

MINUTES

NACAA BOARD OF DIRECTORS AND COMMITTEE CHAIRS SUMMER MEETING

July 26-28, 2014

Doubletree by Hilton Sonoma
Rohnert Park, California

I. Introductions and Review of Agenda – Saturday, July 26, 2014

NACAA Co-President Merlyn Hough (Springfield, OR) opened the Summer Meeting of the NACAA Board of Directors and Committee Chairs and welcomed everyone. Attendees introduced themselves. In addition to Merlyn, Board members in attendance at the meeting were Tad Aburn (Maryland), Mark Asmundson (Mount Vernon, WA), Rick Brunetti (Kansas), Stu Clark (Washington), Richard Corey (California), Sandra Ely (New Mexico), Anne Gobin (Connecticut), Thomas Huynh (Philadelphia, PA), Ursula Nelson (Tucson, AZ), Dave Shaw (New York), Bart Sponseller (Wisconsin), Richard Stedman (Monterrey, CA) and Barry Stephens (Tennessee). Committee Chairs who are not Board members in attendance were Will Allison (Colorado), Larry Greene (Sacramento, CA), Vince Hellwig (Michigan), Craig Kenworthy (Seattle, WA), Barbara Lee (Healdsburg, CA), Ali Mirzakhali (Delaware), Sam Rubens (Akron, OH), Shelley Schneider (Nebraska), Nancy Seidman (Massachusetts) and Eddie Terrill (Oklahoma). NACAA staff in attendance included Phil Assmus, Bill Becker, Mary Douglas, Nancy Kruger and Karen Mongoven. Merlyn reviewed the meeting agenda (copy attached).

II. Reaction to the New NACAA Websites – Saturday, July 26, 2014

The group discussed their reactions to NACAA's recently launched new public and members-only (Air Web) websites. The members are extremely pleased with the sites and many new features and the feedback was very favorable.

III. Discussion of Section 111(d) – GHG Emission Guidelines for Existing Power Plants – Saturday, July 26, 2014

Stu Clark (Washington), Co-Chair of the NACAA Global Warming Committee, began the discussion with a summary of NACAA's draft testimony for an upcoming EPA hearing on the proposed 111(d) rule for existing power plants. As part of his summary, Stu walked through NACAA's 111(d) principles, submitted to EPA in August 2013, and compared them to EPA's June 2014 proposed 111(d) rule.

The group then discussed the draft testimony and suggested revisions. Bill Becker (NACAA) noted that the current draft incorporated changes suggested by many states. Multiple Board Members and Committee Chairs indicated that, though they had some concerns with an earlier version of the testimony, the current version addressed those concerns and they supported the testimony.

Several members emphasized that it was important for NACAA to present testimony at EPA's public hearing. A few others suggested some additional edits and offered to provide recommended language. It was agreed that NACAA staff would collect the recommended language and revise the draft testimony for an additional review by the group before the Summer Meeting adjourned.

Next, Phil Assmus (NACAA) provided a summary of the NACAA 111(d) Menu of Options and Model State Plan. The Regulatory Assistance Project is drafting the NACAA Menu and has already prepared a number of chapters. Each is being reviewed by the NACAA 111(d) Steering Committee, whose comments are collected and returned to RAP for revisions. Regarding the Model State Plan, NACAA has engaged Bliss Higgins, currently of Environ and a former Louisiana Air Director (and NACAA member), to draft it. NACAA staff is working with Bliss to create a Model outline in response to EPA's proposed 111(d) rule.

It was suggested that NACAA engage in outreach to promote the Model and the Menu. Bill Becker noted that NACAA has been talking about both publically and would engage in more direct outreach once the projects are closer to completion. Board members also suggested that Bliss Higgins be invited to the next NACAA membership meeting to discuss the Model Plan.

Numerous Board members then identified the need for additional 111(d) technical assistance from EPA and suggested a series of webinars focused on different technical areas before the end of the proposed rule's comment period. Issues mentioned as ones on which more information would be helpful included rate-to-mass conversion, crediting demand-side energy efficiency, enforceability and EPA's building blocks. Bill Becker committed to moving forward to organize a series of technical webinars with EPA.

IV. Committee Reports – Saturday, July 26, 2014

Program Funding

Will Allison (Colorado), Co-Chair of the NACAA Program Funding Committee, provided an update on FY 2015 appropriations. Will reported that the President had recommended \$243.2 million in federal grants for state and local air agencies. The House Appropriations Committee had approved a bill calling for \$218.22 million for state and local air grants, which is equal to the amount appropriated in FY 2014. The House bill also included several provisions related to air quality, including some restrictions on the use of funds for climate change. The Senate had not yet acted formally, but the leadership of the Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies had issued recommendations including level funding for state and local air grants (equal to the House figure). Will noted that it is likely that Congress would have to adopt a Continuing Resolution to keep the government funded after September 30, 2014.

Air Toxics

Vince Hellwig (Michigan), Co-Chair of the NACAA Air Toxics Committee, provided an update on three issues on which the committee is working and invited member input on all of them. Vince reported that EPA had proposed Risk and Technology Review (RTR) standards for Petroleum Refineries and NACAA would submit written comments. Additionally, Arturo Blanco (Houston, TX) would testify on behalf of NACAA at EPA's public hearing. Vince noted that one issue on which NACAA would comment is the fence-line monitoring requirement and reported

that the Air Toxics Committee would work with the NACAA Monitoring Committee to develop those comments.

Vince also reported that NACAA is preparing comments on EPA's proposed RTR for Offsite Waste and Recovery Operations and the membership had been asked for input.

Vince stated that the NACAA Air Toxics Committee has been collecting data on emissions of formaldehyde from internal combustion engines burning landfill gas and will submit them to EPA during the comment period on EPA's Advance Notice of Proposed Rulemaking for Existing Municipal Solid Waste Landfills. Several states have found very high levels of formaldehyde from these sources and it appears EPA is unaware of this issue.

Emissions and Modeling

Karen Mongoven (NACAA) provided the report for the NACAA Emissions and Modeling Committee. She began by introducing Sam Rubens (Akron, OH), who was recently named as the Committee's local-agency Co-Chair. She next reported that in mid-June, the Emissions and Modeling Committee convened a joint call with the Criteria Pollutants Committee to review the elements of EPA's proposed Data Requirements Rule for the 1-hour SO₂ NAAQS and discuss potential NACAA comments. NACAA elected not to submit comments on the proposed rule due to the significant divergence of opinion among the members on the key elements of the proposal.

Karen noted that on May 20, 2014, EPA released its "non-draft" PM_{2.5} Permit Modeling Guidance, which sets forth EPA's recommended technical approaches for demonstrating compliance with the PM_{2.5} NAAQS and PSD increments. EPA has stressed to the Committee that the guidance will not be finalized; instead, the agency plans to continually improve it. Karen asked that if anyone finds they have comments on the non-draft comments, that they pass them along to the Committee.

Next, Karen reported that at the end of July, EPA plans to release a major update to the MOVES model for mobile sources: MOVES2014 will replace MOVES2010. Gary Dolce from EPA's Office of Transportation and Air Quality gave an advance briefing on the forthcoming release to a small group of NACAA leaders. Agencies will be directed to move to MOVES2014 immediately, unless they have already started a SIP exercise using MOVES2010. EPA anticipates the transition will be relatively smooth.

Finally, Karen noted that some issues on the horizon include a PM_{2.5} SIL reconsideration rule to be proposed sometime this fall, as well as significant updates and revisions to Appendix W to be proposed in March 2015. The Committee remains concerned with the modeling challenges associated with the 1-hour SO₂ and NO₂ NAAQS, as well as with the 2006 24-hour and 2012 annual PM_{2.5} NAAQS, and will explore creating a workgroup to examine these challenges in detail.

Enforcement

Eddie Terrill (Oklahoma), Co-Chair of the NACAA Enforcement and Compliance Committee, provided an update on timely issue. He first discussed revisions to EPA's Federally Reportable Violations (FRV) Policy. EPA circulated a draft on May 23, 2014 with comments due on July 25, 2014. During a recent Enforcement Committee conference call, most members seemed to think that EPA responded well to state and local comments, although some

members had been critical of the Policy in correspondence to EPA. Eddie asked that any members with negative comments send them to Phil Assmus at NACAA. Some states are concerned that while the FRV document seems to limit sources, EPA could expand it later without notice. Some are also concerned the policy requires that non ICIS-Air reportable violations be made available to the public, which may violate some state laws.

Regarding expected revisions to EPA's High Priority Violations (HPV) policy, Eddie noted its connection to the ICIS-Air transition. Some states have been concerned that the new policy will raise their data entry workload. Eddie asked that any NACAA members with concerns send them to Phil.

Eddie next provided an update on the National Program Managers (NPM) guidance. OECA has asked for early input with comments due by July 31, 2014. Eddie noted that Phil circulated the guidance for review on July 3, 2014 and that there will be another opportunity to comment later.

Eddie then provided an update on the transition to the ICIS-Air system. NACAA conducted a survey of member experiences this spring and shared the results with EPA. During the discussion, some members expressed concerns with meeting the October transition deadline and the potential for a data-entry gap. Eddie encouraged members to contact their EPA regional offices and David Meredith of EPA OECA to express their concerns frankly.

Finally, Eddie noted that NACAA would be hosting a Joint Permitting and Enforcement Workshop in December.

V. Committee Reports – Sunday, July 27, 2014

Mobile Sources and Fuels

The NACAA Mobile Sources and Fuels Committee had three issues to raise to the attention of the group. First, Nancy Seidman (Massachusetts), Co-Chair of the Mobile Sources and Fuels Committee, discussed the forthcoming development by EPA and the National Highway Transportation Safety Commission of the next phase of fuel efficiency and greenhouse gas (GHG) standards for medium- and heavy-duty vehicles, noting that President Obama has directed the two agencies to propose a rule by March 2015 and issue a final rule by March 2016. Nancy indicated that NACAA will be engaged in this regulatory effort, as we have been on all major EPA mobile source and fuel efforts.

Second, Nancy Seidman apprised the group that the Ozone Transport Commission has been urging EPA to develop a national rule for aftermarket catalysts because state-by-state rules are more difficult due to enforcement issues. The group discussed what role NACAA might play in reaffirming the need for a federal rule, since it is not just a northeastern issue, and agreed the Mobile Sources and Fuels Committee should take up this matter to determine how best to move forward.

Finally, Nancy Kruger (NACAA) reviewed a set of potential issues for inclusion in NACAA principles on surface transportation reauthorization legislation. With the current surface transportation law set to expire on October 21, 2014, NACAA would like to be prepared with principles in order to provide input into congressional deliberations on reauthorizing legislation. The group discussed the white paper that was provided and agreed with the issues and principles included in it. Several members also offered suggestions for additional principles or

to build upon ones already included. The group then asked that the Mobile Sources and Fuels Committee review the principles and that a set of proposed principles be ready in time for consideration at the 2014 NACAA Fall Membership Meeting in October. The group also discussed potential supporting materials/information that could accompany any final principles to help with outreach.

Training

Mark Asmundson (Mount Vernon, WA), Co-Chair of the NACAA Training Committee, provided an update on revisions to the National Training Strategy (NTS). NACAA has been working with the Joint Training Committee (JTC), which includes each MJO as well as representatives of NACAA and AAPCA, to update the NTS and NTS Action Plan. The JTC has scheduled an early August meeting in Research Triangle Park to finalize the NTS update and discuss future training funding priorities. Several members suggested that Title V training should be prioritized and that there be more monitoring training.

Agriculture

Shelley Schneider (Nebraska), Co-Chair of the NACAA Agriculture Committee, provided a summary of EPA's recently proposed New Source Performance Standard for grain elevators. The proposal was released on July 9, 2014 and is open for comment until October 7, 2014. NACAA will discuss the proposal in more detail on future committee calls and determine whether to submit comments.

Next, Shelly summarized a recent court case from the U.S. District Court in Washington, D.C, *Zook v. EPA*. There, the District Court dismissed a citizen suit that tried to force EPA to issue NAAQS for animal feeding operations.

Shelley then provided an update on EPA's Biomass Deferral Rule. The D.C. Circuit invalidated the rule in 2013, but parties to the case have been deferring their decision to appeal the D.C Circuit decision until after related Supreme Court litigation about the Tailoring Rule, *Utility Air Regulatory Group v. EPA (UARG)*, concludes. *UARG* was decided in July so the parties may decide their appeal strategy soon. The current deadline to appeal the D.C. Circuit ruling is September 22, 2014. Finally, Shelley noted that EPA released a memo on July 26, 2014 describing the agency's views about the Tailoring Rule post *UARG*. It also includes some guidance on the Biomass Deferral Rule.

Public Outreach

Craig Kenworthy (Seattle, WA), Co-Chair of the NACAA Public Education and Communications Committee, provided an update on the Committee's ongoing activities. Recently, the Committee surveyed NACAA members to determine which air quality issues the Committee should focus on in the near future. After reviewing the survey responses, the Committee has selected two issues to focus on this year. The first is the National Ambient Air Quality Standard for ozone. The Committee would like to create a range of communication materials about the standard, covering issues such as the difference between stratospheric and ground-level ozone. Committee Co-Chair Anne Gobin (Connecticut) added that the Committee feels it is very important to get ahead of the next ozone standard, which is due to be proposed by December 1, 2014.

Craig reported that the second, longer-term issue on which the Committee will focus is personal air quality monitors. The Committee recognizes that EPA is making significant investments in this area and it is important for air agencies to educate the public about them. The Committee would like to have a conversation with the Monitoring Committee about materials that they can provide to the membership to assist in this effort.

New Source Review/Permitting

Ali Mirzakhali (Delaware), Co-Chair of the NACAA Permitting Committee, provided a joint report for the New Source Review and Permitting Committees. On recent calls, Committee members have been discussing potential session topics for NACAA's Joint Permitting and Enforcement Workshop, which will take place December 9-11, 2014 in Chicago. The Co-Chairs of the Permitting, New Source Review and Enforcement Committees, with Karen Mongoven and Phil Assmus of NACAA, have begun to sketch out a rough agenda. The Committees encourage air directors to send staff members to the workshop.

In addition, Ali continued, the Committees intend to move forward with an updated survey of state and local air agencies on Title V permit fees. The last survey was conducted in 2011 and NACAA periodically receives inquiries from members about whether more current information is available.

Ali reported that the Committees are also examining the implications of the Supreme Court's greenhouse gas (GHG) permitting decision in *Utility Air Regulatory Group v. EPA*. The Court held that EPA does not have the authority under the Clean Air Act to require a source to obtain a Prevention of Significant Deterioration (PSD) or Title V permit based solely on its emissions of GHGs, but it can require sources already subject to PSD due to their emissions of conventional pollutants to install best available control technology for GHGs. The decision appears to require the Tailoring Rule to be vacated, and it raises many questions for state and local permitting authorities. The Committees intend to explore these questions with EPA, which is preparing some written guidance intended to address some of the most pressing issues.

Criteria Pollutants

Tad Aburn (Maryland), Co-Chair of the NACAA Criteria Pollutants Committee, provided an update on state activity related to interstate transport. He noted the initiation of a commissioners' dialogue, in which 22 states have been invited to participate; a meeting will likely take place in September. Tad also indicated that the air directors from states participating in section 110 litigation are also holding discussions and that there are efforts underway to develop state partnerships. Also related to transport, Nancy Kruger (NACAA) advised the members that a new page has been added to Air Web to provide a compilation of legal documents related to the remand of the *EME Homer City* case to the U.S. Court of Appeals for the District of Columbia Circuit. A link to the page is available under Additional Information on the Transport subpage of the Criteria Pollutants Committee page.

Tad next provided a status on EPA's ongoing review of the 2008 ozone National Ambient Air Quality Standards (NAAQS) noting that the agency is under court order to propose a decision on the ozone NAAQS review by December 1, 2014 and to issue a final decision by October 1, 2015. Tad also reported that the Clean Air Scientific Advisory Committee's policy advice to EPA Administrator Gina McCarthy was that the agency set the level of a new primary ozone standard lower than 70 parts per billion (ppb), within a range down to 60 ppb.

Monitoring

Barbara Lee (Northern Sonoma County, CA), Co-Chair of the NACAA Monitoring Committee, reported on recent and ongoing issues of concern to the Committee. Advances in air sensor technology continue to move at a rapid pace. Barbara attended EPA's third annual Sensors Workshop in June, and observed that the technological advances from last year were staggering. Many sensors are now available for less than \$1000 with performance characteristics that come very close to those of monitors using federal reference methods and federal equivalent methods. Sensors capable of measuring NO₂, carbon monoxide, PM, ozone and carbon dioxide with varying degrees of accuracy can provide a near-continuous picture of air quality in some cases. Unfortunately, Barbara noted, there are also numerous devices, some of which are quite popular, which are little more than random number generators.

In addition, Barbara continued, EPA held a webinar on sensor technology earlier this month; the materials will likely be available online. CAPCOA is working with the California Air Resources Board and EPA Region 9 to hold two sensor workshops in November. And EPA continues to offer grants for development and demonstration of sensor technology.

Monitoring Committee Co-Chair Bart Sponseller (Wisconsin) reported that EPA is revamping its VOCdat program, which houses air toxics data. EPA contractor Sonoma Tech has developed a new web interface and, together with the agency, has held several teleconferences with the Monitoring Steering Committee to obtain input from NACAA. Bart also noted that the Committee is reviewing the fence-line monitoring provisions in the proposed Risk and Technology Review standards for refineries and plans to provide input to NACAA's comments on the proposed rule. Finally, Bart concluded, EPA will hold the National Ambient Air Monitoring Conference August 11-14, 2014 in Atlanta. This will take the place of the regular Monitoring Steering Committee meeting that would otherwise be scheduled this summer.

VI. Development of Agenda for 2014 NACAA Fall Membership Meeting

Bill Becker (NACAA) presented a set of potential agenda topics for NACAA's 2014 Fall Membership Meeting, which will take place in Denver, Colorado, October 20-22, 2014. After discussion, the group agreed the first day of the meeting should be devoted to EPA-focused panels – the "Face the Air Directors" session with EPA Acting Assistant Administrator Janet McCabe, an update on the NAAQS and implementation-related issues from EPA OAQPS, a federal enforcement update and a session on the mobile sources and fuels program with EPA's Office of Transportation and Air Quality. The group concurred that the entire second day of the meeting be spent discussing EPA's section 111(d) proposal to regulate carbon emissions from existing power plants. On day three, there will be a panel on fires and another on air sensors.

VII. Approval of Minutes of 2014 Board of Directors and Committee Chairs Spring Meeting – Monday, July 28, 2014

The members approved the minutes of the 2014 Board of Directors and Committee Chairs Spring Meeting. The state agency members of the Board approved the minutes by a vote of 9 in favor, 0 opposed and 0 abstaining. The local agency members voted 5 in favor, 0 opposed and 0 abstaining.

VIII. NACAA Finances

NACAA Financial Reports

Bill Becker (NACAA) reviewed the NACAA financial reports and provided a status report on NACAA's current finances including the association's grant accounts (i.e., the EPA grant and the Energy Foundation grant) and the non-grant funds in the treasury that belong to NACAA. He noted that the funds in the NACAA treasury are available for a "rainy day."

The members briefly discussed the possibility of some of the states that are no longer members rejoining the association at some future point. Bill noted that he has made it clear to states that have left the association that the door is always open for them to rejoin.

Bill summarized by noting that NACAA's finances are in good order.

NACAA Investments

Bill Becker briefly reviewed the status of the NACAA treasury funds. He reminded the members that NACAA had invested a portion of the treasury into conservative investment vehicles and reported that the investments have fared well in recent months. He noted that NACAA's intention is not to touch those investments, if possible. The remainder of the treasury is in a money market fund and is more liquid.

NACAA Reserves

Bill noted that at the last Board meeting the issue of NACAA's reserves was raised. Bill noted that the NACAA treasury, including the funds that are invested (and which can easily be made liquid), are intended to serve as a reserve and could fund the association's activities in the event of an emergency. During the discussion that ensued it was suggested that the Board consider a formal reserve policy.

It was also suggested that a document-retention policy be discussed, regarding how long NACAA must retain various kinds of documents.

IX. Update on Future Meeting Dates and Locations

Bill reviewed the schedule for upcoming NACAA meetings:

Fall 2014 NACAA Membership Meeting
October 20-22 in Denver, CO (Grand Hyatt)
(Board-Chairs Meeting will take place Sunday, October 19, 2014)

NACAA Joint Permitting and Enforcement Workshop
December 9-11, 2014 in Chicago, IL (Embassy Suites Chicago Downtown Lakefront)

Winter 2015 NACAA Board of Directors and Committee Chairs Meeting
February 7-9 in Orlando, FL (JW Marriott, Grande Lakes)

The group then discussed potential locations for the 2015 Spring Membership Meeting and supported Newport or Providence, Rhode Island.

X. New Business

There was no new business.

XI. Adjourn

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

FINAL AGENDA

**NACAA
BOARD OF DIRECTORS AND COMMITTEE CHAIRS
SUMMER MEETING**

July 26-28, 2014

**Doubletree by Hilton Sonoma
Rohnert Park, California**

Friday, July 25, 2014

5:00 p.m. – 11:00 p.m. NACAA Hospitality Suite **Presidential Suite**

Saturday, July 26, 2014

Chardonnay

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. – 9:00 a.m. Reaction to the New NACAA Websites

9:00 a.m. – 10:30 a.m. Discussion of Section 111(d) – GHG Emission
Guidelines for Existing Power Plants

10:30 a.m. – 10:45 a.m. Break

10:45 a.m. – 12:15 p.m. Committee Reports (90)
1. Program Funding (20)
2. Air Toxics (20)
3. Emissions and Modeling (20)
4. Enforcement (30)

12:15 p.m. Lunch

Sunday, July 27, 2014

Chardonnay

7:30 a.m. – 8:30 a.m. Breakfast

8:30 a.m. – 10:30 a.m. Committee Reports (120)
5. Mobile Sources and Fuels (35)
6. Training (20)
7. Agriculture (15)
8. Public Outreach (15)
9. New Source Review/Permitting (35)

Sunday, July 27, 2014 (continued)

10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 11:25 a.m.	<u>Committee Reports</u> 10. Criteria Pollutants (20) 11. Monitoring (20)
11:25 a.m. – 12:15 p.m.	<u>Development of Agenda for 2014 NACAA Fall Membership Meeting</u>
12:15 p.m.	Lunch

Monday, July 28, 2014

Chardonnay

7:30 a.m. – 8:30 a.m.	Breakfast
8:30 a.m. – 8:35 a.m.	<u>Approval of Minutes of 2014 Board of Directors and Committee Chairs Spring Meeting</u>
8:35 a.m. – 9:30 a.m.	<u>NACAA Finances</u> 1. NACAA Financial Reports 2. NACAA Investments 3. NACAA Reserves
9:30 a.m. – 9:45 a.m.	<u>Update on Future Meeting Dates and Locations</u>
9:45 a.m. – 10:15 a.m.	<u>New Business</u>
10:15 a.m.	<u>Adjourn</u>

7/22/2014