

SOUTHWEST CLEAN AIR AGENCY

Board of Directors Meeting
November 5, 2009
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. 645943#

(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 October 1, 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. Cancellation of the December 3, 2009 Board of Directors Meeting.**
 - 1. Issue – Cancellation of the December 3, 2009 Board of Directors meeting.
 - 2. Summary – The December Board meeting has traditionally been cancelled

because the minimum number of Board meetings for the calendar year has been satisfied by December. The Washington Clean Air Act requires that SWCAA's Board of Directors meet at least 10 times per year. Ten meetings will have been held when the November Board meeting is concluded. Vouchers needing payment in December will be hand delivered for the necessary Board member signatures.

3. RECOMMENDATION – Cancel the December 3, 2009 Board of Directors meeting.

IX. Control Officer Report

A. State Auditor's Office Issues Two Year Financial Audit Report with No Findings or Management Letter and No Exit Items.

1. Issue – The Washington State Auditor's Office has issued a two year Financial Audit Report covering Fiscal Years from July 1, 2007 through June 30, 2009 that concluded there were no Findings or Management Letters and also no Exit Interview Discussion Items for SWCAA.

2. Summary – SWCAA has not been issued a finding by the State Auditor's Office in the past 17 years that Mr. Elliott has managed the agency. SWCAA Board of Director Kelly Sills attended the October 14, 2009 Exit Conference with the Washington State Auditor's Office on the behalf of the SWCAA Board of Directors. The Audit Summary states that SWCAA complied with state laws and regulations and its own policies and procedures in the areas examined. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. The Audit Summary also stated that SWCAA's internal controls were adequate to safeguard the public's assets. In addition, SWCAA's Title V program was also audited and found to have no concerns.

B. Earthjustice Appeals TransAlta's Coal-Fired Power Plant Title V Permit Requesting the Implementation of Carbon Dioxide (CO₂) and Mercury (Hg) Emission Reductions.

1. Issue – Earthjustice has filed a lawsuit on the behalf of several environmental groups (i.e., Sierra Club, National Parks Conservation Association and Northwest Environmental Defense Center) requesting that the TransAlta Title V permit be amended to include carbon dioxide emission limits, mercury emission limits and more stringent nitrogen oxide (NO_x) emission limits.

2. Summary – The Pollution Control Hearings Board (PCHB) has set a pre-hearing conference call date for Friday October 23, 2009 to obtain input on the legal issues that should be contested during this case and establish other procedural filing dates for this case. The PCHB has set aside 5 days to hear this appeal in spring 2010 (i.e., April 19, 2010 through April 23, 2010). SWCAA and TransAlta have been named as joint Respondents in this appeal. SWCAA has hired the Seattle law firm of Marten Law Group to represent the agency during this appeal.

C. New Jersey Releases Draft Climate Change Action Plan.

1. Issue – New Jersey's draft report outlines how the state can meet its greenhouse gas emission reduction goal of returning to the 1990 level of greenhouse gas emissions by 2020.

2. Summary – The draft plan indicates that the 2020 goal can be met and maybe exceeded by successfully implementing the state’s: (1) Energy Master Plan; (2) Low Emission Vehicle Program which includes the California greenhouse gas emissions standard for automobiles; and (3) participation in the Regional Greenhouse Gas Initiative which includes a cap-and-trade program for electric utilities in the Northeastern United States.

D. California Adopts Rules to Reduce Emissions from Existing Heavy-Duty Highway Diesel Trucks.

1. Issue – An estimated 1 million heavy duty trucks are operating in California.
2. Summary –The California Air Resources Board (CARB) has adopted two new rules to reduce emissions from existing heavy-duty diesel trucks. The first rule requires that all truck owners are to install diesel exhaust filters on their trucks by no later than January 1, 2014. In addition, truck owners must replace engines older than model year 2010 on a staggered schedule between 2012 and 2022. Under the second rule, long-haul truckers are required to install fuel efficient tires and aerodynamic devices on their trailers in order to reduce greenhouse gas emissions and increase fuel economy. To assist truck owners with these compliance costs, the state is making available over \$1 billion in funding opportunities.

E. EPA Reports Emission Reductions from 2008 Enforcement Activities Highest Ever.

1. Issue – EPA has issued its 2008 “Accomplishments Report: Protecting Health and the Environment”.
2. Summary – The agency reports that the emission reductions that will be achieved at the completion of all the projects committed to by its enforcement actions in 2008 will be nearly 3.9 billion pounds. This is approximately equivalent to the amount of emission reductions achieved over the previous four years combined. Air pollution emission reductions for sulfur oxides, nitrogen oxides and particulate matter will be 1.7 billion pounds annually when all of the projects are completed. EPA reported that its civil and criminal enforcement actions required companies to invest an estimated \$11.8 billion to reduce pollution, clean up contaminated land and water, achieve compliance and implement environmentally beneficial projects representing the largest compliance investment ever achieved by EPA.

F. EPA Announces Adjustment of Civil Penalty Amounts for Inflation.

1. Issue – EPA is adjusting most civil penalty amounts in accordance with the provisions of the Debt Collection Improvement Act of 1996 (DCIA).
2. Summary - The maximum amount that EPA can recover under section 113(b) of the Federal Clean Air Act has increased from \$25,000 per day set in the 1990 Amendments to \$37,500 per day in 2009. EPA is required to review the civil penalty amounts under the statutes it administers every four years and to adjust the penalties as necessary for inflation according to the formula in the Debt Collection Improvement Act of 1996. EPA states that the “purpose of these adjustments is to maintain the deterrent effect of civil penalties and to further the

goals of the underlying statutes.”

G. Chicken Farms are Large Sources of Ammonia (NH₃) Air Pollution Emissions.

1. Issue – The Environmental Integrity Project has released a study showing that chicken farms are large sources of ammonia emissions, dwarfing the combined total of ammonia emissions reported by industrial sources.
2. Summary – Broiler producers in the top 10 states released an estimated 481 million pounds of ammonia in 2007 which is more than eight times the combined total reported by industrial sources to EPA’s Toxic Release Inventory. Egg laying operations are reported to represent 221 million pounds of the total of 481 million pound of ammonia emissions. This study was released by the Environmental Integrity Project because of its opposition to a proposed rule from EPA that would exempt animal feeding operations from reporting emissions of ammonia or hydrogen sulfide as required by the Superfund Act (CERCLA) and Emergency Planning and Community Right-to-Know Act.

H. Surplus Equipment.

1. Issue – From time-to-time SWCAA needs to surplus equipment that is either old, obsolete or has failed.
2. Summary – The agency’s primary copier has failed and will be replaced with a copier purchased from the state contract. This equipment failure replacement was not forecast to occur in this fiscal year’s budget and will be handled by a withdrawal from the Depreciation Reserve Fund. In addition, approximately four computers will be surplusd this fiscal year (i.e., two from last year and two from this year) due to being obsolete. The replacement computers were identified in the budget.

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. January 7, 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.