

Southwest Clean Air Agency

Board of Directors Minutes

May 2, 2024

The regular meeting of the Southwest Clean Air Agency Board of Directors was held in the Southwest Clean Air Agency office, Vancouver, Washington on May 2, 2024.

Those present were: Dr. Alan Melnick, Chair, Clark County  
Ryan Smith, Vice-Chair, Member at Large  
Ben Shumaker, Director, City of Stevenson  
Lee Tischer, Director, Wahkiakum County  
Ruth Kendall, Director, City of Longview  
Arne Mortensen, Director, Cowlitz County  
Richard Mahar, Director, Skamania County  
Kim Harless, Director, City of Vancouver  
Robert Stowe, Director, Town of Cathlamet  
Kim Ashmore, Director, City of Centralia

Excused: Sean Swope, Director, Lewis County

Also Present: Staff: Uri Papish, Executive Director  
Traci Arnold, Office Administrator

Guests: None

Call to Order

Dr. Melnick called the meeting to order. A quorum was confirmed to exist.

Board of Directors Minutes

Dr. Melnick asked for consideration of the April 4, 2024 minutes. No one expressed any concerns, Dr. Melnick said the minutes were approved.

Consent Agenda

Dr. Melnick asked for approval of the Consent Agenda including voucher numbers 383 through 423 in the amount of \$31,321.83 which have been approved for payment by the Executive Director, March 2024 Financial Statement and March 2024 Salaries and Benefits in the amount of \$184,103.86.

Mr. Smith moved and Mr. Mortensen seconded that the Consent Agenda be approved. Motion passed.

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### Changes to Agenda

Mr. Papish explained the agenda for this meeting went out with the incorrect address. An update was made to the agency website and a sign was placed at the old address in case anyone went to the old address to attend.

### Info Items & Public Comment

Mr. Papish reported a public comment that was sent by email shortly before the meeting was scheduled to begin. That email and all attachments were sent to the Board.

Hello Director Papish, Chief Engineer Lamoreaux and the SW Clean Air Agency Board:

I hope this email finds you well. Alliance for Community Engagement SW WA (ACE) would like to alert SWCAA and your board before today's meeting about an issue that may come up in Drax' pending air permit application. The attached letter from ACE "SWCAA\_ACE\_DRAX99MACT" is for your review. Several supporting documents are also attached. I will not be able to attend the board meeting today, unfortunately.

Also, at 3:00 today PT (Thursday May 2) students from Brown University and Tougaloo College in Jackson MS will share their collaborative findings from their semester-long project investigating the impacts of wood pellet manufacturing and noise emissions on the health and well-being of Gloster MS--where a Drax wood pellet facility is located. You'll need to register for free tickets to attend here: [get free tickets to this presentation.https://events.humanitix.com/environmental-health-impacts-of-wood-pellet-manufacturing-in-gloster-mississippi](https://events.humanitix.com/environmental-health-impacts-of-wood-pellet-manufacturing-in-gloster-mississippi)

The meeting Zoom link for the student presentation is here: <https://brown.zoom.us/my/erica.walker2024>

If there is a recording I will forward it to you. Thank you for your consideration. We are happy to answer any questions.

Sincerely,  
Heidi Cody

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Coalition Manager

**Alliance for Community Engagement SW WA (ACE)**

#### The Attachments:

[2024-04-02 Letter to D. Phipps SWCAA re Drax Review Earthjustice.pdf](#)

[SELC Enviva Waycross Comments June 2023.pdf](#)

[SWCAA\\_ACE99MACTletter.pdf](#)

[Drax Gloster Case-By-Case MACT Determination Request \(07-06-2022\).pdf](#)

[Enviva Waycross Application Oct 2021.pdf](#)

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[2024.04.02 Letter to D. Phills SWCAA re Drax Review\\_Earthjustice.pdf](#)

Mr. Mortensen asked for an update on the Drax permit. Mr. Papish reported SWCAA has requested updated information from Drax including new air quality modeling and a full list of all equipment. Drax has not submitted an updated permit application as of today. Mr. Mortensen asked if SWCAA was going to compare the Drax permit application to other permits of like kind. Mr. Papish said all the information would be fully reviewed. Mr. Mortensen asked if the location of the plant plays into the specifications they must meet. Mr. Papish said all facilities follow the same rules, however, if a facility is proposed in a highly population dense area there could be additional controls required due to air toxics rules. Mr. Stowe asked if the permit had been approved. Mr. Papish said not yet, Drax still needs to resubmit a permit application.

Public Hearing

None

Unfinished Business/New Business

Dr. Melnick opened discussion on the Budget for Fiscal Year 2024/2025 and recognized Mr. Papish. Mr. Papish said the Southwest Clean Air Agency (SWCAA) is required by the Washington Clean Air Act (RCW 70.94.092) to utilize a budget year of July 1<sup>st</sup> through June 30<sup>th</sup>. This statute also specifies that SWCAA must have its budget adopted by the Board of Directors by the fourth Monday in June of each year.

The proposed Fiscal Year 2024/2025 budget of \$3,257,953 is a \$123,933 increase over the Fiscal Year 2023/2024 budget. The main drivers of the budget increase compared to the prior fiscal year are in the following expense categories: (1) an increase in consultant pass-through expenses including woodstove grant awards; (2) an increase in staff salaries after approved salary adjustments; and (3) an anticipated increase in medical insurance premiums, social security, and Medicare contributions. The increased expenses are partially offset by (1) a reduction in office lease expenses; (2) a reduction in depreciable equipment expenditures; and (3) a reduction in the Washington PERS contribution rate.

On the revenue side, the main drivers of the budget increase compared to the prior fiscal year are: (1) an increase in permitting and registration revenue; (2) an increase in woodstove replacement grant money; and (3) an increase in per capita revenue. These increases in revenue are partially offset by (1) a reduction in non-AOP (Air Operating Permit) carryover; (2) a reduction in AOP fee revenue; and (3) a reduction in asbestos program fee revenue.

SWCAA expects to end the current Fiscal Year 2023/2024 with a projected end-of-year cash balance of \$3,673,229. The agency's reserves, which have the purpose of maintaining the financial stability of the agency, include the depreciation reserve, liability reserve, Title V reserve, non-Title V reserve, and vacation/sick/retirement reserve. These reserves will be funded at \$125,000, \$400,000, \$60,000, \$719,282, and \$200,000 respectively. The agency's reserves also include the records management reserve and the air quality improvement/diesel reserve. These reserves will be funded at \$187,660 and \$163,573, respectively, at the end of FY 2023/2024.

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Fees collected in the current fiscal year and held for use in FY 2024/2025 amount to \$1,761,913 of the projected year-end cash balance. Pre-collected funds will be carried forward into the FY 2024/2025 operating budget as the non-Title V fees fund. This fund will be used to meet fixed program expenses other than AOP. There will be \$13,129 in AOP carryover from Fiscal Year 2023/2024. The end-of-year cash balance of \$42,672 for non-AOP funds will be carried forward into the FY 2024/2025 budget as revenue to help meet FY 2024/2025 operating expenses. In addition, a reserve drawdown of \$20,000, of earmarked state grant money, is budgeted in case there is a qualified diesel or other air quality improvement project in the upcoming year.

The budget of \$3,257,953 is the funding amount required for SWCAA to maintain its current programs and an acceptable level of service through FY 2024/2025. The recent CPI fee increases along with SWCAA carefully managing expenditures and reducing lease expenses have improved SWCAA's funding for 2024/2025. This has allowed SWCAA to increase some reserve funds in case of an economic downturn.

Mr. Mortensen asked if the increase in permitting revenue corresponds to an increase in business activity. Mr. Papish said the revenue does suggest some increase in business. Mr. Mortensen asked how the current year permit numbers compare to 2019. Mr. Papish said he would research this information and report back.

Dr. Melnick asked for a motion. Mr. Smith made a motion to approve Resolution 2024-01 which adopts a Fiscal Year 2024/2025 Budget for SWCAA in the amount of \$3,257,953. Mr. Shumaker seconded the motion. Motion passed unanimously.

### Executive Session

None.

### Executive Director's Report

Mr. Papish summarized the information provided in the Executive Director's Report and offered to answer any questions.

**Rule Eliminating Title V Permitting Requirements for Certain Air Curtain Incinerators Published in Federal Register (April 17, 2024)** - EPA published in the *Federal Register* (89 Fed. Reg. 29,932) a final rule to remove Title V permitting requirements for air curtain incinerators (ACIs) that burn only wood waste, clean lumber, yard waste, or a mixture of the three. There will be no air quality impacts associated with the action, EPA has concluded, because the ACIs will still be obligated to comply with emission standards in 40 C.F.R. part 60, subparts EEEE or FFFF. The removal of Title V permitting requirements for these ACI units was proposed on August 31, 2020, as part of EPA's five-year review of the New Source Performance Standards and Emission Guidelines for Other Solid Waste Incineration (OSWI) Units. In the announcement of the final rule, EPA observed that ACIs that burn only the types of waste covered "are often associated with emergency natural disaster situations such as eliminating massive amounts of clean wood and vegetative waste for wildfire mitigation and

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forest management, burning storm-generated wood and vegetative debris, and burning of land clearing debris.” The agency says it received 20 supportive comment letters on the proposal from state and industry stakeholders and no adverse comments. Commenters opined that Title V permitting for these ACIs has been “unduly burdensome and expensive for both ACI operators and permitting agencies.” The amended regulatory text includes a new §60.2966(b) which states, “Air curtain incinerators as specified in §2888(b) and subject only to the requirements in §60.2970 through 60.2973 are exempted from title V permitting requirements per these regulations.” The effective date of the rule is April 17, 2024. For further information: <https://www.govinfo.gov/content/pkg/FR-2024-04-17/pdf/2024-08270.pdf>.

Mr. Stowe asked for clarification on the permitting. Mr. Papish said a minor source permit will be required for all air curtain incinerators and will be issued by SWCAA. Dr. Melnick asked how many of these devices are being used in SWCAA’s jurisdiction. Mr. Papish said there were a couple within SWCAA jurisdiction which were being used illegally and had to shut down because the permitting process was too extensive and expensive. It’s possible DNR is currently using this type of device in very rural areas.

**EPA Announces Final Phase 3 Standards for Heavy-Duty Vehicles (March 27, 2024)** - EPA announced its final rule, Greenhouse Gas Emission Standards for Heavy-Duty Vehicles – Phase 3. The final rule includes progressively more stringent performance-based CO2 emission standards for vocational vehicles (e.g., delivery trucks; refuse haulers; public utility trucks; transit, shuttle, and school buses), day cab (short-haul) tractors and sleeper cab (long-haul) tractors, to begin between MY 2027 and MY 2030, depending on the vehicle type. The final standards do not mandate the use of any specific technology. Instead, each manufacturer may choose what mix of emission control technologies is best suited for its fleet to meet the standards. EPA writes in the rule, “In consideration of the opposing concerns raised by commenters, EPA believes it is critical to balance the public health and welfare need for GHG emissions reductions over the long term with the time needed for product development and manufacturing as well as infrastructure development in the near term.” Therefore, EPA has finalized standards that, compared to the April 12, 2023, proposed standards, are less stringent, for all vehicle categories in MYs 2027, 2028, 2029 and 2030 and increase in stringency at a slower pace during those years. EPA writes in the rule that the agency “in consultation with other Federal agencies, will issue periodic reports reflecting collected information. These reports will track HD electric charging and hydrogen refueling infrastructure buildout throughout Phase 3 implementation as well as an evaluation of zero and low GHG-emitting HD vehicle production and the evolution of the HD battery production and material supply, including supply of critical minerals. Based on these reports, as appropriate and consistent with CAA section 202(a) authority, EPA may decide to issue guidance documents, initiate a rulemaking to consider modifications to the Phase 3 rule, or make no changes to the Phase 3 rule program. Highlights of the projected benefits of this final rule are the avoidance of 1 billion metric tons of GHG emissions and 53,000 tons of NOx from 2027 through 2055. For further information: <https://www.epa.gov/system/files/documents/2024-03/hd-phase3-veh-standrds-ghg-emission-frm-2024-03.pdf>

**DOE Announces \$6 Billion In Projects to Reduce GHG Emissions (March 25, 2024)** -The U.S. Department of Energy announced \$6 billion in funding for projects to reduce greenhouse  
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gas (GHG) emissions under the Bipartisan Infrastructure Law and the Inflation Reduction Act. The Administration estimates the projects will reduce carbon emissions by an average of 77 percent, with the total decrease in emissions being the equivalent of over 14 million metric tons of carbon dioxide per year. The funds will support 33 projects in 20 states designed to decarbonize energy-intensive industries, reduce GHG emissions from industry and accelerate the commercial-scale demonstration of decarbonization technologies. The projects will focus on certain industries, including seven chemical and refining projects, six cement and concrete projects, six iron and steel projects, five aluminum and metals projects, three food and beverage projects, three glass projects, two process heat-focused projects and one pulp and paper project. The effort calls for some matching funds by the projects, resulting in a total of over \$20 billion for the program. The federal funding includes \$489 million from the Bipartisan Infrastructure Law and \$5.47 billion from the Inflation Reduction Act. For further information: <https://www.energy.gov/articles/biden-harris-administration-announces-6-billion-transform-america-industrial-sector>

Mr. Mahr asked when the board could see the new office space. Mr. Papish said probably July or August of this year.

Mr. Papish said the agency will have the Exit Conference with the State Auditor on May 9, 2024 at 9:00am. All board members are invited to attend and to contact him for the Teams invite.

#### Board Policy Discussion Issues

None.

#### Issues for Next Meeting

- A. Public Hearing.
  - 1. As Necessary.
- B. New Business/Unfinished Business.
  - 1. SWCAA Budget (May)
- C. Meeting Date and Location.
  - 1. June 6, 2024 at 3:00 p.m. Southwest Clean Air Agency, 5105 NE 82<sup>nd</sup> Ave., Suite 101, Vancouver, Washington.


The next Board of Directors meeting will be held on June 6, 2024 at 3:00 p.m., Southwest Clean Air Agency, Vancouver, Washington.


Board Meeting Attendance:

JURISDICTION	J 2024	F 2024	M 2024	A 2024	M 2024	J 2023	J 2023	A 2023	S 2023	O 2023	N 2023	D 2023
Clark County	+	+	+	+	+	+	C	0	+	+	+	C
Cowlitz County	+	+	A	+	+	+	C	+	+	+	A	C
Lewis County	0	+	+	0	0	0	C	+	0	+	+	C
Skamania County	+	+	+	+	+	+	C	+	+	+	+	C
Wahkiakum County	A	+	+	+	+	+	C	+	+	+	+	C
Cathlamet	+	0	A	+	+	+	C	+	+	+	+	C
Centralia	+	0	0	+	A	+	C	+	+	+	+	C
Longview	+	+	+	+	+	+	C	+	+	+	+	C
Stevenson	A	+	+	+	+	+	C	+	+	0	+	C
Vancouver	+	+	+	+	+	0	C	0	+	+	+	C
Member-At-Large	+	+	+	+	+	+	C	+	+	+	+	C

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

Dr. Melnick adjourned the meeting without objection at 3:36 p.m.

DocuSigned by:  
  
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 Chair

DocuSigned by:  
  
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 Executive Director