

MINUTES

NACAA BOARD OF DIRECTORS AND COMMITTEE CHAIRS' 2018 WINTER MEETING

January 31 – February 1, 2018

The Hall of States
Washington, DC

Wednesday, January 31, 2018

Welcome and Review of Agenda

The NACAA Board of Directors and Committee Chairs convened their meeting at 8:30 a.m. NACAA Co-President Bart Sponseller (WI) welcomed everyone. Other NACAA Board Members present included Co-President Sam Rubens (Akron, OH) as well as Charlene Albee (Reno, NV), Rita Bates (NM), Rick Brunetti (KS), Anne Gobin (CT), Jayme Graham (Pittsburgh, PA), Craig Kenworthy (Seattle, WA), David Klemp (MT), Ali Mirzakhilili (DE), Michelle Walker Owenby (TN), Jaclyn Palermo (OR) and Richard Stedman (Monterey, CA). Committee Co-Chairs present, who are not also Board Members, included Tad Aburn (MD), Alberto Ayala (Sacramento, CA), Mark Buford (Benton, WA), Mike Dowd (VA), Heidi Hales (VT), Merlyn Hough (Eugene, OR), Lynne Liddington (Knoxville, TN), Ursula Nelson (Tucson, AZ), Bill O'Sullivan (NJ), Eddie Terrill (OK) and Erik White (Auburn, CA). NACAA staff present included Miles Keogh, Nancy Kruger, Mary Sullivan Douglas, Karen Mongoven, Phil Assmus, Monique Faye and Stephanie Steigman. Bill Wehrum (EPA OAR), Mandy Gunasekara (EPA OAR), Clint Woods (EPA OAR) and David Harlow (EPA OAR) attended the meeting for a portion of Wednesday afternoon. Cecily Beall (DC) also attended for portions of the meeting. The meeting agenda is attached.

Executive Director's Report

Miles Keogh, NACAA Executive Director, provided a report that summarized recent association activities and new projects. He noted that NACAA had submitted comments on several proposals and issues since August 2017. He identified other organizations that NACAA has worked with and plans to collaborate with in the future. He also highlighted several issues and activities that NACAA will address in the near future.

NACAA's Comment Development Process

NACAA Co-Presidents Sam Rubens (Akron, OH) and Bart Sponseller (WI) explained that they have been working for some time with NACAA Executive Director Miles Keogh to document the existing process the association uses when it develops comments on regulatory and legislative proposals, and to think about potential ways the process might be improved to make it more consistent, efficient and transparent. Miles walked through a document showing the steps that the NACAA staff currently follow when they write comments (which among other things, allows for a minimum seven business-day membership review period for all comment letters, as required by a 2012 Board resolution). Next, Bart walked through a number of proposed changes to the process that he and Sam developed in consultation with Miles. Bart explained that several of the proposals were designed to help increase membership participation when comments are being discussed but before they are drafted. He also

described a proposal to create a mechanism at the end of the comment process that would allow for an air director to request an officer vote before comments are submitted. Questions posed to the Board included whether the proposals accomplish the goals of improving clarity, communications pathways, transparency and credibility and whether the proposals, individually or cumulatively, are too burdensome.

There was a great deal of discussion throughout the presentations. Many members emphasized that they view comments as a critical, core function of NACAA and that adding new steps to the process was unnecessary. Some expressed concerns that adding new steps would make the process more cumbersome and impede the association's ability to submit comments in a timely manner. Several members expressed approval for documenting the existing process, and others supported the idea of routinely circulating an anticipated schedule with key dates at the beginning of the comment-drafting process. There was widespread agreement that it can be difficult or impossible to achieve unanimity among the members on the positions NACAA takes in its comments and it was noted that there is standard language included in each comment letter indicating that the comments do not represent the positions of every state and local air pollution control agency in the country. There was also a lot of discussion of the proposal to create a mechanism to allow an air director to request an officer vote before comments are submitted, with some members supporting it and others expressing concerns. At the conclusion of the discussion, Bart asked that the Board members and Committee Chairs email additional comments to him, Sam and Miles.

Preparation for Meeting with EPA

The group prepared for its afternoon meeting with EPA Assistant Administrator Bill Wehrum and members of his staff by identifying topics they would like to raise and questions they would like to pose.

Meeting with EPA – Implementing the Strategic Plan and Air Domain Priorities in Light of Cooperative Federalism

Bill Wehrum (Assistant Administrator of EPA's Office of Air and Radiation [OAR]), Mandy Gunasekara (Principal Deputy Assistant Administrator, OAR), Clint Woods (Deputy Assistant Administrator, OAR), and David Harlow (Senior Counsel, OAR) met with NACAA's Board of Directors and Committee Chairs to provide an update on EPA's policy priorities. Assistant Administrator Wehrum identified six priority areas that he anticipates OAR will focus on during the current administration: 1) the Clean Power Plan rule; 2) the Mercury and Air Toxics Standards rule; 3) the 2015 ozone NAAQS and NAAQS issues generally; 4) reforms to the New Source Review (NSR) program; 5) methane emission standards for new sources in the oil and natural gas sector; and 6) greenhouse gas standards for cars and trucks. Wehrum indicated that the agency intends to undertake significant regulatory actions in five of the six areas with the only exception being NSR. There, the Assistant Administrator anticipated that EPA would proceed with a series of smaller targeted policy changes.

The discussion that followed included the following topics, among others: ways EPA could work with state and local air agencies in a cooperative federalism framework, protecting federal funding for air agencies, NSR reform, coordination and management of EPA's enforcement activities, transport, NO_x emissions from onroad heavy-duty vehicles and methyl bromide.

Appropriations – FY 2018 and FY 2019

Eddie Terrill (OK), state Co-Chair of the NACAA Program Funding Committee, reported that NACAA would make recommendations to Congress related to FY 2019 appropriations, especially for federal grants to state and local air agencies under sections 103 and 105 of the Clean Air Act. He requested that the Board of Directors approve NACAA's message and authorize him, Craig Kenworthy (Seattle, WA), the local Co-Chair of the NACAA Program Funding Committee, and the NACAA staff to carry those recommendations forward.

Eddie reported that state and local air agencies received \$228.5 million in FY 2004, which is the same amount as in FY 2017. If adjusted for inflation, level funding from FY 2004 would translate to approximately \$303 million in today's dollars, which is a difference of about \$75 million more.

Following a discussion, the Board agreed that NACAA should make the following recommendations to Congress with respect to FY 2019 grants to state and local air agencies:

- federal grants for state and local air agencies under sections 103 and 105 should be increased by \$75 million above current funding, for a total of approximately \$303 million;
- state and local agencies should be provided with flexibility to use the funds on the highest priorities in their areas; and
- funding for PM_{2.5} monitoring should remain under section 103 authority, where matching funds are not needed, and not be shifted to section 105 authority, which EPA has recommended doing in recent years.

The Board authorized the chairs and staff to develop testimony and other materials reflecting these points and to carry the message to Congress and others.

Critical Issues

Agriculture

Merlyn Hough (Lane County, OR), local Co-Chair of the Agriculture Committee, provided an update on a group of issues related to emission reporting requirements for agricultural sources. First, Merlyn noted that the D.C. Circuit is expected to delay a deadline for farms to meet new emission reporting requirements under CERCLA. EPA was forced to apply the reporting requirements to farms after the D.C. Circuit last year invalidated a 2008 EPA rule exempting them. Second, Merlyn shared that EPA recently denied petitions to regulate concentrated animal feeding operations (CAFOs) under Clean Air Act section 111 on the basis that EPA is already doing other work to address emissions from those sources. Third, Merlyn reminded the Board that, since 2005, EPA has been subject to a settlement agreement ordering the agency to develop an estimation methodology for CAFOs. EPA's Office of Inspector General faulted EPA in a recent report for not making more rapid progress on the methodology, and EPA pledged to develop a timeline by April 2018 to finalize the effort.

Finally, Merlyn noted that USDA's Agriculture Air Quality Task Force remains on hiatus and announced that Kevin Stoner (NE) has accepted an appointment to serve as NACAA's state Co-Chair of the Agriculture Committee.

The Board and Committee Chairs held a brief discussion on reactions to the pending CERCLA emissions reporting requirements.

Air Toxics

Bill O'Sullivan (NJ), state Co-Chair of the NACAA Air Toxics Committee, provided updates on several topics related to air toxics. He announced that EPA is on schedule to publicly release the 2014 National Air Toxics Assessment (NATA) in the summer of 2018 and that state and local agencies will have a brief preview period to see the data before it is made public. He reported that EPA has not acted on NACAA's 2016 request that the agency 1) consider the major air toxics sources for which there are no established source categories and 2) establish standards to address emissions from methyl bromide fumigation facilities, in particular.

Bill announced that EPA is under court order to develop 33 Risk and Technology Review (RTR) air toxics standards by June 30, 2020, with the first seven due by December 31, 2018. The NACAA Air

Toxics Committee will look at these standards as they are proposed and determine which warrant comment by the association.

Bill reported that EPA had just rescinded the air toxics Once-In-Always-In Policy that had been in effect since 1995. This policy provided that once a source of hazardous air pollutants is considered a major source under section 112, then it remains major even if its emissions drop below major-source levels. The members discussed next steps related to OIAI. The rescission of the policy was in the form of a memo that did not request public comment. There may be a future *Federal Register* notice that requests comment, however. It was suggested that the NACAA Air Toxics Committee follow and discuss the issue in its upcoming calls.

Criteria Pollutants

Lynne Liddington (Knoxville, TN), local Co-Chair of the NACAA Criteria Pollutants Committee, provided updates on two key issues: 1) EPA's third round of final area designations under the 2010 primary sulfur dioxide NAAQS, published on January 9, 2018 and 2) EPA's January 18, 2018 announcement that it has decided to "revisit" aspects of the January 10, 2017 final rule, *Protection of Visibility: Amendments to Requirements for State Plans* (i.e., the Regional Haze Rule).

Tad Aburn (MD), state Co-Chair of the NACAA Criteria Pollutants Committee, provided a status on final designations under the 2015 ozone NAAQS, for which EPA missed the statutory October 1, 2017 deadline. Tad conveyed EPA's stated schedule for completing the designations by April 30, 2018 and also provided an update on litigation related to the delayed designations.

Emissions and Modeling

Charlene Albee (Reno, NV), local Co-Chair of the NACAA Emissions and Modeling Committee, provided a brief update of the Committee's ongoing activities. The Committee continues to track EPA's development of guidance documents and white papers following the recent revisions to the *Guideline on Air Quality Models* (Appendix W). Of note, EPA soon expects to finalize two guidance documents for PSD permit modeling: the Significant Impact Levels guidance and Modeled Emission Rates for Precursors guidance for ozone and PM_{2.5}.

Next, Charlene described a first-of-its-kind collaborative effort between multi-jurisdictional organizations, states, tribes and EPA to develop a national Emissions Modeling Platform for calendar year 2016. The files from this platform could be used for ozone and PM/regional haze modeling by states and EPA. A number of workgroups have been formed, and if anyone is interested in having their agency participate, the Emissions and Modeling Committee can put them in touch with the organizers.

Charlene also reported that Committee members Marie Bernardo (CO) and Julie Hunter (Reno, NV) have been selected as new NACAA-EPA State and Local Modeling representatives, following the decision of Melissa Sheffer (Los Angeles, CA) to step down from that role. Marie and Julie will serve alongside existing State-Local Representative Daniel Dix (MN). Among other things, these individuals are responsible for arranging the state and local sessions at the annual Regional/State/Local Modelers' Workshop.

Charlene concluded by announcing that the state Co-Chair of the Committee, Lynn Fiedler (MI), who was unable to attend this meeting, is retiring. Lynn asked Charlene to convey how much she has enjoyed working with NACAA. This means there will be an opening for a state Co-Chair of the Emissions and Modeling Committee.

Thursday, February 1, 2018

Critical Issues (continued)

Enforcement

Eddie Terrill (OK), outgoing state Co-Chair of the NACAA Enforcement Committee, announced that Susan Bodine was confirmed as the new Assistant Administrator for the EPA Office of Enforcement and Compliance Assurance. The members briefly discussed EPA's new-owner audit policy, which EPA staff have indicated will be a priority in the near future.

With respect to the Volkswagen (VW) Environmental Mitigation Trust program, Eddie noted that NACAA is working closely with the National Association of State Energy Officials (NASEO) on VW-related issues and encouraged the members to submit questions they have for a Frequently Asked Questions document being developed and to participate in the conference calls that NASEO and NACAA are cosponsoring.

Eddie briefly described the Applicability Determination, Alternative Monitoring and Compliance Assistance Projects (ADAM-CAP) database that Region 6 has developed. He indicated that it is worthwhile and could be expanded nationally.

Richard Stedman thanked Eddie for all his work as state Co-Chair of the NACAA Enforcement Committee for the past 14 years.

Global Warming

Alberto Ayala (Sacramento, CA), local Co-Chair of the Global Warming Committee, initiated a conversation about NACAA's plans to draft comments on EPA's advance notice of proposed rulemaking for a Clean Power Plan replacement rule. Alberto described a process and timeline to draft comments and identified potential comment areas for discussion including the special role of state and local air agencies under Clean Air Act section 111; the importance of continued EPA engagement with state and local air agencies as a replacement rule is developed; how pre-approved plan pathways can ease state and local implementation burdens; the need for financial support to administer new regulatory requirements; and the relationship between the Clean Power Plan and the New Source Review program.

Mobile Sources and Fuels

Erik White (Placer County, CA), local Co-Chair of the Mobile Sources and Fuels Committee, raised three especially timely topics with the Board and Committee Chairs: 1) heavy-duty issues, including the need for an onroad heavy-duty NO_x standard, work that California is doing on this and work that NACAA plans to pursue; 2) NACAA's comments to EPA on its proposal to repeal the requirements to regulate gliders included in the Phase 2 truck rule, which focused primarily on the adverse emission impacts that would result; and 3) EPA's ongoing reconsideration of the January 2017 Final Determination on the Mid-Term Evaluation of the MY 2022-2025 light-duty vehicle GHG emission standards set in 2012, for which EPA must make a decision by April 1, 2018. Erik noted that if EPA changes or rescinds these standards it will break the harmonization of the federal standards and California's standards.

Monitoring

Heidi Hales (VT), state Co-Chair of the Monitoring Committee, reported that the NACAA Monitoring Steering Committee (MSC) will meet with EPA on February 27-28 in Washington, DC. The agenda includes updates from EPA on all of the major programmatic areas in ambient monitoring, as well as a large number of technical presentations from MSC members. The group will also discuss issues associated with air sensors. Gail Good (WI) has decided to step off the MSC after the February meeting. The Monitoring Committee Co-Chairs have appointed Wisconsin's Monitoring Section Chief, Katie Praedel, to succeed Gail on the MSC.

Heidi next provided an update on D.C. Circuit litigation in which the Sierra Club is challenging some of EPA's 2016 revisions to the ambient monitoring regulations. Sierra Club takes the position that states' annual monitoring network plans are integral parts of State Implementation Plans, and that they must therefore be subject to both 1) a formal public notice and comment period at the state level, including a public hearing, and 2) federal notice-and-comment rulemaking, before EPA can approve the plan. The general view among Monitoring Committee members is that this many levels of public participation would make the annual network plan process extremely cumbersome. This litigation had been on track to settle, but Administrator Pruitt decided to reject the final settlement agreement because it conflicted with EPA's new policy against "sue and settle" agreements, including the payment of attorneys' fees to environmental groups.

Heidi concluded by announcing that the next National Ambient Air Monitoring Conference will be held August 13-16 in Portland, OR. NACAA co-sponsors this conference with EPA and MSC members customarily organize the state and local track of the agenda

Permitting

Ali Mirzakhilili (DE), state Co-Chair of the NACAA Permitting and New Source Review (NSR) Committee, reported that the Committee sent a letter to EPA Assistant Administrator Bill Wehrum on December 19, 2017, articulating a set of NACAA principles and recommendations for EPA to consider as it undertakes future "permit streamlining" initiatives, which is a priority area for the current administration. A copy of the letter is included in the meeting materials. The Committee's intent is for the letter to help guide discussion about ways that permitting processes can be made more efficient.

The Committee has had very active participation lately, Ali reported. He and the Committee's local Co-Chair, Ursula Nelson (Tucson, AZ), are working with Karen Mongoven (NACAA) to develop a "mission statement" for the Committee, as well as a discrete set of goals to accomplish this year. The Committee plans to do another Title V fees survey soon, and it will continue to stay apprised and have discussion about the NSR reforms being undertaken by EPA. E-permitting continues to be a popular topic on Committee calls, Ali added. NACAA is also due to hold another Permitting and Enforcement Workshop, and Ali suggested that it might make sense to invite EPA to co-sponsor it – perhaps with a focus on permit streamlining.

Public Outreach

Stephanie Steigman (NACAA) highlighted the Public Outreach Committee's involvement in the development of the agenda for the recent "Communicating Air Quality" track at the National Air Quality Conference which was held January 24-26, 2018, in Austin, TX. She noted that the communications track was well attended and received very positive feedback from the conference attendees. Stephanie also noted recent changes to the leadership of the committee. Craig Kenworthy (Seattle, WA) has become the local Co-Chair of the Program Funding Committee and Wayne Nastro (Los Angeles, CA) has been appointed to serve as the new local Co-Chair of the Public Outreach Committee. In addition, Anne Gobin (CT), the state Co-Chair, is planning to retire at the end of March; a new state Co-Chair will be appointed.

Training

Mark Buford (Mount Vernon, WA), local Co-Chair of the Training Committee, updated the Board of Directors and Committee Chairs on recent training developments. He shared that Phil Assmus (NACAA) has been working on a Joint Training Committee coordinated effort to improve instructor recruitment for classroom training opportunities. He also noted that the Training Committee has been hosting some national conversations to address critical challenges faced by the national training program, namely meager federal funding, outdated course materials and expanding training needs due to retirements. Finally, Mark related a training gap he recently encountered for attorneys at air agencies who need Clean Air Act training.

Development of Agenda for NACAA's 2018 Spring Meeting

Miles Keogh (NACAA) reviewed a list of potential session topics for the NACAA 2018 Spring Membership Meeting to be held May 21-23 in Chattanooga, TN. In the ensuing discussion, the group agreed that the meeting should include, among others, a session with EPA Assistant Administrator Bill Wehrum; sessions on NAAQS and other implementation updates; enforcement issues; how data, technology and policy can drive clean air outcomes; implementing the VW settlement agreement; and organizational realignment; and an open discussion session focused on issues of particular interest to local air agencies.

NACAA Finances and Business

NACAA Financial Reports

Miles Keogh (NACAA) explained NACAA's financial reports and provided details about the association's current finances. The reports included information about the NACAA treasury account (i.e., non-grant funds) as well as NACAA's grant from EPA. In addition, Miles reported that NACAA had undergone its annual financial audit in December and had received the best results possible, which is that there had been no material findings.

NACAA Investments

Miles Keogh provided information about the NACAA treasury funds that had been invested several years ago. He noted that NACAA had withdrawn some of these funds during the last quarter of 2017 to fund the association's headquarters office while waiting for approval of its 2018 EPA grant.

Approval of Minutes – 2017 Fall Board of Directors and Committee Chairs' Meeting

The State Agency Members of the NACAA Board unanimously approved the minutes of the 2017 Fall Board of Directors and Committee Chairs' Meeting. In a separate vote, the Local Agency Members of the NACAA Board approved the minutes with one abstention.

Future Meeting Dates and Locations

Miles Keogh outlined the upcoming NACAA meetings locations and dates, including the 2018 Spring Membership Meeting in Chattanooga, TN (May 21-23, 2018 at the Westin Chattanooga, to be preceded by the NACAA Board and Committee Chairs' Meeting on May 20, 2018); the NACAA 2018 Summer Board Meeting in Milwaukee, WI (July 28-30, 2018 at the Hyatt Regency Milwaukee); and, the 2018 NACAA Fall Membership Meeting in Cleveland, OH (October 15-17, 2018 at the Renaissance Cleveland, to be preceded by the NACAA Board and Committee Chairs' Meeting on October 14, 2018).

Executive Session

The NACAA Board of Directors and Committee Chairs' went into Executive Session.

Adjourn

At the conclusion of the Executive Session, the NACAA Board of Directors and Committee Chairs' Meeting was adjourned.

AGENDA

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

January 31 – February 1, 2018

**The Hall of States
444 North Capitol Street, NW
Room 333
Washington, DC**

Wednesday, January 31, 2018

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| 7:30 a.m. – 8:30 a.m. | Continental Breakfast |
| 8:30 a.m. – 8:45 a.m. | <u>Welcome and Review of Agenda</u> |
| 8:45 a.m. – 10:00 a.m. | <u>Executive Director's Report</u> <ul style="list-style-type: none">• Member Relations• Driving Value with Our Services• New Work and Diversification• NACAA By-Laws• Strategic Plan and Metrics |
| 10:00 a.m. – 10:15 a.m. | Break |
| 10:15 a.m. – 11:45 a.m. | <u>NACAA's Comment Development Process</u> |
| 11:45 a.m. – 12:30 p.m. | <u>Preparation for Meeting with EPA</u> |
| 12:30 p.m. – 1:30 p.m. | Lunch (provided) |
| 1:30 p.m. – 3:30 p.m. | <u>Meeting with EPA – Implementing the Strategic Plan and Air Domain Priorities in Light of Cooperative Federalism</u> <ul style="list-style-type: none">• Bill Wehrum, Assistant Administrator, EPA OAR• Mandy Gunasekara, Principal Deputy Assistant Administrator, EPA OAR |
| 3:30 p.m. – 3:45 p.m. | Break |
| 3:45 p.m. – 4:15 p.m. | <u>Appropriations – FY 2018 and FY 2019</u> |

Wednesday, January 31, 2018 (continued)

- 4:15 p.m. – 5:00 p.m. Critical Issues
- Agriculture
 - Air Toxics
 - Criteria Pollutants
 - Emissions and Modeling

Thursday, February 1, 2018

- 7:30 a.m. – 8:30 a.m. Continental Breakfast
- 8:30 a.m. – 10:00 a.m. Critical Issues (continued)
- Enforcement
 - Global Warming
 - Mobile Sources and Fuels
 - Monitoring
 - Permitting
 - Public Outreach
 - Training
- 10:00 a.m. – 10:15 a.m. Break
- 10:15 a.m. – 10:45 a.m. Development of Agenda for NACAA's 2018 Spring Meeting
- 10:45 a.m. – 11:15 a.m. NACAA Finances and Business
1. NACAA Financial Reports and Annual Audit
 2. NACAA Investments
 3. Approval of Minutes of Fall 2017 Board-Committee Chairs' Meeting
 4. Future Meeting Dates and Locations
- 11:15 a.m. – 11:30 a.m. Executive Session
- 11:30 a.m. Adjourn

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- 1:30 p.m. – 3:30 p.m. NACAA NEW LEADER ONBOARDING**
(For new Board Members / Committee Chairs)
NACAA Offices, Hall of the States, Room 307
1. Welcome
 2. NACAA History/Background and Governance (30 minutes)
 3. NACAA Committees (60 minutes)
 4. Peer-to-Peer Exchange (30 minutes)
 5. Adjourn

(1/26/2018)