

Southwest Clean Air Agency

Board of Directors Minutes

August 6, 2009

The regular meeting of the Southwest Clean Air Agency Board of Directors was held in the Southwest Clean Air Agency office, Vancouver, Washington on August 6, 2009.

Those present were: Don Jensen, Chair, City of Longview
Milton Cox, Director, Member at Large
Kelly Sills, Director, Clark County
Harlan Thompson, Director, City of Centralia
George Raiter, Director, Cowlitz County
Mary Ann Duncan-Cole, Director, City of Stevenson
Jamie Tolfree, Director, Skamania County
Blair Brady, Director, Wahkiakum County
Bill Schulte, Director, Lewis County
David Goodroe, Director, City of Cathlamet

Excused: Pat Jollota, Vice Chair, City of Vancouver

Also Present: Staff: Robert D. Elliott, Executive Director
Traci Arnold, Office Administrator

Guests: Stan Rauh, Department of Ecology

Call to Order

Mr. Jensen called the meeting to order. A quorum was confirmed to exist.

Board of Directors Minutes

Mr. Jensen asked for consideration of the June 4, 2009 minutes. Mr. Sills moved and Mr. Thompson seconded that the minutes for the June 4, 2009 Board meeting be approved. Motion passed.

Changes to Agenda

None.

Public Comment

None.

Consent Agenda

Mr. Jensen asked for approval of the Consent Agenda including the July 2009 timesheets for Executive Director Robert Elliott, voucher numbers 17 through 70, 72 through 80, 83, 84, 87 and 88, in the amount of \$24,157.31, which have been approved for payment by the Executive Director, voucher numbers 71, 81, 82, 85 and 86, in the amount of \$36,379.92, May and June Financial Report, and May and June Monthly Activity Report. Mr. Raiter moved, and Mrs. Duncan-Cole seconded approval of the Consent Agenda. Motion passed.

Public Hearing

None.

Unfinished Business/New Business

Mr. Jensen opened discussion on increasing the voucher payment authorization level for SWCAA's Executive Director and recognized Mr. Elliott. Mr. Elliott explained in order to improve timely payments to small businesses the Executive Director's voucher approval level for individual vouchers is being proposed to be increased to \$4,000. He said small businesses issuing invoices to SWCAA for payment are assisted by SWCAA's timely payment of these invoices. Mr. Elliott said last fiscal year's woodstove change-out program and the upcoming woodstove change-out program would specifically be assisted with more timely payment of vouchers to these small businesses if the voucher approval level for the Executive Director is increased. He said on September 2, 1999 the Executive Director's voucher authorization approval level was increased from \$750 to \$1,500 and the current voucher authorization for the Executive Director of \$2,500 was approved on May 6, 2004.

Mr. Jensen asked for a motion. Mr. Sills made a motion to authorize the Executive Director to approve individual vouchers up to the amount of \$4,000. Mr. Cox seconded the motion. Motion passed.

Control Officer Report

1.) Mr. Elliott reported EGT is planning to install a large grain export facility in Longview, Washington. He said the EGT permit application includes the capacity to handle 13.6 million bushels of grain a year with future plans to handle 40 million bushels. Mr. Elliott said the EGT grain capacity equals the total of all the current grain facilities within SWCAA's jurisdiction. He said for EGT to minimize their emissions they will be installing upwards of 100 baghouses. Mr. Elliott said the EGT permit is currently out for public comment and SWCAA has received a comment from the Building Trade Council requesting a public meeting on the project. He said a public meeting has been scheduled at the Cowlitz PUD meeting hall on August 27, 2009 at 7:00 p.m. Mr. Elliott said SWCAA staff will be giving a presentation on the air quality issues. He said the technology that EGT is using to capture emissions is highly innovative and significantly better than the technology being used by other grain export facilities in Southwest Washington. Mr. Elliott explained the public meeting is being held to help the general public understand the project. He said if an unexpected issue arises at the public meeting it might be necessary to have a public

hearing at the September Board meeting, otherwise SWCAA will be issuing a permit to EGT for their grain export facility in Longview, Washington shortly after the August 27, 2009 public meeting.

2.) Mr. Elliott reported the Weyerhaeuser Regional Landfill emissions continue to be on the decline as expected. Mr. Raiter reported he attended a meeting in Castle Rock on August 4, 2009 regarding the Weyerhaeuser Regional Landfill and said SWCAA employee Clint Lamoreaux was also in attendance. Mr. Raiter complimented Mr. Lamoreaux on his professional contribution to the discussion.

3.) Mr. Elliott reported that environmental groups want carbon dioxide, nitrogen oxide and mercury emission controls installed at TransAlta. He said under federal and state law the Title V Air Operating Permit renewal now being finalized by SWCAA can only roll up existing requirements into the Title V permit during the current 5-year renewal process. Mr. Elliott said the environmental groups have sent a letter to EPA Region 10 petitioning for more EPA involvement and requesting that EPA require SWCAA to install carbon dioxide, nitrogen oxide and mercury emission controls on TransAlta. He said the environmental groups have asked SWCAA to take the role in starting a rule process to get their desired outcome achieved. Mr. Elliott explained a process like this is already underway between TransAlta, Department of Ecology and the Washington State Governor's office in closed door meetings.

4.) Mr. Elliott reported the U.S. House of Representatives has approved a Climate Change Bill. He said by a vote of 219-212 in the full U.S. House of Representatives and a 33-25 vote largely on partisan lines in Committee, the U.S. House approved the American Clean Energy and Security Act of 2009 (H.R. 2454), a bill creating a cap-and-trade system for greenhouse gas emissions and providing incentives for clean energy development and implementation. Mr. Elliott said the House Committee prior to moving the bill on to the full House voted on 74 amendments, approving 33 and rejecting 41. He said this bill includes the following: (1) delineates how carbon dioxide equivalent allowances will be allocated and auctioned for the cap-and-trade program; (2) eliminated language on a Low Carbon Fuel standard; (3) modifies the renewable portfolio standard to permit more energy efficiency to count towards the target standard; (4) changes the performance standards for coal-fired power plants to a percentage carbon dioxide emission reduction requirement instead of a pounds per megawatt-hour standard; (5) modifies the requirement for offsets to allow for more international offsets in case there are not sufficient domestic offsets and to change the turn-in ratio so that a covered entity need only submit 1 domestic offset credit (not 1.25 domestic offset credits) in lieu of 1 emission allowance; and (6) clarifying that the timeout for state caps to be applicable until 2018 only applies to cap-and-trade programs where emission allowances are traded.

5.) Mr. Elliott reported President Obama announced an agreement on federal motor vehicle greenhouse gas emission standards. He said although this agreement will mean fewer tons of greenhouse gas emission reductions in California, Washington and 13 other states from 2012 through 2015, net tons nationally of greenhouse gas emission reductions will be higher because the federal standard will apply to vehicles sold in every state in the United States. Mr. Elliott said the new emission and fuel economy standards will apply to new cars, light trucks and medium duty passenger vehicles in model years 2012 through 2016. He said the federal standard

for greenhouse gas emissions will be phased in, ramping up by 2016 to a standard that is equivalent to California's carbon dioxide standard under the California Pavley law. Mr. Elliott said from 2012 through 2015, California has agreed to allow compliance with a less stringent federal standard to serve as compliance with California's requirements. He said in return, automobile manufacturers have agreed to drop all lawsuits related to the Pavley standards and EPA has agreed to grant California the waiver of federal preemption for its motor vehicle greenhouse gas emission standards, which will allow California and the 14 opt-in states to enforce standards from 2009 through 2011. Mr. Elliott said under the agreement, in the 2009 through 2011 timeframe, compliance with the emissions standards will be based on pooled sales among all participating states. He said with respect to fuel economy, motor vehicles will be required to meet an average standard of 35.5 miles per gallon in 2016.

6.) Mr. Elliott reported the Mercury Export Ban Act of 2008 has been signed into law. He said under this law, the federal government and private entities are prohibited from exporting elemental mercury from the United States. Mr. Elliott said the law goes into effect for federal agencies on December 31, 2009 and for others in the United States on January 1, 2013. He said the law requires a long-term storage plan for mercury and requires the U.S. Department of Energy to identify storage facilities where surplus mercury can be stored.

7.) Mr. Elliott reported the International Maritime Organization (IMO) has adopted a comprehensive set of new standards to reduce emissions from ocean-going vessels. He said this action by IMO addresses global engine emissions and fuel standards. Mr. Elliott said critical to the success of the new IMO program will be the efforts of nations to establish designated Emission Control Areas (ECAs). He said in addition to being required to meet the program's global standards, ocean-going ships operating in any identified Emission Control Area will be required, beginning January 2016, to meet new engine standards that will reduce nitrogen oxides (NO_x) by 80 percent based on the use of advanced catalytic after treatment systems and to use cleaner-burning low sulfur fuel (i.e., 10,000 parts per million beginning and 1,000 parts per million beginning January 2015). Mr. Elliott said the overall result will be substantial reductions in nitrogen oxides, fine particulate matter and sulfur dioxide. He said the United States has indicated its intent to seek a North American Emission Control Area designation as soon as possible. He said this action would benefit air quality in such areas as the Port of Los Angeles, Port of Long Beach and Port of Seattle.

Mr. Raiter asked about the use of bio-fuels for ocean-going vessels and what the difference in emissions would be. Mr. Elliott responded there is always a possibility that bio-fuels will be introduced to ocean-going vessels and the use of bio-fuels could reduce emissions by about 30% in comparison to fossil fuels.

8.) Mr. Elliott reported Washington ranks sixth on State Energy Efficiency Programs. He said the American Council for an Energy Efficiency (ACEEE) has released its 2008 State Energy Efficiency Scorecard report which ranks states on model energy efficiency policies, programs and practices. Mr. Elliott reported California topped the list for promoting energy efficiency as the "first fuel to grow its economy while meeting electricity demand, combating global warming and contributing to U.S. security." He said following California are Oregon, Connecticut, Vermont, New York and Washington. Idaho was acknowledged as the "most improved" state.

Mr. Elliott said the state ratings and rankings are based on a wide variety of energy efficiency policy initiatives, including utility sector and public benefits efficiency programs and policies; transportation and land use policies; building energy codes; combined heat and power; efficiency standards for appliances; energy efficiency in public buildings and fleets; research, development and deployment and financial incentives for efficient technologies.

Board Policy Discussion Issues

None.

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. September 3, 2009 at 3:00 p.m., Southwest Clean Air Agency, 11815 NE 99th Street, Vancouver, Washington.

The next Board of Directors meeting will be held on September 3, 2009 at 3:00 p.m., Southwest Clean Air Agency, Vancouver, Washington.

Board Meeting Attendance:

JURISDICTION	J 2009	F 2009	M 2009	A 2009	M 2009	J 2009	J 2009	A 2009	S 2008	O 2008	N 2008	D 2008
Clark County	+	+	+	+	+	+	C	+	0	+	+	C
Cowlitz County	+	0	0	0	+	+	C	+	+	+	0	C
Lewis County	0	+	+	+	0	+	C	+	+	+	0	C
Skamania County	+	0	+	+	0	+	C	+	+	+	+	C
Wahkiakum County	0	0	+	+	0	+	C	+	+	+	+	C
Cathlamet	+	+	+	+	+	0	C	+	+	0	0	C
Centralia	0	+	+	+	+	+	C	+	+	0	+	C
Longview	0	+	+	+	+	+	C	+	+	+	0	C
Stevenson	+	0	+	0	+	+	C	+	+	+	0	C
Vancouver	+	+	+	+	+	+	C	0	0	+	+	C
Member-At-Large	+	+	+	+	+	+	C	+	+	+	+	C

+ = regular member present; 0 = unrepresented; A = alternate present; C = cancelled meeting

Mr. Jensen adjourned the meeting without objection 3:43 p.m.

Chair

Executive Director