

**MINUTES**

**NATIONAL ASSOCIATION OF CLEAN AIR AGENCIES  
BOARD OF DIRECTORS AND COMMITTEE CHAIRS' FALL MEETING**

**Sunday, October 16, 2016**

**Loews Minneapolis Hotel  
Minneapolis, Minnesota**

NACAA Co-President Ursula Nelson (Tucson, AZ) and NACAA Co-Treasurer Bart Sponseller (WI) (on behalf of Co-President Stu Clark [WA] who was unable to attend) called to order the NACAA Board of Directors and Committee Chairs' Spring Meeting at 8:30 a.m. Bart welcomed Steve Flint (NY), who was appointed by the Board as the Region 2 Board Member upon the retirement several months earlier of Dave Shaw (NY). In addition to Ursula, Bart and Steve, NACAA Board members present included Tad Aburn (MD), Rick Brunetti (KS), Bob Colby (Chattanooga, TN), Anne Gobin (CT), Merlyn Hough (Springfield, OR), Craig Kenworthy (Seattle, WA), Sam Rubens (Akron, OH), Richard Stedman (Monterey, CA) and Eddie Terrill (OK) (in place of Stuart Spencer [AR], who resigned from the Board several weeks prior to the meeting). Committee Co-Chairs, who are not also Board members, in attendance included Charlene Albee (Reno, NV), Bruce Andersen (Kansas City, KS), Mark Asmundson (Mt. Vernon, WA), Lynn Fiedler (MI), Larry Greene (Sacramento, CA), Heidi Hales (VT), Lynne Liddington (Knoxville, TN), Ali Mirzakhali (DE) and Erik White (Aburn, CA). NACAA staff present included Phil Assmus, Bill Becker, Mary Sullivan Douglas, Monique Faye, Nancy Kruger and Karen Mongoven. The meeting agenda is attached.

**Examination of D.C. Circuit Court Review of EPA's Clean Power Plan**

Phil Assmus, NACAA Senior Staff Associate, provided a short summary of the D.C. Circuit's oral argument concerning legal challenges to EPA's Clean Power Plan (CPP). Phil noted that the arguments lasted nearly seven hours and described each of the five areas considered by the court: 1) whether EPA can base the CPP's emission standards on "outside the fence" measures; 2) whether EPA can use Section 111(d) of the Clean Air Act for power plants after first regulating the same source category under Section 112; 3) whether the CPP unconstitutionally commandeers state governments; 4) whether states had adequate notice before the rule was finalized; and 5) whether EPA's goal-setting approach was consistent with the meaning of "best system of emission reductions."

**Update on Transition Document for Next Administration**

NACAA Executive Director Bill Becker reported that NACAA staff, pursuant to a process agreed upon the Summer 2016 Board of Directors and Committee Chairs' Meeting, had solicited suggestions from the membership on potential issues to include in a recommendations document to present to the incoming Administration's transition team following the Presidential election in November. Based on the input received, NACAA staff developed a list of proposed topics to include in the paper, with a short summary of the content and recommendations to be made for each topic. Bill sent the list to the Board Members and Committee Co-Chairs for review and the feedback was very positive. Based on the comments received, the only change that NACAA staff proposes to make

is to combine two of the issues into one topic. NACAA staff will develop one-page papers for each topic and assemble them into a document that will be provided to the membership for review and comment. Once the document is finalized, NACAA will disseminate it and request to meet with the transition team of the incoming Administration.

The Board and Committee Chairs expressed support for the proposed topics and offered suggestions on how some of them should be presented.

### **Update on “Visioning” Exercise**

Ursula Nelson (Tucson, AZ) updated the Board on NACAA’s “visioning exercise” to examine future association priorities. She shared that discussions regarding the scope and timing of the project were ongoing, but that additional guidance from the Board would be helpful. Craig Kenworthy (Seattle, WA) suggested that substantive discussion be postponed until the Winter 2017 Board-Chairs’ Meeting to better evaluate the implications of the 2016 election results. Other members agreed and recommended revisiting the visioning exercise during the Winter Meeting.

### **Critical Issues**

#### *Program Funding*

Bruce Andersen (Kansas City, KS), Co-Chair of the NACAA Program Funding Committee, provided an update on Congressional appropriations activities for FY 2017. He reported that Congress had adopted a Continuing Resolution (CR) that will fund the federal government at FY 2016 levels until December 9, 2016. He reminded the group that the House and Senate bills for FY 2017 called for \$228.2 million for state and local air grants, which is equal to FY 2016 levels, and called for PM<sub>2.5</sub> monitoring grants to remain under Section 103. The House bill included substantive riders, such as prohibiting the use of funds for climate change activities under Sections 111(b) and (d) and postponing certain deadlines related to the ozone standard. The Senate bill contained fewer and less substantial riders. Bruce noted that it is unknown how Congress will address funding for the remainder of FY 2017 when the CR expires in December. Possibilities include adoption of individual bills for the separate agencies and departments, which is highly unlikely; adoption of an “omnibus” bill that rolls all federal programs into one enormous funding measure; adoption of a CR for the remainder of the fiscal year; or adoption of another short-term CR that will delay decisions until the next Congress convenes.

#### *Criteria Pollutants*

Tad Aburn (MD), Co-Chair of the NACAA Criteria Pollutants Committee, provided updates on three issues. First, EPA is due to release, before the end of the year, its final amendments to the 1999 Regional Haze (RH) Rule and guidance to assist states and localities in developing RH SIPs for the second implementation period. NACAA submitted comments to EPA on the proposed RH rule amendments on August 10, 2016. Second, on September 16, 2016, EPA published its final revisions to the 2007 Exceptional Events (EE) Rule and also announced the availability of its final guidance on preparing EE demonstrations for wildfire events that may influence ozone concentrations. Tad reminded the members that NACAA commented on the rule amendments when they were proposed and also noted that EPA would hold two workshops on the new rule in November. Given the importance of these two issues to NACAA members, there will be a session dedicated to RH and EE on Tuesday afternoon of the upcoming NACAA Membership Meeting. Finally, Tad raised to members’ attention the forthcoming proposed implementation rule for the 2015 ozone NAAQS, which EPA has said will be issued soon.

### *Emissions and Modeling*

Charlene Albee (Reno, NV), Co-Chair of the NACAA Emissions and Modeling Committee, reported that the committee is still waiting for EPA to finalize revisions to Appendix W, the *Guideline on Air Quality Models*. The agency hopes the rule will be issued before the 2016 Regional/State/Local Modelers' Workshop, which will be held November 14-18, 2016 in New Orleans, LA. EPA plans for the workshop to focus primarily on teaching participants about the Appendix W revisions, so it will be awkward if the rule is not finalized. Also of interest, the 2017 Emissions Inventory Conference will be held August 14-18, 2017 in Baltimore, MD.

Concluding her remarks, Charlene observed that EPA and the states are approaching some modeling issues from different sides. For example, in regional haze, EPA is pushing states to conduct photochemical grid modeling for Tier 3 analyses despite concerns about degree of accuracy.

### *Public Outreach*

Craig Kenworthy (Seattle, WA), Co-Chair of the NACAA Public Outreach Committee, outlined a proposal for changing the operations of the Committee. The proposal includes holding quarterly calls, each focusing on a particular issue. The goal is to increase participation in the Committee. Anne Gobin (CT), Co-Chair of the NACAA Public Outreach Committee, noted that the topics for each of the calls would be broadcast widely. The members discussed the proposal and had favorable reactions to it.

The members noted how well attended NACAA committee calls are in general and discussed ways to increase participation during the calls. Several noted that, while the calls have many participants, often only a few speak up during the calls.

### *Global Warming*

Larry Green (Sacramento, CA) provided an update on behalf of the NACAA Global Warming Committee. He reminded the group of recent committee activities, including the distribution of hard copies of the NACAA Model State Plans document for the CPP, work by NACAA staff to finalize comments on EPA's Clean Energy Incentive Program and work with the National Association of State Energy Officials to help assess air agency needs to credit energy efficiency measures. Larry also noted that Stu Clark (WA), Co-Chair of the NACAA Global Warming Committee, and Phil Assmus, NACAA Senior Staff Associate, were preparing to attend the COP22 climate negotiations in Marrakech, Morocco in mid-November.

### *Permitting and NSR*

Ali Mirzakhali (DE), Co-Chair of the NACAA Permitting and New Source Review Committee, noted that the Committee has had good discussions on its recent calls, with many new members contributing to the dialogue. On the Committee's most recent call, EPA discussed its recent proposed rule to establish a 75,000-tpy CO<sub>2</sub>e Significant Emission Rate (SER) for GHGs – the same level that was established by the Tailoring Rule before that rule was vacated by the Supreme Court. The SER is the emissions level below which best available control technology would not be required for GHGs. Because the SER would remain the same as under the Tailoring Rule, this proposal does not appear to pose any significant change to GHG permitting.

Ali next reported that EPA recently finalized a rule to allow states to provide electronic notice ("e-notice") of draft permits and other permitting actions instead of publishing the notice in a newspaper. State and local agencies would retain the option of providing newspaper notice as well. States that use e-notice must also allow electronic access to draft permits. NACAA commented in support of the proposal, and the rule's issuance is a welcome development for the Committee.

Finally, Ali reported that the Committee has a number of concerns with EPA's proposed rule to amend the Title V petitions process. The proposal would codify a number of practices that EPA and state and local agencies already observe, but it would also impose some new obligations that the Committee considers problematic. It would, for example, require state and local agencies to provide public notice when they transmit proposed permits to EPA. The Committee has also identified other concerns with the proposal, including its failure to define what a "significant" comment is. The Committee will develop comments on the proposed rule.

### *Monitoring*

NACAA Monitoring Committee Co-Chair Heidi Hales (VT) reported that the 2016 National Ambient Air Monitoring Conference, co-sponsored by EPA and NACAA, was very successful, with more than 600 people attending. NACAA had a high profile at the conference, with a number of Monitoring Steering Committee members serving as conference organizers and speakers. Heidi next reported that a new member has been named to the Monitoring Steering Committee: Jeff Franklin of Mecklenburg County, North Carolina. The next Monitoring Steering Committee meeting will be held immediately prior to the Winter Board and Committee Chairs meeting, January 26-27, 2017 in Memphis, Tennessee.

### *Enforcement*

Eddie Terrill (OK), Co-Chair of the NACAA Enforcement and Compliance Committee, reported that the Committee plans to develop an issue-specific transition document to provide to the leadership of the EPA Office of Enforcement and Compliance Assurance under the new Administration. The document will address, among other things, the importance of EPA increasing collaboration with and participation from state and local air agencies in enforcement matters. Additionally, there are concerns among state and local agencies related to how the data that EPA receives is handled (e.g., is it released to the public without quality control). Richard Stedman (Monterey, CA), Co-Chair of the NACAA Enforcement and Compliance Committee, added that regional consistency is an issue of concern as well. There seems to be a disparity in how issues are treated by the different regions. The members agreed that this can be problematic, but that the loss of all regional flexibility is not desirable either.

### *Training*

Mark Asmundson (Mount Vernon, WA), Co-Chair of the NACAA Training Committee, provided the Committee update. He noted that the Training Committee recently changed its call schedule to reduce the call frequency and avoid redundancy with the Joint Training Committee (JTC). The JTC is comprised of representatives of NACAA, EPA and the multi-jurisdictional organizations and addresses similar training issues. Mark shared that the most recent JTC call included a discussion of EPA's FY2017 training and outreach plan, noting that the agency's training funding is very limited and will be spent mostly on training related to new rules with an emphasis on oil and gas regulations. The Board and Chairs' discussion affirmed the importance of training, especially in light of retirements at many agencies across the country.

### *Agriculture*

Merlyn Hough (Lane County, OR) provided updates from the NACAA Agriculture Committee. First, he noted that EPA's final NSPS for grain elevators, which was proposed in 2014, might be finalized before the end of the year. He then provided an update on EPA activities to address emissions from combined animal feeding operations (CAFO), explaining that, while the development of EPA's CAFO emission estimation methodology remains stalled, the agency is expected to release guidance in January regarding voluntary steps livestock and poultry producers can take to address air quality issues. Finally, Merlyn summarized his participation in the U.S. Department of Agriculture's Agriculture Air Quality Task Force, including at the group's most recent meeting in April.

### *Air Toxics*

Bob Colby (Chattanooga, TN), Co-Chair of the NACAA Air Toxics Committee, reported on two major air toxics initiatives that the committee is following. The first is the National Air Toxics Assessment (NATA). Bob reported that, in preparation for developing the 2014 NATA, EPA has provided state and local agencies with access to point source data and related facility- and process-level cancer and noncancer risks, based upon the 2014 National Emissions Inventory. EPA has requested that state and local agencies review this data and provide any corrections by May 1, 2017. He noted that, as a result of a recent Lean effort related to NATA, EPA will give state, local and tribal agencies more time to review information early in the process, but then eliminate one of the review periods later in the process. Therefore, this first review period is so critical. He urged members to review the information and provide comments.

The second issue related to the court's vacatur of elements of the major source boiler MACT. Bob reminded the group that last July the court determined that EPA erred in calculating MACT for some major source boilers and vacated the MACT standards for all major boiler subcategories that would have been affected had EPA considered all the information it should have in setting the standards. The ruling did not specify which subcategories were to be vacated. In a recent update, EPA informed the committee that the court has not yet issued the mandate for the vacatur, so the boiler rule continues to be in effect. The court will not mandate the vacatur until it addresses the petitions for rehearing that it has received, including one from EPA asking that the court reconsider the vacatur and leave the rule in effect while the agency develops a new rule. According to EPA staff, there is no timing for when the court will take all these steps and the rule remains in effect until all that happens.

### *Mobile Sources and Fuels*

Erik White (Auburn, CA), Co-Chair of the NACAA Mobile Sources and Fuels Committee, briefed members on three key issues. First, Erik provided an overview of NACAA's September 26, 2016 comments on the draft EPA-NHTSA-CARB Technical Assessment Report (TAR) related to the Mid-Term Evaluation of the existing light-duty vehicle greenhouse gas (GHG) and fuel efficiency standards for Model Years 2022 through 2025. In short, NACAA was pleased with the positive results presented in the draft.

Second, NACAA was also pleased with EPA and NHTSA's joint release on August 16, 2016 of the final Phase 2 rule establishing more stringent onroad heavy-duty GHG and fuel efficiency standards. Erik reminded the members that NACAA had commented on the draft Phase 2 rule and met twice with officials from the Office of Management and Budget and other Administration agencies to offer support for a strong rule, including strengthening changes to the proposal. Throughout the process, NACAA also advocated for EPA to establish substantially more stringent NO<sub>x</sub> emission standards for onroad heavy-duty vehicles and engines.

Consistent with this, the third issue raised by Erik was the petition submitted to EPA in June 2016, led by the South Coast Air Quality Management District and joined by 15 other state and local air and environmental agencies, asking EPA to establish an ultra-low NO<sub>x</sub> standard for onroad heavy-duty engines – 0.02 grams per brake horsepower-hour (g/bhp-hr), down from the existing standard of 0.2 g/bhp-hr set in 2000. Erik noted that in the final Phase 2 rule, EPA acknowledged the petition, as well as comments received, including from NACAA, urging federal standards for further reductions in NO<sub>x</sub> from onroad heavy-duty engines, developed in close coordination with CARB. Also in the final Phase 2 rule EPA committed to engage with stakeholders to discuss opportunities for a national NO<sub>x</sub> reduction strategy. NACAA has worked closely with South Coast and other state and local agencies on this initiative and will continue to do so.

## **NACAA Business**

### ***Approval of Board-Committee Chairs' 2016 Summer Meeting Minutes***

The State Agency Members and the Local Agency Members of the NACAA Board, in separate votes, unanimously approved the minutes of the 216 Summer Board of Directors and Committee Chairs' Meeting.

### ***Financial Reports***

Bill Becker (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 and several other smaller grants the association has obtained. Bill reported that NACAA's finances are in good order. In addition, in response to a request by NACAA Co-Treasurer Bart Sponseller (WI) at the Summer Meeting, Bill presented a one-page "snapshot" displaying the NACAA operating budgets for the most recent three-year period, explaining the variables that exist from year to year and noting that the comparison shows the association's budget and revenue to be relatively consistent from year to year.

### ***Update on NACAA Investments***

Bill Becker provided information about the NACAA treasury funds that had been invested several years ago. He reported that the investments are in good order and reiterating that NACAA's investment advisor would be happy to speak with the Board at any time, if the Board so desires.

### **Future Meeting Dates and Locations**

Bill Becker reviewed the schedule for upcoming NACAA meetings:

- NACAA Monitoring Steering Committee Meeting with EPA: January 26-27, 2017 at the Peabody Memphis in Memphis, TN;
- NACAA 2017 Winter Board of Directors and Committee Chairs' Meeting: January 28-30, 2017 at the Peabody Memphis in Memphis, TN; and
- NACAA 2017 Spring Membership Meeting: May 1-3 in Washington, DC, preceded by the Spring Board of Directors and Committee Chairs' Meeting on April 30; hotel to be announced.

The group discussed potential locations for the Summer 2017 Board of Directors and Committee Chairs' Meeting. Bart Sponseller (Wisconsin) suggested Madison, WI; Merlyn Hough (Eugene, OR) suggested Eugene, OR; and Bruce Anderson (Kansas City, KS) suggested Whitefish, MT. Bill said the NACAA staff will look into these ideas and asked that if others have suggestions to provide them in the next few days.

### **New Business**

Bill Becker, Executive Director of NACAA, announced that he will retire next spring, most likely on June 2, 2017, after having served as the Executive Director for nearly 37 years. He stated that he would announce his retirement to the membership as part of his Executive Director's report the following day. He expressed a desire for a smooth and seamless transition to the next Executive

Director and thanked the members for all they have done. The members expressed their thanks to Bill as well. Ursula Nelson (Tucson, AZ), Co-President of NACAA, stated that she speaks for all when she says that NACAA will miss Bill. She reported that some of the leadership will work with Bill on a good transition and that Bill has offered to make himself available to advise the new Executive Director. Craig Kenworthy, Co-Vice President of NACAA, told Bill that his work improved the lives of millions of people and he offered his thanks for that.

**Adjourn**

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

**NATIONAL ASSOCIATION OF CLEAN AIR AGENCIES  
BOARD OF DIRECTORS AND COMMITTEE CHAIRS' MEETING**

**Sunday, October 16, 2016**

**North Loop Room  
Loews Minneapolis Hotel  
601 1<sup>st</sup> Avenue North  
Minneapolis, Minnesota**

7:00 a.m. – 8:30 a.m.	Continental Breakfast
8:30 a.m. – 8:45 a.m.	<b>Introductions</b>
8:45 a.m. – 9:15 a.m.	<b>Examination of D.C. Circuit Court Review of EPA's Clean Power Plan</b>
9:15 a.m. – 9:30 a.m.	<b>Update on Transition Document for Next Administration</b>
9:30 a.m. – 9:45 a.m.	<b>Update on "Visioning" Exercise</b>
9:45 a.m. – 10:30 a.m.	<b>Critical Issues</b> <i>Program Funding</i> <i>Criteria Pollutants</i> <i>Emissions and Modeling</i> <i>Public Outreach</i> <i>Global Warming</i> <i>Permitting and NSR</i>
10:30 a.m. – 10:45 a.m.	Break
10:45 a.m. – 11:30 a.m.	<b>Critical Issues</b> <i>Monitoring</i> <i>Enforcement</i> <i>Training</i> <i>Agriculture</i> <i>Air Toxics</i> <i>Mobile Sources and Fuels</i>
11:30 a.m. – 11:45 a.m.	<b>NACAA Business</b> 1. Approval of Board-Committee Chairs' 2016 Summer Meeting Minutes 2. Financial Reports 3. Update on NACAA Investments
11:45 a.m. – 12:00 p.m.	<b>Future Meeting Dates and Locations</b>
12:00 p.m. – 12:30 p.m.	<b>New Business</b>
12:30 p.m.	<b>Board of Directors and Committee Chairs' Meeting Adjourns</b>
12:30 p.m. – 1:00 p.m.	<b>NACAA Board of Directors' Executive Session</b>