

SOUTHWEST CLEAN AIR AGENCY

Board of Directors Meeting
February 4, 2010
3:00 P.M.
Southwest Clean Air Agency
11815 N.E. 99th Street
Vancouver, Washington

Optional Conference Call Number for use by SWCAA Board of Directors
(360) 407-3780 and PIN No. 698119#

(Note: Please notify Tina Hallock at (360) 574-3058 Ext. 10
if you desire that SWCAA pay the cost of this long distance call because
in this circumstance a state SCAN Operator will need to telephone you.)

AGENDA

- I. Call to Order
 - A. SWCAA Chair Don Jensen.

- II. Roll Call/Determination of Quorum
 - A. SWCAA Chair Don Jensen.

- III. Board of Directors Minutes
 - A. Board of Directors Minutes of January 7, 2009.

- IV. Changes to the Agenda
 - A. SWCAA Chair Don Jensen.

- V. Public Comment
 - A. Public Comment.

- VI. Consent Agenda
 - A. Approval of Vouchers.
 - B. Financial Report.
 - C. Monthly Activity Report.

- VII. Public Hearing
 - A. None.

- VIII. Unfinished Business/New Business
 - A. Amendment of Fiscal Year 2009/2010 Budget.**
 - 1. Issue – The State Auditor requires that SWCAA amend its budget when management has knowledge of a significant change to the approved budget.
 - 2. Summary – Three issues have occurred in recent months that necessitate amendment of the Fiscal Year 2009/2010 Budget. These issues are: (1) School bus

diesel emission retrofit installations have occurred in greater numbers than forecast by the May 2009 budget; (2) Capital equipment replacements have been needed that were not forecast in the budget; and (3) Attorney fees for the TransAlta Coal-Fired Power Plant Title V Renewal Permit litigation were not known about when the May 2009 budget was approved. The school bus diesel emission reduction retrofit project was estimated to have an expenditure of \$201,360 in the current fiscal year with the balance of funds spent in the following fiscal year. Instead, installations have been so successful that all of the remaining funds for this project will be spent during the current fiscal year. This success results in the need to transfer from reserves \$197,606 and produces an amended budget for this project of \$398,966. This funding transfer signals the end of the diesel emission retrofit project for school buses and local government fleets that first begin in 2003 and leaves the agency with a reserve fund balance of zero dollars for this specific work. Over the 6 years that SWCAA has been working to reduce diesel emissions from school buses and local government fleets approximately \$1.7 million has been contributed to the southwest Washington economy by SWCAA. Capital expenditures that needed to be made in recent months and not included in the approved budget involved the purchase of new copier because the old copier had failed, purchase of an agency vehicle for high fleet mileage reasons and acquiring a new telephone system in spring 2010 because the current telephone system has developed some reliability concerns. In order to address these capital equipment expenditures, an amount of \$55,000 needs to be transferred from the Depreciation Reserve Fund which leaves a balance of approximately \$35,000 in this reserve fund. These depreciation funds will be replenished when the next fiscal year's budget (i.e., Fiscal Year 2010/2011) is approved by the Board of Directors in May 2010, if adequate revenues are determined to exist at that time. And finally, the lawsuit filed in September 2009 by Earthjustice and Sierra Club against the TransAlta Title V Renewal Permit issued by SWCAA is causing expenditures for legal counsel (i.e., Marten Law Group) that were not included in the May 2009 approved budget. TransAlta has agreed to reimburse SWCAA for the defense of its Title V Permit Renewal which makes this issue a pass-through cost and revenue for SWCAA. This litigation is estimated to require a budget through June 30, 2010 of \$300,000 in attorney fees. This budget figure assumes that the litigation actually goes to trial in June 2010. SWCAA may incur a lesser amount of attorney fees if it successfully wins the legal issues and obtains a Motion for Summary Judgment issued in its favor. The Pollution Control Hearings Board (PCHB) will issue its ruling on SWCAA's Motion for Summary Judgment in early March 2010. The current Fiscal Year 2009/2010 budget is being proposed to be increased by Resolution 2010-1 by amending the budget from \$2,162,570 to \$2,715,176. (Attachment No. 1)

3. RECOMMENDATION – Approve Resolution 2010-1 which authorizes an Amended Fiscal Year 2009/2010 Budget of \$2,715,176.

B. Election of Chair and Vice Chair for Calendar Year 2010.

1. Issue – Election of Chair and Vice Chair.
2. Summary – According to SWCAA's Business Rules, the Chair and Vice Chair are elected at the February meeting. The time commitments for being Chair and

Vice Chair rarely involves more than leading the monthly Board of Directors meeting.

3. RECOMMENDATION – Nominate and elect the Chair and Vice Chair for Calendar Year 2010.

IX. Control Officer Report

A. EPA Settles Clean Air Act Violations at BP Refinery.

1. Issue – BP Products North America will spend more than \$161 million to upgrade control equipment and improve processes to reduce benzene emissions at its Texas City refinery.

2. Summary – In 2005, an explosion and fire killed 15 people at the plant, leading to criminal charges and imposition of a \$50 million fine; the largest criminal fine ever assessed under the Clean Air Act. A series of inspections were initiated after the explosion, leading to the current settlement. In addition to benzene controls, the proposed consent decree requires emissions limitations on hydrochlorofluorocarbons from leaking equipment and oversight and management of asbestos containing wastes generated during routine renovation and demolition activities. BP will also pay a \$12 million civil penalty and, as a supplemental environmental project, has agreed to convert approximately 100 diesel municipal vehicles to operate on compressed natural gas or liquefied natural gas.

B. EPA Applies for Emission Control Area (ECA) to Reduce Emissions from Global Shipping Vessels.

1. Issue – The U.S. and Canada have requested that the International Maritime Organization (IMO) designate portions of U.S. and Canada coastal waters as an Emissions Control Area (ECA).

2. Summary – If approved by the International Maritime Organization, such a designation would result in the control of nitrogen oxides (NO_x), sulfur oxides (SO_x), and particulate matter (PM) from large oceangoing vessels when they travel in U.S. and Canadian waters. Ninety percent of large oceangoing vessels (i.e., Category 3), which include container ships, cruise ships, tankers, and bulk carriers, are foreign flagged. According to EPA, a U.S./Canadian emissions control area would reduce annual NO_x emissions by 320,000 tons (23 percent), annual SO_x emissions by 920,000 tons (86 percent) and annual fine particulate matter emissions by 90,000 tons (74 percent). About 87 million people reside in port areas of the U.S. where health-based air quality standards are exceeded.

C. New York City Tightens Anti-Idling Laws.

1. Issue – New York City has adopted two laws that limit engine idling near public and private school facilities to no more than one minute and to authorize additional city agencies to enforce these new, stricter anti-idling restrictions.

2. Summary – Under current law, cars and truck can idle up to three minutes. Neither the current law nor new law applies to emergency service vehicles. According to Asthma Free School Zone, one in every four children in New York City has asthma, which is well over the national average. The authority to issue

tickets has been expanded to include the Department of Parks and Recreation and Department of Sanitation.

D. Los Angeles, San Francisco and Houston Top List of Cities with Most Energy Star Buildings.

1. Issue – Cities with the most buildings meeting energy efficiency standards under EPA’s Energy Star program in order are Los Angeles, San Francisco, Houston, Washington, D.C., Dallas-Fort Worth, Chicago, Denver, Minneapolis-St. Paul, Atlanta and Seattle.
2. Summary – According to EPA, Energy Star buildings use 35 percent less energy and emit 35 percent fewer greenhouse gas emissions compared to an average building. In 2008, more than 3,300 commercial buildings and manufacturing plants earned the Energy Star label.

E. District of Columbia Circuit Court Remands Fine Particulate Matter (PM_{2.5}) Standard to EPA for Reconsideration of Annual and Secondary Standards.

1. Issue – The U.S. Court of Appeals for the D.C. Circuit remanded the National Ambient Air Quality Standard (NAAQS) for PM_{2.5} for further evaluation.
2. Summary – The court had questions that EPA had left unchanged at 15 micrograms per cubic meter the annual standard and the court also had concerns over EPA’s decision on the secondary standard that protects visibility and vegetation. With respect to the annual fine particulate matter (PM_{2.5}) standard, the court held that EPA failed to adequately explain why, in view of the risks posed by short-term exposures and the evidence of morbidity resulting from long-term exposures, its annual standard is sufficient to protect the public health with an adequate margin of safety. For the secondary standard, which EPA set identical to the primary standard, the court held that EPA unreasonably concluded that public health standards are adequate to protect the public welfare from adverse effects on visibility.

F. District Court Orders Tennessee Valley Authority (TVA) to Install Emission Controls on Power Plants Causing Public Nuisance in North Carolina.

1. Issue – North Carolina prevailed in part on its lawsuit against the Tennessee Valley Authority (TVA) based on common law public nuisance.
2. Summary – The District Court pointed out that a nuisance action was an unusual vehicle for relief and that EPA has traditionally been the chief arbiter of interstate air pollution, but that the Clean Air Act’s comprehensive scheme for the adjudication of interstate pollution disputes does not impair the equitable powers of the District Court to address North Carolina’s concern. The Court concluded that untreated air pollution from three TVA power plants located in Tennessee and one located in Alabama had actually harmed North Carolina citizens. These power plants were termed “the 100-mile plants” by the District Court and the District Court concluded they contributed significantly to the levels of pollution in North Carolina.

XI. Board Policy Discussion Issues

A. As Necessary.

XII. Issues for Next Meeting

A. Public Hearing.

1. None.

B. New Business/Unfinished Business.

1. As Necessary.

C. Control Officer Report.

1. As Necessary.

D. Board Policy Discussion Issues.

1. As Necessary.

E. Meeting Date and Location

1. March 4, 2010 at 3:00 p.m., Southwest Clean Air Agency, 11815 NE 99th Street, Vancouver, Washington.

XII. Adjournment

Mission Statement

“To Preserve and Enhance Air Quality in Southwest Washington”

Board of Director Values

1. It is important for the region to first achieve healthy air before focusing on other air quality issues.
2. Local control of southwest Washington air pollution issues should be apparent to our constituency.
3. It is important that compliance with federal and state air pollution regulations be achieved.
4. A partnership that is fully reciprocal is desired with the Washington Department of Ecology and U.S. Environmental Protection Agency.
5. All decisions made by the Board should be guided by a principle of doing what is best for the region as a whole.
6. It is important to strive for a good working relationship with the residents and industries of southwest Washington.
7. The effort to obtain stakeholder input on agency actions is a key component of the agency’s public involvement process.
8. The pursuit of reductions in air pollution should be based on achieving the largest air quality benefits first.
9. The basis for air pollution reduction measures should be rooted in sound science.
10. Education should be utilized as an important tool for achieving sustained voluntary compliance.
11. The priority of enforcement decisions should first be on ensuring education is achieved and then issuance of civil penalties.
12. Effective enforcement means that recalcitrant sources are brought into clear compliance.
13. The Board prefers to be involved at the policy setting level for the agency rather than the day-to-day management issues.
14. Fiscal expenditures by the agency should be consistent with the Board approved budget.
15. The fair treatment of the agency’s employees is an important goal of the Board.

Note: (1) Served by C-TRAN Routes: 7, 72 and 76.

(2) Accommodation of the needs for disabled persons can be made upon request.

For more information, please call (360) 574-3058 extension 10.