

MINUTES

NACAA BOARD OF DIRECTORS AND COMMITTEE CHAIRS' 2017 WINTER MEETING

January 28-30, 2017

The Peabody Memphis Hotel
Memphis, Tennessee

Saturday, January 28, 2017

Introductions and Review of Agenda

The NACAA Board of Directors and Committee Chairs convened their meeting at 8:30 a.m. NACAA Co-President Dave Klomp (MT) welcomed everyone. Other NACAA Board Members present included Co-President Craig Kenworthy (Seattle, WA) as well as Charlene Albee (Reno, NV), Rick Brunetti (KS), Stu Clark (WA), Bob Colby (Chattanooga, TN), Mike Dowd (VA), Steve Flint (NY), Anne Gobin (CT), Ali Mirzakhali (DE), Ursula Nelson (Tucson, AZ), Sam Rubens (Akron, OH), Chris Schroeder (Lincoln, NE), Bart Sponseller (WI), Richard Stedman (Monterey, CA) and Eddie Terrill (OK). Board Member Richard Corey (CA) participated by teleconference. Committee Co-Chairs, who are not also Board Members, present included Bruce Andersen (Kansas City, KS), Larry Greene (Sacramento, CA), Merlyn Hough (Springfield, OR), Lynne Liddington (Knoxville, TN) and Erik White (Auburn, CA). Committee Co-Chairs Tad Aburn (MD) and Lynn Fiedler (MI) participated by teleconference. NACAA staff present included Bill Becker, Mary Sullivan Douglas, Karen Mongoven and Phil Assmus. NACAA staff member Nancy Kruger participated by teleconference.

Merlyn Hough (Springfield, OR) announced that the Air and Waste Management Association would present the Smith-Griswold Award in June at the association's annual meeting. This year's recipients are Larry Greene (Sacramento, CA) and Nancy Seidman, who recently retired from the state of Massachusetts and was an active member of NACAA for many years.

Legislative Outlook

NACAA Executive Director Bill Becker gave an overview of Clean Air Act issues likely to arise in the upcoming Congress. His presentation highlighted Obama Administration regulations that may be subject to revocation under the Congressional Review Act; regulatory reform legislation that could be passed and signed into law, including efforts to revise EPA's scientific review practices; potential legislative and administrative initiatives related to the ozone NAAQS; and potential changes to EPA's mobile source and climate change programs. Bill also addressed potential funding and staffing cuts at EPA. In response, members expressed particular interest in tracking efforts to weaken mobile source emission standards and to reduce grants for state programs. Bill further noted that the Administration has started to argue that more regulatory responsibility should be shifted away from EPA and toward states.

Craig Kenworthy (Seattle, WA) then led a discussion regarding the creation of a streamlined process to enable NACAA staff to respond to proposed or contemplated federal legislation and

regulations. Craig noted that single-party control of Congress and the White House might enable quick passage and enactment of new laws and rules. He recommended that NACAA develop core principles around which NACAA staff would be authorized to respond quickly without consulting the full Board or membership. The Board and Committee Chairs expressed support for this approach and recommended that NACAA exercise strategic discretion when deciding whether and how to weigh in on issues. The Board and Committee Chairs had a short discussion of the priority issue areas, and identified funding for state grants as among those that are particularly significant.

Discussion of Transition to Trump Administration

NACAA Co-President Dave Klemp (MT) initiated a discussion about finalizing a transition paper for the Trump Administration that introduces NACAA and summarizes the association's top priority issues. Dave recounted that at the Fall Board and Committee Chairs' Meeting, the group agreed on the issues to include in a transition paper for the next Administration, and since then, NACAA staff prepared and circulated a draft paper to the membership and edited it based on comments received. The officers now wanted to review the final paper with the group.

A lengthy discussion followed. The group went through the paper section by section. Some members expressed concern that the climate section, as currently worded, may not be well-received by some but the group decided that the climate section should be retained with some minor rewording. Others wondered whether the transition paper should be shortened and turned into a letter, but most felt that NACAA should send the full paper along with an introductory letter to the EPA Administrator. The group also decided that the topics should be re-ordered and that funding should be the first issue.

Update on Executive Director Recruitment Process

Dave Klemp (MT), Co-President of NACAA, provided a status update on efforts to hire a NACAA Executive Director to replace Bill Becker when he retires in June 2017. Dave announced the appointment of two new search committee members, Mike Dowd (VA) and Bob Colby (Chattanooga, TN), to improve the committee's geographic diversity. Mike and Bob join NACAA Past Co-Presidents Stu Clark (WA) and Ursula Nelson (Tucson, AZ), NACAA Co-Presidents Dave Klemp (MT) and Craig Kenworthy (Seattle, WA), NACAA Co-Vice Presidents Bart Sponseller (WI) and Sam Rubens (Akron, OH) and NACAA Co-Treasurers Ali Mirzakhali (DE) and Richard Stedman (Monterey, CA) on the committee. Dave shared that the group is working to hire a search firm to manage the application and interview process, but indicated that input will still be sought from other NACAA members.

Sunday, January 29, 2017

Review of NACAA's Committee Structure

Craig Kenworthy (Seattle, WA), Co-President of NACAA and Co-Chair of the Public Outreach Committee, reported that the Public Outreach Committee has changed the way it operates, holding quarterly calls on specific topics. He suggested that the Board may want to discuss the committees' structures and activities at the Fall Board meeting, after the new Executive Director has started.

The members discussed several issues related to the committees, including possible term limits for the Co-Chairs and whether it is necessary for the Co-Chairs to be air directors. With respect to term limits, the concern was raised that it is difficult to replace Co-Chairs currently. It was agreed it would be beneficial to solicit greater participation from other members who are not very involved.

With respect to whether Co-Chairs should be air directors, some expressed the opinion that they should because air directors bring a broader perspective to the role and they have a seat at the table at the Board of Directors' meetings.

Following additional discussion, the members agreed to discuss these topics at the Fall Meeting.

Critical Issues

Lynne Liddington (Knoxville, TN), Co-Chair of the NACAA Criteria Pollutants Committee, provided updates on two issues. First, the NACAA-ECOS-EPA SIP Reform Workgroup conducted its annual review of progress on the SIP backlog. In summary, on October 1, 2013, there were nearly 700 backlogged SIPs. As of October 1, 2016, that number had been cut to 247. Nine of the ten EPA Regions appear to be on track to entirely clear their backlogs or have just a handful of remaining backlogged SIPs by the end of 2017. State workgroup members generally agreed that things were going well in their respective regions. In some regions, SIPs are apparently being placed on hold because EPA headquarters is raising national consistency issues. Anna Wood (EPA-OAQPS) is going to look into this, although she noted that the ethanol rule is holding up a lot of SIPs. Second, Lynne reported that NACAA is drafting comments on EPA's proposed implementation rule for the 2015 ozone NAAQS. The proposed rule was published on November 17, 2016, and the comment deadline is February 13, 2017. NACAA invited the membership to provide recommendations for potential issues for comment and has received input.

Several Board Members and Committee Co-Chairs expressed praise for how the SIP backlogs are being handled in their regions. Bill Becker (NACAA) observed, and others agreed, that the plan for ending the SIP backlog by the end of 2017 was spearheaded by NACAA, and the association's work on this issue has provided a very substantial benefit to the members.

Enforcement

Richard Stedman (Monterey, CA), Co-Chair of the NACAA Enforcement Committee, provided a summary of the status of the Volkswagen (VW) Settlement related to the company's use of defeat devices on 2.0-liter diesel cars. He noted that there are several milestones that must take place before states can receive the funds they will be allotted as part of the environmental mitigation trust. He also noted that there is a second proposed consent decree related to 3.0-liter diesel cars, which will result in additional funds for states.

Richard summarized several activities in which NACAA is involved, including establishing a repository, to be located on the NACAA website, for state and local information about activities related to the VW mitigation programs. Additionally, NACAA has been assisting the National Association of State Energy Officials (NASEO) on the development of a "Beneficiary Mitigation Toolkit." This document will include background information, a timeline for state action, an overview of options and information on the eligible mitigation projects identified in the consent decree.

Richard Corey (CA) provided an update about VW-related activities taking place in California, which took the lead, along with the federal government, in bringing enforcement actions against VW. Several other members summarized the activities taking place in their states, although it is still early in the process and many decisions have not yet been made.

Eddie Terrill (OK), Co-Chair of the NACAA Enforcement Committee, reported that the Committee would like to provide input to the new Administration regarding enforcement issues. One possible process is through the development of a white paper. He also noted that NACAA representatives have not been invited to EPA's regional enforcement meetings and this has diminished the dialogue between NACAA and EPA. Eddie suggested that these broader enforcement issues could be the focus of a session at the Spring Membership Meeting, to which EPA could be invited. He requested that the members read the questions included in the Board-Chairs Meeting materials and provide input.

Training

NACAA Training Committee Co-Chair Mike Dowd (VA) gave a brief overview of the Committee's recent work to develop a centralized hub to display upcoming classroom training opportunities. Mike explained that, while EPA tracks many of the available course offerings on its "APTI-Learn" website, there are many courses sponsored by MJOs and other organizations that are not listed on APTI-Learn, including those sponsored by the California Air Resources Board and EPA's Office of Enforcement Compliance Assurance. Mike announced that NACAA would soon be unveiling a webpage with a comprehensive list of classroom training opportunities. NACAA staff expects to complete the first phase of the resource soon, and plans to expand it on an ongoing basis as new training resources are identified.

Monitoring

Monitoring Committee Co-Chair Sam Rubens (Akron, OH) reported that the NACAA Monitoring Steering Committee (MSC) met with EPA for two days prior to the Board of Directors and Committee Chairs' Meeting. The agenda covered a number of timely topics, including an extensive update from EPA on the reengineering of the Photochemical Assurance Monitoring Stations (PAMS) network, for which EPA is setting aside approximately \$2 million to be used over the course of a three-year phase-in period. PM_{2.5} was also on the agenda; EPA talked about an air quality assessment tool under development for analyzing PM_{2.5} data from the Chemical Speciation Network. Sam noted that MSC member Anna Kelley (Cincinnati, OH) provided a summary of the state/local issues "listening session" at the August 2016 National Ambient Air Monitoring Conference. State and local monitoring agencies are very concerned with "brain drain" and with training and retaining new employees. Both Anna and EPA reported that many agencies expressed interest in one-hour training webinars, such as a "Monitoring 101" class. Several MSC members provided technical presentations at the meeting, including sessions on ultrafine particulate matter monitoring and on lakeshore ozone formation in Wisconsin.

Global Warming

Stu Clark (WA), Co-Chair of the NACAA Global Warming Committee, summarized NACAA's participation in the most recent round of international climate change negotiations in Marrakesh, Morocco, which Stu and Phil Assmus (NACAA) attended in November 2016. Stu provided a general overview of the negotiation's structure and content, noting generally that, unlike the climate meeting in Paris last year, Marrakech did not conclude with a single large agreement. Instead, the talks focused on incremental progress to begin to put the agreement reached in Paris into effect. Stu noted that NACAA staff provided a daily newsletter throughout the talks to update NACAA members on the negotiations and the activities of the NACAA representatives during the meetings. Phil noted that the talks were a valuable opportunity to assess the latest science, policy and technological developments related to climate change both in the U.S. and other countries. Following Stu and Phil's presentations, the Board and Committee Chairs commented that the daily updates had been informative and were appreciated by their air agency staffs.

Program Funding

Bruce Andersen (Kansas City, KS), Co-Chair of the NACAA Program Funding Committee, summarized the status of FY 2017 appropriations, reporting that there is a Continuing Resolution (CR) in place to fund the federal government at FY 2016 levels until April 28, 2017. It is unknown what Congress will do in late April.

Bruce also provided an update on EPA's efforts to revise the formula for allocating Section 105 grants among the regions. Most recently, EPA issued a second revised allocation scheme in November 2016 and accepted comments through December 2016. The agency has reported that it is considering the comments that were submitted and is determining how to move forward.

Bruce noted that there is concern that the new formula could result in reductions for some agencies. In November, NACAA suggested to EPA, ECOS and others that such funding cuts could be avoided if EPA requested, and Congress appropriated, adequate *additional* Section 105 air grants so that the revised formula can be fully implemented without any reductions to a state or local agency's budget. That is, those agencies/regions that would have suffered funding cuts under the revised formula would not experience reductions, while those slated to receive additional grants could receive the full proportional amount coming to them under the new methodology.

ECOS expressed interest in working with NACAA on this. Since that time, NACAA has learned that an estimated \$65 million in additional grant funds would be needed to fully implement the formula, while ensuring that no agencies suffer a decrease.

Bruce reported that the Board needed to decide on the message that NACAA would present to Congress on appropriations for FY 2018. The Board usually agrees on an overall message and then NACAA develops testimony, a model letter for the members and other communications that contain that message.

Bruce recommended that NACAA remind Congress that there is a new formula that EPA has begun to implement and how important it is that no agencies experience funding reductions. Therefore, Congress should increase Section 105 and 103 grants by the amount needed to fully implement the formula while ensuring that no agencies suffer reductions. Currently, NACAA believes the amount needed is approximately \$65 million, so the association could recommend that as an increase. If NACAA obtains a more precise number between now and the time the testimony is submitted, that figure could be used. NACAA would note that the actual need is much higher, but recognize there are budget constraints.

Bruce further suggested that NACAA recommend that agencies have flexibility to target the increases for the highest priority activities. Additionally, NACAA should continue to ask that funding for PM_{2.5} monitors remain under Section 103 authority, so that matching funds are not required, rather than shifting it to Section 105.

The members discussed now NACAA would work with ECOS on this issue. If the Board agreed to the recommendations, Bill Becker offered to contact ECOS to follow up on their interest in this topic.

The members also agreed that NACAA's message should note that the need is actually much higher than a \$65-million increase, which is something the association typically articulates. Additionally, since the new Administration has expressed an interest in providing greater authority to state and local agencies, NACAA could mention that additional funding would be needed for this to occur.

Following a discussion, the members approved the message and strategy that had been outlined.

Monday, January 30, 2017

Development of Agenda for NACAA's 2017 Spring Meeting

Bill Becker (NACAA) reviewed a list of potential session topics for the NACAA 2017 Spring Membership Meeting to be held May 1-3 in Washington, DC. In the ensuing discussion, the group agreed that the meeting should include an Executive Director's report; an update from EPA senior management in the Office of Air and Radiation; a session on clean air priorities in the 115th Congress; a panel in which representatives of different stakeholder groups discuss their air-related regulatory and legislative priorities; a federal enforcement update; a session on implementing the Volkswagen defeat device settlement; an update from NACAA's "3N" partners, NARUC and NASEO; a panel examining air quality issues relating the regulation of marijuana; a session on public health and air quality; and a

session on exceptional event demonstrations. The group also agreed that NACAA should extend a speaking invitation to the new EPA Administrator.

NACAA Financial Reports

Bill Becker (NACAA) explained NACAA's financial reports and provided specifics about the association's current financial status. The report included information about the NACAA treasury account (i.e., non-grant funds) and grants the association has received (i.e., the EPA grant and a small grant from the Virginia Department of Mines, Minerals and Energy). Bill reported that NACAA's finances are in good order.

NACAA Investments

Bill Becker (NACAA) provided information about the NACAA treasury funds that had been invested several years ago. He reported that there have been slight losses, but nothing to be concerned about. NACAA's funds are invested conservatively. Overall, the investments are in good order.

NACAA's Annual Audit

Bill Becker (NACAA) reported that NACAA had undergone its annual financial audit several months ago and he reviewed the results. He reported that NACAA had received the best results possible, which is that there had been no material findings.

Approval of Minutes – Fall 2016 Board/Committee Chairs' Meeting

The NACAA Board of Directors approved the minutes of the 2016 Fall Board of Directors and Committee Chairs' Meeting. The local agency members approved them unanimously and the state agency group adopted them with two abstentions (members who had not attended the fall meeting) and no objections.

Future Meeting Dates and Locations

Bill Becker (NACAA) announced that the NACAA Spring Membership Meeting will be held on May 1-3, 2017 in Washington, DC, with the banquet taking place on May 1, 2017.

Dave Klemp (MT), NACAA Co-President, announced that given scheduling conflicts it was not possible to identify a weekend for the summer 2017 Board of Directors and Committee Chairs Meeting. He suggested that, just for the summer Board meeting, the members consider holding it on a Tuesday and Wednesday or a Wednesday and Thursday. Bill Becker asked if the group would prefer to hold the meeting by teleconference, but Craig Kenworthy (Seattle, WA), NACAA Co-President, noted that it would be the new Executive Director's first meeting, so it would be beneficial to hold it in person. The members agreed to hold the meeting during the week (versus over a weekend) in a central location with ease of access. They agreed on sometime during the weeks of August 14 or August 21 and Craig asked the members to let the NACAA staff know if they prefer one week over another.

Bill Becker announced that there were two potential sets of dates for the 2017 Fall Membership Meeting, to be held in either Portland, OR or Seattle, WA. The Co-Presidents reported that September 24-27, 2017 was preferred, so those were the dates selected. The location would likely be in Seattle.

Mary Sullivan Douglas (NACAA) noted that it would not be possible to plan the Fall Membership Meeting for late September if the Summer Board Meeting does not take place until mid-August, because that does not leave sufficient time to arrange the sessions. The members agreed that they would have to

communicate in advance of the Summer Board Meeting to select the sessions for the Fall Membership Meeting.

Approval of NACAA's FY 2018-2019 Grant Request

Bill Becker (NACAA) announced that NACAA will soon apply for its next two-year grant, for FYs 2018-2019. He proposed that the request provide for level funding in the first year and a 2-percent increase in the second year. He noted that the budget will be tight and may require cutting costs, including for meeting expenses. He also stated that he has started investigating possible sources of additional revenue, including grants from other groups. However, any grant funds from outside sources would have to be for activities that are consistent with NACAA's mission.

The Board approved the plan to apply for NACAA's next grant (FYs 2018-2019), to include level funding in the first year and a 2-percent increase in the second year. The Local Agency Board Members voted in favor unanimously and the State Agency Board Members voted in favor unanimously.

New Business

Bill Becker (NACAA) shared that David Thornton (MN) had inquired whether NACAA plans to petition EPA regarding its reasonably attributable visibility impairment (RAVI) rule. Dave Klomp (MT) noted that WESTAR has weighed in on the issue and suggested that David reach out to WESTAR.

Ursula Nelson (Tucson, AZ) shared that the NACAA Permitting and New Source Review Committee has identified significant interest in e-permitting issues and is developing a survey to collect information on e-permitting practices.

Adjourn

The NACAA Board of Directors and Committee Chairs' Meeting was adjourned.

AGENDA

**NACAA
BOARD OF DIRECTORS AND COMMITTEE CHAIRS'
WINTER MEETING**

January 27-30, 2017

**The Peabody Memphis
Memphis, Tennessee**

Friday, January 27, 2017

5:00 p.m. NACAA Hospitality Suite PECC Main Reception Area
(3rd Floor)

Saturday, January 28, 2017

Hernando Desoto Room
(Mezzanine Level)

7:30 a.m. – 8:30 a.m. Breakfast

8:30 a.m. – 8:45 a.m. Introductions and Review of Agenda

8:45 a.m. – 9:30 a.m. Legislative Outlook

1. Clean Air Issues in the New Congress
2. Process for NACAA's Response

9:30 a.m. – 10:30 a.m. Discussion of Transition to Trump Administration

1. Update on NACAA Transition Paper
2. Intelligence on EPA Appointees
3. Next Steps for NACAA
4. Other

10:30 a.m. – 10:45 a.m. Break

10:45 a.m. – 11:45 a.m. Discussion of Transition to Trump Administration (cont.)

11:45 a.m. – 12:15 p.m. Update on Executive Director Recruitment Process

12:15 p.m. Adjourn for Lunch

12:15 p.m. – 1:30 p.m. Executive Session of NACAA Board of Directors

Sunday, January 29, 2017

Hernando Desoto Room
(Mezzanine Level)

- 7:30 a.m. – 8:30 a.m. Breakfast
- 8:30 a.m. – 9:00 a.m. Review of NACAA's Committee Structure
- 9:00 a.m. – 10:30 a.m. Critical Issues
1. Criteria Pollutants
 - a. NACAA's Comments on Ozone Implementation Rule
 - b. Results of NACAA-ECOS EPA SIP Reform WG Review
 2. Enforcement
 - a. Status of Volkswagen Mitigation Program
 - b. Enforcement Issues for the New Administration
 3. Training
 - a. Discussion of NACAA Training Resource Hub
- 10:30 a.m. – 10:45 a.m. Break
- 10:45 a.m. – 12:00 p.m. Critical issues (cont.)
4. Monitoring
 - a. Highlights from the Monitoring Steering Committee Meeting
 5. Global Warming
 - a. Report on NACAA's Participation at COP-22
 6. Program Funding
 - a. Status of FY 2017 Appropriations
 - b. Update on EPA's Allocation Formula
 - c. NACAA's Funding Recommendations for FY 2018
- 12:00 p.m. Adjourn for Lunch

Monday, January 30, 2017

Hernando Desoto Room
(Mezzanine Level)

- 7:30 a.m. – 8:30 a.m. Breakfast
- 8:30 a.m. – 9:30 a.m. Development of Agenda for NACAA's 2017 Spring Meeting
- 9:30 a.m. – 10:30 a.m. NACAA Finances/Business
1. NACAA Financial Reports
 2. NACAA Investments
 3. NACAA's Annual Audit
 4. Approval of NACAA's FY 2018-2019 Grant Request
 5. Approval of Minutes – Fall 2016 Board/Committee Chairs' Meeting
 6. Future Meeting Dates and Locations
- 10:30 a.m. – 11:00 a.m. New Business
- 11:00 a.m. Adjourn