for \$137,305, as reflected in the amendatory changes to Resolution 435. Motion to approve Resolution 437 made by Angie Homola, seconded by Ron Wesen, was approved unanimously.

Resolution 438 – FY 2011 Cumulative Reserve Fund Budget – Asmundson/Allison

Asmundson presented Resolution 438 to reflect a transfer to the new Personnel Costs Reserve Fund. Motion to approve Resolution 438 made by David Webster, seconded by Angie Homola, was approved unanimously.

Resolution 439 – FY 2011 Capital Replacement Fund Budget – Asmundson/Allison

Asmundson presented Resolution 439 to reflect an interfund transfer to the Operating Fund for building maintenance purposes. Motion to approve Resolution 439 made by Angie Homola, seconded by Ron Wesen, was approved unanimously.

Resolution 440 – Personnel Costs Reserve Fund Budget – Asmundson/Allison

Asmundson commented that the Personnel Costs Reserve Fund is a reflection of prudent fiscal management. Funds will be available to cover accrued annual leave balances in the event a staff member retires or terminates from the Agency. In addition, this fund will reserve funds to assist with projected increases in pension plan contribution rates of the Public Employees' Retirement System (PERS). Motion to approve Resolution 440 made by David Webster, seconded by Sandra Place, was approved unanimously.

Resolution 441 – Order Adopting Amended Rules by NWCAA – Asmundson/Buford

Asmundson reported that a Public Hearing was held on June 1, 2010 at the Department of Ecology Office in Bellingham to receive commentary regarding new SEPA Rules and amendatory changes to the NWCAA Regulation. One person attended to speak in favor of the regulatory changes. Motion to accept the Regulation Revisions made by Terry Nyman, seconded by David Webster 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 is going well. As mentioned in his pre-meeting memo, the BP application for a new hydrogen plant has been received but was rejected as 'incomplete'. This is not unusual for a complex project, and the Agency is working with all involved to address issues involved in the project. The NWCAA has entered into an expense reimbursement agreement with BP to recover the costs incurred by the agency in processing the application and conducting the SEPA lead agency responsibilities.

- A draft of a letter to the per capita paying entities is enclosed in your Board folder for your information. It is our intention to include a copy of a version of this letter with the annual billing statement to each per capita paying entity.
- A multi-agency effort to identify the significance of naturally-occurring asbestos in Skagit County has begun. Due to the number of agencies which are possibly involved, it will be likely several months before any dispositive information is available about this issue.
- At the Tesoro refinery the accident investigation is still underway, and the current estimate for facility restart is September.

Carl Weimer arrived at 2:10 pm.

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

Permit Actions - **4**

- Northwest Collision – Spray Booth OAC
- Associated Asphalt – OAC Modification
- Westport Shipyard – Modify OAC
- Sierra Pacific Air Operating Permit – Issued Final

Ongoing OAC Projects - **9**

- Socco, Inc. - Installation of Wood Fired Boiler, Two New Lumber Kilns - Incomplete Application
- Port of Anacortes – Loading of prilled sulfur
- Sulex Inc., Storage Building for Sulfur Products – OAC
- Whidbey Island Crematory – OAC
- BP Cherry Point Refinery – Clean Fuels Project – OAC
- BP Cherry Point Refinery – ULNB Retrofit – OAC
- Gary's Autobody – Spray Booth – OAC
- Puget Sound Energy Fredonia – OAC Modification
- Farm Power Lynden – Anaerobic Digester - OAC

New Applications Received – **1**

- BP Cherry Point Refinery – NSR Determination

Air Operating Permit - **10**

- Chemco – Initial permit underway
- BP Cherry Point Refinery (Blaine) - Renewal underway
- ConocoPhillips Refinery (Ferndale) - Renewal underway
- PSR Shell (Anacortes) – Renewal underway
- Tenaska – Administrative Amendment
- PSE – Encogen - Renewal underway
- PSE – Whitehorn - Renewal underway
- PSE – Fredonia - Renewal underway
- PSE – Sumas – Initial Permit underway
- Fibrex Corporation – Burlington – Initial permit underway

MISCELLANEOUS

Approval of Bills and Claims

On motion by Angie Homola, seconded by Carl Weimer, the Board approved Bills and Claims for May 2010.

Consideration of cancelling regularly scheduled July 2010 meeting and in its stead meeting on August 12, 2010

Asmundson commented that seven Board members had informed him that they were in favor of cancelling the July meeting and instead meeting in August. Motion to cancel the July Board of Directors meeting and instead meet on August 12, 2010, made by David Webster, seconded by Angie Homola, was passed unanimously.

Next Meeting

The next Board meeting will be held on Thursday, August 12, 2010 at 1:30 p.m.

ADJOURNMENT

As there was no further business, Joe Lindquist adjourned the meeting at 2:20 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 10, 2010, in Mount Vernon, Washington.

ATTEST: _____
Terryl Nyman, Secretary
NWCAA Board of Directors

Cathy Rosen, Chair
NWCAA Board of Directors

DATED: August 12, 2010