

Southwest Clean Air Agency

Board of Directors Minutes

March 4, 2010

The regular meeting of the Southwest Clean Air Agency Board of Directors was held in the Southwest Clean Air Agency office, Vancouver, Washington on March 4, 2010.

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

Excused: David Goodroe, Director, City of Cathlamet

Also Present: Staff: Robert D. Elliott, Executive Director
Paul Mairose, Chief Engineer
Traci Arnold, Office Administrator

Guests: None.

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 February 4, 2010 minutes. Mr. Brady moved and Mr. Schulte seconded that the minutes for the February 4, 2010 Board meeting be approved. Mr. Campbell abstained from the motion. Motion passed.

Changes to Agenda

Mr. Elliott indicated he would like to add two items to the agenda. He said he needs to provide the Board with an update on the Earthjustice appeal of TransAlta's Coal-Fired Power Plant Title V Permit renewal and there would also be a presentation by Paul Mairose, SWCAA Chief Engineer, on lumber dry kilns.

Public Comment

Mr. Jensen opened discussion on a presentation on lumber dry kilns and recognized Mr. Elliott. Mr. Elliott introduced Paul Mairose, SWCAA Chief Engineer. Mr. Mairose explained that SWCAA has developed a proposal for lumber dry kiln companies to jointly prepare source emission tests required by their permits. He said there is only one lab available to test dry kiln emissions and the Oregon State University professor who conducts the testing has been on sabbatical for the past 12 months, so the testing that companies needed to get done in 2009 did not happen. He said SWCAA's permits require the dry kilns to be tested every 5 years and now there are several facilities that were unable to meet their requirements in 2009 and early 2010 because there was no available to conduct the dry kiln emission testing. Mr. Mairose said SWCAA is trying to organize a program to get several sources tested at once to save on costs for each facility. He said the testing would be more robust and could uncover the unknown emissions associated with dry kiln facilities. He said a dry kiln is basically a metal shed with tubes on the inside which steam runs through and there are vent caps on the outside. Mr. Mairose said a dry kiln works by steam heated via an associated boiler with strict humidity, temperature and air flow control through the kiln. He said all these factors vary by facility and the "recipes" for drying lumber are business sensitive. Mr. Mairose said this makes it very difficult to perform emission testing at the facility which is why it is done in a laboratory setting. He said dry kiln emissions include volatile organic compounds (VOC), toxic air pollutants (TAP) and hazardous air pollutants (HAP). Mr. Mairose said knowing the emission levels of VOC, TAP and HAP is important because: (1) it allows for proper selection of control equipment; (2) it allows for establishment of proper, repeatable, reliable and quantifiable emission limits in permits; (3) it determines applicability of other federal programs; and (4) the knowledge of these emissions levels ensures protection of public health. Mr. Mairose said current emission factors developed from previous testing at various sources have not been capable of identifying all the pollutants released from the wood nor did they provide a breakdown of HAPs. He said the optional proposed group testing would be done with new EPA testing regulations, new testing equipment (Fourier Transform Infrared spectroscopy), a trained analyst in the use of the equipment, and the ability to identify all VOC, TAP and HAP emissions. Mr. Mairose said other air agencies are waiting to see what happens with SWCAA's attempt at group testing. He said SWCAA has required dry kiln facilities to test for the past fifteen years however Northwest Clean Air Agency (NWCAA) does not require testing. He said Puget Sound Clean Air Agency and other agencies are relying on test results from SWCAA and Oregon Department of Environmental Quality (DEQ). Mr. Mairose said in Fiscal Year 2006/2007 Oregon DEQ compiled dry kiln data from Oregon State University (OSU) testing results. He said Oregon DEQ found emissions of acetaldehyde may be higher than previously thought, and that additional testing may be necessary to establish more accurate thresholds for facilities. Oregon DEQ told their facilities that they may need to take enforceable emission limits to remain out of the Title 5 program. Mr. Mairose said Oregon DEQ provides emission factor data to facilities and sample calculations for sources to determine their compliance with emission limits and has since written new permits using factors from OSU test data. Mr. Mairose said conditions that complicate emission levels are: (1) length of drying schedule; (2) maximum temperature reached during drying cycle; (3) initial and final moisture content; and (4) species of wood. He said these conditions could be minimized by group testing using the Fourier Transform Infrared spectroscopy testing method. Mr. Mairose said the testing method could identify unknown emissions which may or may not create additional requirements for dry kiln facilities. He acknowledged any time you have unknown emissions

becoming known emissions it can create anxiety for all facilities. Mr. Mairose said the magnitude of VOC emissions remains unknown and past testing provides only a relative measure of VOC emissions. He said approximately 50% of the total VOC emissions have been identified, however the remaining 50% have not been identified. Mr. Mairose said the wide variability in emissions by lumber species and a facility's chosen dry kiln schedule makes the emission testing very complicated and results in the numerous unknown emissions. He said there is insufficient data and/or no data for some lumber species while other species have sufficient VOC data but insufficient HAP data. Mr. Mairose said all these reasons support the group testing that SWCAA is proposing. He said group testing can reduce costs, provide better consistency, the test method Fourier Transform Infrared spectroscopy is far superior and testing would not be required again for 5 years (2015).

Mr. Schulte asked if these emissions are coming from the wood itself or if the emissions are from something else the facility is doing. Mr. Mairose responded that the emissions are coming from the wood itself during the drying process, there are no chemicals added. Mr. Elliott responded there are two main sources of emissions; biogenic and anthropogenic. He said the biogenic VOC emissions contribute to the formation of ground level ozone just like the anthropogenic emissions. Mr. Elliott said the process is accelerated through the dry kiln process.

Mr. Campbell stated that the dry kiln process appears to require a lot of energy to complete. He asked for clarification on how the facilities conserve energy and/or control costs. Mr. Elliott responded the fuel selection used to operate the boilers is the best choice for energy conservation such as bio-mass rather than natural gas.

Mr. Schulte asked for clarification on how industry is involved with the testing and if they are involved with this initiative to perform group testing. Mr. Elliott responded that all dry kiln facilities have been doing emission testing to stay in compliance with their permits for a number of years. He said this proposed testing protocol is not a new regulatory requirement, nor are the requirements already in place being changed, rather SWCAA is trying to organize the companies to all test at once using the same testing method as a way to control costs and provide better emission testing data. Mr. Schulte asked if the facilities are aware of SWCAA's plan. Mr. Elliott assured Mr. Schulte that all the facilities have been contacted and are fully aware of SWCAA's plan; however all of the facilities have not yet received their pro-rated share of the proposed group testing costs. He said the companies can choose to join the group testing program rather than having to perform this testing on their own. He said the facilities can also continue doing testing the way they always have and remain in compliance.

The Board thanked Mr. Mairose for his presentation on lumber dry kilns and the emission characterization issues.

Consent Agenda

Mr. Jensen asked for approval of the Consent Agenda including the February 2010 timesheets for Executive Director Robert Elliott, voucher numbers 483 through 532, 534 through 536, 538, 540 and 541, in the amount of \$10,878.95, which have been approved for payment by the Executive Director, voucher numbers 533, 537 and 539, in the amount of \$20,299.18 and

December 2009 and January 2010 Financial Reports, January 2010 Monthly Activity Report, December 2009 Salaries in the amount of \$97,034.37, December 2009 Benefits in the amount of \$32,787.42, January 2010 Salaries in the amount of \$88,651.14 and January 2010 Benefits in the amount of \$31,549.94. Mr. Cox moved, and Mr. Brady seconded approval of the Consent Agenda. Motion passed.

Public Hearing

None.

Unfinished Business/New Business

None.

Control Officer Report

1.) Mr. Elliott reported an update on the Earthjustice appeal of TransAlta's Coal-Fired Power Plant Title V Permit that is requesting the implementation of carbon dioxide (CO₂) and mercury (Hg) emission reductions. He said he received an e-mail from the Pollution Control Hearings Board (PCHB) that stated the Respondent's, SWCAA and TransAlta, Motion for Summary Judgment has been approved and that the Sierra Club and Earthjustice's appeal has been dismissed. Mr. Elliott said this ruling confirms that SWCAA is operating correctly within the law and it is a victory for SWCAA and TransAlta. He also said TransAlta has agreed to reimburse SWCAA for its attorney fees of this Title V renewal permit appeal. Mr. Elliott said the attorney fees through January 2010 totaled \$103,000.

2.) Mr. Elliott reported Vancouver's wintertime air quality has a small health safety margin. He said Vancouver remains "attainment" for Fine Particulate Matter (PM_{2.5}) after the 2009 winter season although the margin is very small for the "24-hour" standard of 35 µg/m³. Mr. Elliott said all of the calendar year 2009 samples from the PM_{2.5} Federal Reference Method (FRM) compliance monitor in Vancouver (i.e., Christian School monitoring site) have been validated and reported to SWCAA. He said Vancouver exceeded the minimum completeness criteria (75% valid samples) for all four quarters by a significant margin (97%, 99%, 92%, 100%) giving SWCAA 354 valid samples for calendar year 2009. According to the PM_{2.5} compliance determination procedures (40 CFR Part 50, Appendix N) 354 valid samples allows SWCAA to use the 8th highest sample to establish the 98th percentile. He said Vancouver's six highest samples were all exceedances (56.2, 55.0, 41.2, 38.1, 37.7, 36.1) and the 8th highest was 32.5 µg/m³ as the 98th percentile for 2009. Mr. Elliott said compliance is then determined by averaging the 98th Percentile for 2009 with those of 2007 (40.7) and 2008 (31.8) to arrive at the "24-hour standard" design value. Vancouver's design value for the three year period ending December 31, 2009 computes as 35.0 µg/m³ which is compliance by a very narrow margin (i.e., 35.5 µg/m³ equals noncompliance). He said with a three year design value of 35.0 µg/m³ right at the standard, Vancouver can expect to remain on an every day sampling schedule. Mr. Elliott said the 2009 "annual" average computes to 9.2 µg/m³. This value is averaged with the 2007 (8.4) and 2008 (8.1) values to get the three-year annual standard design value. Vancouver's

“annual” design value for the past three years is 8.6 µg/m³ which is compliance by a wide margin (i.e., 15.5 µg/m³ equals noncompliance).

3.) Mr. Elliott reported Ohio Edison has agreed to retrofit a coal-fired power plant to burn biomass fuel. He said Ohio Edison and the U.S. Department of Justice have reached agreement to modify a consent decree to provide that Ohio Edison will retrofit two coal-fired units so that they combust principally biomass fuels by no later than December 31, 2012. Mr. Elliott said the consent decree defines biomass fuels as wood, agricultural crops, grasses, dedicated energy crops, other vegetation waste products, but not animal wastes, construction debris, or non-natural wood such as plywood, pressure-treated wood and like materials. He said Ohio Edison is required to reduce sulfur dioxide (SO₂) emissions, nitrogen oxide (NO_x) emissions and particulate matter (PM) emissions to: (1) 0.100 pounds per million Btu for SO₂ on a 30 day rolling average; (2) 0.100 pounds per million Btu for NO_x on a 30 day rolling average; and (3) a PM emission rate of 0.015 pound per million Btu. Mr. Elliott said according to EPA, by switching to renewable biomass fuel, this agreement is expected to reduce carbon dioxide emissions by more than 1.3 million tons per year from current levels. He said this will be the largest coal-fired electric utility in the United States to repower with renewable biomass fuels and the first such plant at which greenhouse gas emissions will be reduced under a Clean Air Act consent decree. Mr. Elliott said the consent decree modifies a 2005 consent decree requiring Ohio Edison to reduce emissions of SO₂ and NO_x at several coal-fired power plants.

4.) Mr. Elliott reported the Securities and Exchange Commission (SEC) has issued interpretive guidance on Climate Change disclosure requirements for public companies. He said the Securities and Exchange Commission has published a new interpretive document (i.e., Guidance) intended to inform public companies on their obligation to disclose to investors the impacts on their business, both positive and negative, of existing and proposed Climate Change laws and regulations. He said the SEC Guidance also instructs companies to assess and disclose the impact to their businesses of possible physical changes to the environment due to Climate Change. Mr. Elliott said the SEC states that its interpretive releases do not create new legal requirements nor modify existing ones, but are intended to provide clarity and enhance consistency for public companies and their investors. He said although the Guidance is not a new rule or regulation, SEC Guidance is generally treated as binding and effective upon publication in the Federal Register. Mr. Elliott said while issuance of the SEC interpretive Guidance will have many companies disclosing Climate Change impacts for the first time, a number of companies have already been doing so voluntarily.

Board Policy Discussion Issues

None.

Issues for Next Meeting

A. Public Hearing.

1. None.

B. New Business/Unfinished Business.

1. Performance Evaluation and Salary Adjustment Decision for Executive Director.

2. Review of 1.0% Merit Pool of Funds Approved in April 2009 for Fiscal Year 2010/2011.
3. Decision on Cost of Living Funds for Fiscal Year 2010/2011.
4. Decision on Merit Pool of Funds for Fiscal Year 2011/2012.

C. Control Officer Report.

1. As Necessary.

D. Board Policy Discussion Issues.

1. As Necessary.

E. Meeting Date and Location

1. April 1, 2010 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 April 1, 2010 at 3:00 p.m., Southwest Clean Air Agency, Vancouver, Washington.

Board Meeting Attendance:

JURISDICTION	J 2010	F 2010	M 2010	A 2009	M 2009	J 2009	J 2009	A 2009	S 2009	O 2009	N 2009	D 2009
Clark County	0	0	+	+	+	+	C	+	+	0	+	C
Cowlitz County	+	+	+	0	+	+	C	+	+	+	+	C
Lewis County	+	+	+	+	0	+	C	+	+	+	0	C
Skamania County	+	+	+	+	0	+	C	+	+	+	+	C
Wahkiakum County	+	+	+	+	0	+	C	+	+	+	+	C
Cathlamet	+	+	0	+	+	0	C	+	+	0	+	C
Centralia	+	+	A	+	+	+	C	+	0	+	+	C
Longview	+	+	+	+	+	+	C	+	+	+	0	C
Stevenson	+	+	+	0	+	+	C	+	+	+	+	C
Vancouver	0	0	+	+	+	+	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 4:34 p.m.

Chair

Executive Director