The meeting of the Board of Directors of the Northwest Clean Air Agency was held at 1:30 p.m., Thursday, June 13, 2013, at 1600 South Second Street, Mount Vernon, Washington.

**MEMBERS PRESENT:**

- Skagit County: Joe Lindquist, Ron Wesen
- Island County: Jim Campbell, Kelly Emerson
- Whatcom County: Carl Weimer, Brian Heinrich for Kelli Linville
- Member-At-Large: Terry Nyman

**ALSO PRESENT:**

- NWCAA Staff Members: Mark Asmundson, Mark Buford, Therese Holm, Julie O'Shaughnessy, Katie Skipper and Laurie Caskey-Schreiber
- Advisory Council: No one present
- Legal Counsel: Loch Clark

**CALL TO ORDER**

Kelly Emerson, Board Chair, called the meeting to order at 1:39 p.m.

**APPROVAL OF PRIOR BOARD MEETING MINUTES**

On motion by Carl Weimer, seconded by Joe Lindquist, the minutes of the May 9, 2013, Board meeting were approved, with Kelly Emerson abstaining and Jim Campbell absent (Campbell arrived at 1:52 p.m.).
PRESENTATION

Agency Strategic Plan update – Katie Skipper

Agency Communications Director Katie Skipper presented an update regarding the agency’s Strategic Plan.

Skipper went over the development process and timeline for this plan:
- Board of Directors and Advisory Council retreat – July 2012
- Leadership team meetings and homework
- Update Board – April 2013
- Present draft to Board – June 2013
- Board approval in 2013

Skipper reported on the work that has been completed for the strategic plan and identified the next steps that will take place before the Board is presented with the final draft. Once the plan is approved, the agency will develop a communication and roll-out strategy to present this work to the public.

NEW BUSINESS

Resolution 482 – Authorizes Supplemental (Per Capita) Income for Fiscal Year 2014 of $140,280 – Mark Asmundson, Therese Holm

Agency Finance Director Therese Holm presented Resolution 482 for Board approval. This resolution authorizes the collection of supplemental income for calendar year 2014 in the amount of $140,280 from cities, towns and counties based on a $0.35 per capita rate. Holm noted that the rate has not changed since 1989. The small increase is due to small increases in population.

Motion to approve Resolution 482 was made by Joe Lindquist, seconded by Ron Wesen, and approved unanimously.

Resolution 483 – Authorizes Establishing Funding Objectives and Targets for Reserve Funds - Therese Holm

Holm reviewed Resolution 483, which identifies existing reserve funds and proposed funding objectives necessary for the accomplishment of the mission and orderly operation of NWCAA as follows:

- Operating Fund Reserve – To provide cash flow for operations and contingency for unanticipated expenses, a calculated amount of 17% of Operating Fund budget will be retained in the Operating Fund. The amount of budgeted Operating Fund reserve for FY 2014 is estimated to be $632,000.

- Capital Replacement Reserve – A calculated amount of 10% of the insured “replacement” value of NWCAA capital assets, including office building, equipment, and the estimated cost of one vehicle replacement. For FY 2014 budget, the Capital Reserve estimated ending fund balance is approximately $201,000.

- Personnel Cost Reserve Fund – Funds set aside for the purpose of funding Public Employees’ Retirement System (PERS) pension liability and accrued vacation and sick leave cash outs. For FY 2014, this reserve is calculated to be approximately $260,000, or 7% of the Operating Fund budget.
• Cumulative Reserve – The cumulated funds not required for the above purposes and available to be used for addressing unforeseen needs and/or opportunities which further the objectives of NWCAA, as determined by the Board of Directors.

Motion to approve Resolution 483 was made by Carl Weimer, seconded by Jim Campbell, and unanimously approved.

**Resolution 484 – Approve Operating and Reserve Fund Budgets for Fiscal Year 2014 – Mark Asmundson, Therese Holm**

Holm presented Resolution 484 to approve the FY 2014 budgets for the Operating Fund and Reserve Funds. The Operating Fund budget includes anticipated revenues of $3,612,236, estimated expenses of $3,715,200 and an estimated ending fund balance of $632,124. Estimated ending fund balance for the Operating and Reserve Funds total $1,657,384.

Carl Weimer made a motion to approve Resolution 484, Brian Heinrich seconded, and it was unanimously approved.

**Resolution 485 – Establishes the FY 2014 Budget for Supplemental Environmental Projects Fund – Mark Asmundson, Therese Holm**

Holm presented Resolution 485 to establish an FY 2014 budget for greenhouse gas mitigation projects approved earlier in the year by Board Resolution 481. For FY 2014, estimated revenues total $4,381,226, estimated expenses total $1,439,500, estimated fund transfer to the Operating Fund of $159,088 and an estimated ending fund balance of $2,783,638.

Joe Lindquist made a motion to approve Resolution 485, Jim Campbell seconded, and it was unanimously approved.

**Approval of Bills and Claims**

On motion by Ron Wesen, seconded by Jim Campbell, the Board approved the bills and claims totaling $274,320.06 for May 2013.

**STAFF REPORTS**

**Director’s Report – Mark Asmundson**

Agency Executive Director Mark Asmundson reported that the agency continues to be very busy and he gave brief updates on the following matters:

• Asmundson and agency Assistant Director Mark Buford recently attended a Western States Petroleum Association (WSPA) meeting.

• The agency is working toward a mediated settlement of a permit appeal with Splitvane Engineering.

• The U.S. Environmental Protection Agency (EPA) will be auditing our Title 5 Air Operating Permit (AOP) program in July.

• Island and Skagit counties have dissolved their shared Fire Warden Program, and successor programs are anticipated for each county.
New Source Review and Air Operating Permit (AOP) Update – Mark Buford

Buford reported that we received five new Notice of Construction (NOC) applications, and the agency issued four permits for the month of May.

MISCELLANEOUS

Next Meeting

The next regular Board meeting will be held on Thursday, August 8, 2013, at 1:30 p.m.

The next Advisory Council meeting will take place on Thursday, June 27, 2013, at 9:00 a.m., at 1440 10th Street, Bellingham.

ADJOURNMENT

There being no further business to consider, the meeting adjourned at 2:35 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 13, 2013, in Mount Vernon, Washington.

ATTEST:  
Terry Nyman, Secretary  
NWCAA Board of Directors

Kelly Emerson, Chair  
NWCAA Board of Directors

DATED: August 8, 2013