

MEMORANDUM

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

FROM: Betsy Brown, Air Quality Supervisor

RE: May 13, 2019

DATE: June 28, 2019

Enclosed, please find the **MINUTES** from the **Monday, May 13, 2019** Board Meeting. The next meeting of the WNCRAQA Board is scheduled for **Monday, July 8, 2019 at 4:00pm** in the meeting room located at the Buncombe County Permit Office at 30 Valley Street, Asheville, NC 28801.

The Western North Carolina Regional Air Quality Agency Board of Directors met on Monday, May 13, 2019, in the meeting room at the Buncombe County Permit Office located at 30 Valley Street, Asheville, N.C.

The attendance of the Board members was as follows:

Members Present:

*Britt Lovin
Karl Koon
Joel Storrow
Dean Kahl
Vonna Cloninger*

Members Absent:

None

Staff Present: *David Brigman, Director; Betsy Brown, AQ Supervisor; Mike Matthews, Senior AQ Specialist; James Raiford, Senior AQ Specialist*

Others Present: *Michael Frue, Attorney*

Mr. Lovin called the meeting of the Western North Carolina Regional Air Quality Agency Board of Directors to order on May 13, 2019 at 4:00 pm.

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. Adjustment and approval of agenda

Mr. Koon made a motion to approve the agenda. Ms. Cloninger seconded the motion. The motion passed 5-0.

III. Public Hearing

A. WNCRAQA Budget for Buncombe County FY 2020

The 30-day public notification went out over 30 days prior to today. Today is our public hearing for the budget. No one commented prior to the meeting or attended the meeting to comment on the budget.

Ms. Cloninger moved to close the public hearing. Mr. Koon seconded the motion. The motion passed 5-0.

The Board skipped IV and moved to V under the Agenda.

Mr. Brigman said that the budget is driven by salary and benefits. Dr. Kahl asked how much was in the Agency fund balance. Mr. Brigman said that the last time we checked it was around \$650,000. The fund balance fluctuates, but usually falls between \$450,000 and \$650,000. Dr. Kahl questioned how much loss of income we would have from the power plant closing the coal-fired units. The most recent invoice for Duke was about \$88,000. Mr. Brigman does not anticipate much more than an additional \$18,000 or so loss. He anticipates that Duke will run the current natural gas powered peaking units more than they have in the past which means that emissions may not drop as much as previously thought. Due to the Clean Smokestacks Act and other regulatory actions, we have already had reductions in the emissions, and therefore, the income from the power plant has been reduced over the last several years. With an increase in fees and a cost of living increase

built in to the fee schedule, and retirements, the Agency should be fine even with the loss of income from Duke.

IV. Consent Agenda:

A. Approval of minutes from March 11, 2019

Mr. Storrow made a motion to approve. Mr. Koon seconded the motion. The motion passed 5-0.

V. Unfinished Business:

FY20 Budget Approval

Mr. Storrow made a motion to approve. Ms. Cloninger seconded the motion. The motion passed 5-0.

VI. Director's Report:

The Agency did a ten-year budget study last year for the Agency as requested by the County. We got a note from Mr. Holland indicating that someone in the county wanted another 5-year projection. We do not expect as big a loss with DEP as we had previously thought. We will meet with Eric Hardy. This is due by May 31. (This item came up during discussion but was not listed in the approved agenda.)

A. Duke Energy Progress Update

Duke Energy Progress (DEP) applied for a permit modification earlier this year. We are still reviewing the application. Ashley Featherstone is working with the consultant, the state and the EPA to make sure everyone agrees. If it is mandated that DEP has to shut down the coal-fired units, there may not have as much flexibility with the PAL (Plantwide Applicability Limit) as what DEP thought. If we cannot get an answer from the state regarding whether the PALs have to be adjusted for shut down of the coal units, we may need to talk with Mr. Frue or talk with the state's legal team, the state attorney general's office. This is the first electric generating unit (EGU) PAL in Region IV. There are a couple in Texas, and in other places, so this not the first one. We want to make sure that we look at every aspect of this permit, so if challenged, we would be prepared. We expect to have comments and will go ahead and plan a public hearing. We will probably try to have the public hearing in the Permits and Inspections meeting room unless it looks like we will have a larger response. If there are comments, we will be able to address them.

B. Clean Air Compliance Awards

There was a memo in the Board packet with the names of the facilities who were eligible for the award for 2018. This recognizes facilities who comply with their air quality permits.

C. Clean Air Excellence Awards

We had two nominations. One was Asheville Crematory. They replaced an old crematory with a new one. That does not meet the criteria for this award. The VA Hospital also submitted a nomination. They did not have the numbers to illustrate their improvements. They did an energy audit and used more energy; however, they did expand their facilities. We need appropriate data to show reduced energy usage and associated emissions reductions. They are going to track their usage and perhaps submit again in the future when they have more data.

VII. New Business:

A. Legal Counsel Report

Mr. Frue gave us an update. The lawsuit against Asheville Pet Crematory did not involve us. It was good to get attorneys involved and offer a practical solution. Mr. Hodgins has withdrawn his permit application with us. He said that he was no longer operating the permitted unit. His neighbors filed a suit, which has been settled.

Mr. James Raiford stated that we received a letter from Mr. Hodgins, he said he was out of business but it was not clearly stated that he wanted us to rescind his current permit. We need a clarification letter to request that his permit be rescinded. He still owes the penalty fees for the violation. This is legally binding. We are not sure what discretion we have. We reached a settlement with Mr. Hodgins. We did tell him that we could stretch his settlement payments out to two years (from the initial one year); we do not think we can make it go away. Mr. Hodgins requested that we reduce or remove the penalty due to financial hardship. Mr. Hodgins pulled his zoning request when he notified the agency that he had shut down his business. At this time, he could run one or the other units, but not both, from the perspective of zoning. Mr. Hodgins told Mr. Raiford that he would no longer be operating in Buncombe County.

Mr. Frue said he would need to look at the Agency settlement and letter from Mr. Hodgins to see if it is possible to reduce the civil penalty.

VIII. Other Business:

A. Advisory Committee Report – Dean Kahl

Dr. Kahl thinks Ned Guttmann is moving to Morganton. He has been a valuable member of the committee. The last big project was to set up guidelines for the Clean Air Excellence Awards. Ms. Cloninger asked if we could remove the Advisory Committee Report from the agenda unless we have business. We have used the Advisory Committee as a sounding board concerning fee increases and other items with industry and community interest.

B. Calendar

The next regular scheduled meeting is July 8, 2019

Mr. Storrow will not be there. The Agency will need to send out an email to make sure we will have a quorum.

C. Announcements

None

IX. Public Comment

None

X. Adjournment

Mr. Koon made a motion to adjourn. Ms. Cloninger seconded the motion. The motion passed 5-0. The Board adjourned at 4:25 pm.