

TO: Western North Carolina Regional Air Quality Agency Board of Directors

FROM: Betsy Brown, Air Quality Supervisor

SUBJECT: March 14, 2016

DATE: April 29, 2016

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Please find attached a copy of the **MINUTES** from the March 14, 2016 Board Meeting. The next meeting of the WNCRAQA Board is scheduled **Monday, May 9, 2016**, in the Agency Board Room at 125 South Lexington Ave Suite 101, Asheville, N.C. 28801.

The Western North Carolina Regional Air Quality Agency Board of Directors met on Monday, March 14, 2016, at the boardroom of the Western North Carolina Regional Air Quality Agency, located at 125 South Lexington Ave Suite 101, Asheville, N.C.

The attendance of the Board members was as follows:

Members Present:

*Britt Lovin*

*Dean Kahl*

*Lloyd Kirk*

*Karl Koon*

*Vonna Cloninger*

Members Absent:

Staff Present: *David Brigman, Director; Ashley Featherstone, Air Quality Permitting Program Manager; Betsy Brown, AQ Supervisor; Mike Matthews, Senior AQ Specialist; James Raiford, Senior AQ Specialist*

Media Present: *none*

Others Present: *Michael Frue, Attorney; Brandon Freeman, Attorney with Buncombe County; Julie Mayfield, City Council*

Mr. Lovin called the meeting of the Western North Carolina Regional Air Quality Agency Board of Directors to order on March 14, 2016 at approximately 4:02 p.m.

The order of business was as follows:

**I. PUBLIC COMMENT PROTOCOL ANNOUNCEMENT:**

Mr. Lovin started the meeting by reading the announcement about the public comment protocol.

**II. APPROVAL OF AGENDA:**

Mr. Lovin proposed an adjustment to the agenda; adding a closed executive session as item VIII. and moving Adjournment to item IX. Mr. Koon made a motion for approval. Ms. Cloninger seconded the motion. It was approved 4-0.

**III. CONSENT AGENDA:**

**A. Approval of minutes from the January 11, 2016 Board Meeting:**

There were no changes to the minutes and Ms. Cloninger made a motion for approval. Mr. Koon seconded the motion and it was approved 4-0.

Mr. Lovin acknowledged Curt Euler who was attending the WNCRAQA Board meeting. Mr. Euler introduced Brandon Freeman, a recently hired attorney with Buncombe County. Mr. Freeman may or may not be supervising the Board meetings in the future. He is here to observe and learn about the agency.

Mr. Kirk joined the meeting.

**IV. DIRECTOR'S REPORT:**

**A. Duke Energy Progress (DEP) Permit Renewal Update (Ashley Featherstone)**

At the last Board meeting it was reported that based on the comments we received during the public comment period on the draft permit last year, we needed to revisit the SO<sub>2</sub> limit in the permit for Units 1 and 2. We tried to find modeling that had been done by Progress Energy in 2003 when the stacks were modified for the installation of the scrubber, but did not locate this information in our files. It appears that the modeling and results were referenced in the permit application, but not included. The state had required SO<sub>2</sub> modeling for other coal fired power plants that were modifying their stacks and adding scrubbers where modeling had previously been conducted; this resulted in lower limits at some plants. Staff went back to DEP at the end of November with a request to provide modeling for the SO<sub>2</sub> standard in place at that time. In February, DEP submitted the modeling protocol and, subsequently, the modeling. We had the modeling reviewed by the state DAQ modeling group; they notified us on February 29, 2016 that they found the modeling acceptable. It was determined that a more stringent limit was needed in the permit. This is being included in the response to comments, and we are incorporating the lower limit in the draft permit.

We hope to complete our internal review within the next few weeks and submit all documentation to EPA. Once EPA receives the response to comments, comments, and the draft permit, their 45 day review period begins. Based on their comments, we will make any necessary changes before we have anything to bring to the Board for further action.

Dr. Kahl asked about the NC lawsuit related to the emissions reductions from the Clean Smokestacks Act (CSA). Ms. Featherstone said he may be referring to the Clean Power Plan (CPP), which seeks to reduce CO<sub>2</sub> emissions. The reduction of SO<sub>2</sub> and NO<sub>x</sub> emissions required by the CSA did result in greenhouse gas (GHG) emissions reductions as natural gas plants replaced older coal fired units. This is a related but a separate issue.

The Agency received a letter from the Sierra Club since the last board meeting which expressed concern about how long it was taking the Agency to send the draft permit, comments and our response to EPA. We share their concern, but would rather take the extra time to get the correct limits in the permit. We have kept the EPA updated.

**B. Sulfur Dioxide Monitoring Site** (David Brigman)

NC DAQ's approach is to use monitoring rather than modeling to determine compliance with the standard. They use modeling data to site monitors. Duke agreed to run a SO<sub>2</sub> monitor. They cited the monitor across the lake from the plant in an area where modeling has predicted elevated concentrations could occur. We are working with Donnie Redmond of NC DAQ to verify that the monitor will meet the criteria of the NC PQAQO (Primary Quality Assurance Organization) Plan. Last week Ryan Brown with EPA Region IV came up to look at the current site to determine if it would be acceptable to EPA. The NC DAQ will incorporate the site into the state network monitoring plan, this plan has to be approved by EPA. NC DAQ and Kevin Lance of our agency will audit the DEP monitor. We will have access to real time data. Whether the current DEP site is the best location is an issue under consideration. It looks like they would run the monitor for 3 to 5 years, then the current plant will shut down as they transition to natural gas. Sites the Agency looked at, where modeling predicted higher SO<sub>2</sub> levels, included upper elevations. Many of these sites were in gated communities, including the Cliffs and High Vista. Siting a monitor at a high elevation site is very challenging as it is necessary to cut trees for a 180 to 270 degree clearance. The Agency is looking at a site on Brown Mountain which is about 3,500 to 4,000 feet in elevation. We should know more by the next Board meeting. The monitor is running now, but we do not have access to all of the data yet. After they finish setup and have test runs by the consultant, and the state and Mr. Lance conduct an audit, DEP will operate the monitor (the consultant is currently operating the monitor).

**C. Sewage Sludge Incinerator (SSI) Requirements (Ashley Featherstone)**

The Agency wants to make the board aware of new requirements that apply to SSI units. We do have a SSI at MSD in Buncombe County. SSIs are subject to new emissions guidelines that EPA published in 2011. SSI requirements came out under Section 129 of the Clean Air Act. Emissions Guidelines such as these are issued for states to use to create their own rules. If a state does not write rules in accordance with the guidelines, sources in their jurisdiction are subject to a federal plan. NC did not issue rules for these units and as such, our sources are subject to the federal plan, which was proposed in 2015, and finalized in February of 2016. State and local agencies in NC do not have the authority to implement these requirements in our area. We are waiting for the final federal plan to be published in the federal register. Once that happens, NC and our agency can request delegation of the rule. Facilities are required to comply with the federal rules by March 21 2016, which is before the rule is published in the federal register. As this rule is federally enforceable only, we are not the enforcement authority. As such, the facility must submit all required reports to EPA and we have asked that they copy us. We can act in an advisory capacity. SSI facilities have operator training requirements that must be met by March 21<sup>st</sup>. MSD in Buncombe County have been leaders in this endeavor. They obtained approved training materials from Virginia which has a state plan, and set up a training class on March 8<sup>th</sup> with Ms. Featherstone, MSD's consultant CDM Smith, and NC DEQ- DAQ staff. Consulting engineers from CDM Smith covered the operator portion. There were approximately 20 people there. There are four of these incinerators in NC. Operators from High Point, Buncombe and Cabarrus Counties participated in the training. There is another class scheduled on March 24<sup>th</sup>. Millions of dollars have been spent at these NC plants to purchase new control equipment to meet the more stringent standards. There was good feedback and attendance. There has been litigation that could result in changes to the requirements at a later date.

The MSD plant has state of the art equipment. They have a pilot technology for mercury removal at the Asheville plant. The facility is now required to have a Title V permit per these new requirements. This is the case for certain categories of facilities, like landfills (that may not meet threshold emissions, but have to have a Title V permit based on their source category.) For the facility, this involves hiring a consultant typically to do the permit application, additional paper work, more recordkeeping, and higher permit fees. Currently MSD doesn't have the TV permit, but they have submitted an application as required.

**D. Clean Air Excellence Awards (Ashley Featherstone)**

This award is for entities that have gone above and beyond regulatory requirements to implement voluntary measures that improve air quality. Biltmore and Eaton Corporation received awards last year. The Advisory committee will consider the applicants. We are currently taking nominations.

**E. FY 2017 Budget Discussion (David Brigman)**

David Brigman and Betsy Brown submitted the budget to the county for the 2017 budget year. The budget is down 14k. Mr. Brigman went over each revenue source. Overall the budget looks good now, but over the next few years, DEP emissions will be further reduced and we will have a loss of revenue over time. The budget shows a pull from the fund balance, but the budget includes the funding for a position that is not filled and includes the third and final year of retirement incentive costs for salary, benefits, and insurance. There are adequate reserves in the fund balance should we need to tap those funds. After the retirement incentive is paid off in 2017, this will help considerably. As industry comes in or something changes in how we collect funds, we may have more income and need for additional personnel. Finances will be OK for the next several years. The Board will vote on the budget in May which is the last meeting before end of county budget year which is July 1 through June 30.

**F. Facility Permit Modifications**

<b>Facility Name</b>	<b>Type of Facility</b>	<b>Facility Classification</b>	<b>Location</b>	<b>Changes from Existing Permit</b>
APAC – Atlantic, Inc., Black Mountain Facility	Asphalt Manufacturing Facility	Synthetic Minor	Old U.S. 70, Black Mountain	APAC Black Mountain is replacing their 250 ton per hour plant with a 180 ton per hour plant that was previously located in Marion, NC. Three pieces of equipment are being replaced: the dryer drum, the dryer drum burner, and the dust collector.
B.V. Hedrick Gravel & Stone – Grove Stone Quarry	Stone Crushing & Processing Facility	Small	Old U.S. 70, Swannanoa	The agency has determined that the maximum rated capacity of the primary crusher is incorrect in the permit. The permit needs to be opened to correct this error. B.V. Hedrick is requesting permission to add an additional portable crushing unit to the permit, and the ability to run multiple initial crushers simultaneously.
B.V. Hedrick Gravel & Sand – North Buncombe Quarry	Stone Crushing & Processing Facility	Small	100 Goldview Road, Weaverville	B.V. Hedrick is requesting permission to add an additional portable crushing unit to the permit, and the ability to run multiple initial crushers simultaneously.

The permit review forms for the Hedrick quarries were handed out at the beginning of the Board meeting. Mr. Koon motioned that the permit modifications be accepted. Dr. Kahl seconded. The motion passed 5-0.

**V. New Business:**

**A. Legal Counsel Report-** none

**VI. Other Business:**

**A. Advisory Committee Report – Dean Kahl**

Clean Air Excellence – will be May or July depending on when can get AC together.

**B. Calendar**

**1. Next Regular Scheduled meeting is May 9, 2016**

**C. Announcements**

None

**VII. Public Comment**

**VIII. Closed Session**

Mr. Lovin moved to go to the closed session per NCGS§ 143-318.11 (a) to discuss a personnel matter. Mr. Koon seconded. Motion passed 5-0. At 4:42 PM the Board went to closed session.

**IV. Adjournment**

Ms. Cloninger motioned that the Board adjourn. Mr. Koon seconded. The meeting adjourned at 5:10 PM.