

MINUTES

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

Sunday, April 30, 2017

**Washington Plaza Hotel
Washington, DC**

NACAA Co-Presidents Craig Kenworthy (Seattle, WA) and David Klemp (MT) called to order the NACAA Board of Directors and Committee Chairs' Spring Meeting at 8:30 a.m. In addition to Craig and Dave, NACAA Board members present included Charlene Albee (Reno, NV), Stu Clark (WA), Bob Colby (Chattanooga, TN), Michael Dowd (VA), Steve Flint (NY), Anne Gobin (CT), Ali Mirzakhali (DE), Sam Rubens (Akron, OH), Bart Sponseller (WI), Richard Stedman (Monterey, CA) and Eddie Terrill (OK). Committee Co-Chairs, who are not also Board members, in attendance included Tad Aburn (MD), Bruce Andersen (Kansas City, KS), Lynn Fiedler (MI), Larry Greene (Sacramento, CA), Heidi Hales (VT), Merlyn Hough (Springfield, OR) and Erik White (Auburn, CA). NACAA staff present (except for the Executive Session) included Phil Assmus, Bill Becker, Mary Sullivan Douglas, Monique Faye, Nancy Kruger, Karen Mongoven and Stephanie Steigman. The meeting agenda is attached.

Executive Session of the Board of Directors and Committee Co-Chairs – Meeting with Executive Director Search Firm (Vetted Solutions)

Legislative Update

NACAA Executive Director Bill Becker provided an update on federal legislative and budget issues. He noted that the Trump Administration had proposed a 31-percent budget cut for EPA in FY 2018 along with a 25-percent cut in staff. This includes a 31-percent reduction in grants to state and local air agencies. Bill predicted that FY 2017 funding would be largely addressed with a continuing resolution and/or omnibus bill that would preserve the previous fiscal year's funding levels but that the FY 2018 process would be substantially more challenging. Bill also summarized recent Executive Orders from President Trump as well as legislation being considered by Congress. Bill highlighted three significant regulatory reform bills (the REINS, SCRUB and HONEST Acts), indicating that all three remain unlikely to pass both the House and Senate even though President Trump would likely sign them into law if given the option. Finally, Bill summarized recent developments with H.R. 806, which seeks to amend EPA's ozone NAAQS programs.

The ensuing Board discussion emphasized the importance of protecting federal funding for state and local air agencies and explored options to coordinate with other associations to protect federal funding as well as ways for NACAA to weigh in on Administrator Scott Pruitt's "cooperative federalism" initiative. The group also discussed how NACAA should set its priorities and the best way to pursue those priorities.

Critical Issues

Federal Budget Status and Discussion of Impacts of Reductions

Bruce Andersen (Kansas City, KS), Co-Chair of the NACAA Program Funding Committee, reminded the members that at the NACAA Winter Board Meeting in Memphis, the members agreed to request that Congress increase Section 105 grants in FY 2018 by the amount needed to fully implement the new allocation formula while ensuring that no agencies suffer reductions. The estimate was an increase of \$65 million. At that time, the Board also agreed to ask that state and local agencies be given flexibility in how these increases are spent, and that funding for PM_{2.5} monitors remain under Section 103 authority, rather than shifting it to Section 105, so that matching funds are not required.

Bruce noted that the situation has changed since the Winter Meeting and NACAA may wish to refocus its message regarding FY 2018 appropriations. The association has already sent a letter to Congress expressing deep concern about the Administration's proposed cuts and the devastating impact these reductions would have on air agencies, since they are already struggling with insufficient funding. NACAA further noted that state and local agencies rely on EPA to carry out its responsibilities and assist their programs; therefore, it is also important that EPA have enough money to do its job. Bruce stated that a better message may be that state and local agencies cannot afford any cuts, especially since they are already underfunded. Additionally, the Administration is considering shifting greater responsibility to state and local agencies, which would require additional resources rather than reductions.

The members discussed the fact that real-world examples would resonate with Congress and Bruce noted that NACAA is conducting a survey of the members that would provide some of these details. The group agreed with refocusing NACAA's message as Bruce described.

MY 2022-2025 Light-Duty Vehicle GHG Emission Standards

Erik White (Auburn, CA), Co-Chair of the NACAA Mobile Sources and Fuels Committee, briefed the group on the status of EPA's Model Year (MY) 2022-2025 light-duty vehicle greenhouse gas emission standards. These standards are part of a 2012 EPA rulemaking that covers MYs 2017-2025. California has adopted these standards as well and other states have the option to opt into the California standards using their authority under Section 177 of the Clean Air Act. Per the 2012 final rule, the "out-year" standards – for MYs 2022-2025 – were subject to a Midterm Evaluation (MTE) to determine if they were still feasible and should be retained or whether a new rulemaking should be undertaken to strengthen or relax them. EPA completed the MTE under the previous Administration and in January 2017 then-Administrator Gina McCarthy issued her Final Determination that the standards were, in fact, even more feasible, and cost effective, than thought when the standards were adopted in 2012 and that they would be implemented on schedule. After President Trump took office, his Administration announced that the federal MTE would be reconsidered and a final decision on that reconsideration would be issued by April 2018. NACAA is very supportive of the MY 2022-2025 standards that are currently on the books and commented during the MTE process that the standards should move forward as adopted and on schedule. The Mobile Sources and Fuels Committee has been tracking this issue closely, including with California, and will continue to do so.

EPA Office of Inspector General QA Investigation Regarding Ozone Monitoring Data

NACAA Monitoring Committee Co-Chair Heidi Hales (VT) gave a report on the EPA Office of Inspector General's (OIG) recent findings involving ozone monitoring data that did not meet the agency's quality assurance (QA) recommendations. On February 6, 2017, OIG reported that two states did not always process their ozone data in accordance with recommended critical practices set forth in EPA's QA Handbook. OIG also found that, nationally, when comparing real-time, raw hourly

ozone data reported to AirNow with the values reported in EPA's Air Quality System, the numbers did not match up 26 percent of the time. Concerned that this problem might extend to other agencies OIG warned there was a "risk" that state and local agencies across the country might not be following appropriate QA practices, and that this in turn could impact the suitability of the data for use in the 2017 ozone designations process. OAQPS has now completed its own independent analysis and concluded that only 2 percent of state and local ozone data may raise a legitimate concern in terms of QA practices. Some of this data will have to be invalidated. EPA will determine by May 1, 2017, which data are subject to invalidation. But the key takeaway point, Heidi noted, is that OAQPS has looked at 2013-2015 design values and found no impact on designations for the 2015 standard.

Future of EPA/State/Local Enforcement Relationship

Eddie Terrill (OK), Co-Chair of the NACAA Enforcement and Compliance Committee, reported that the enforcement session to take place during the upcoming membership meeting would include discussion of a set of questions that had been distributed in advance for members to consider. The intent of the session will be to find out what state and local agencies need from EPA with respect to enforcement activities. Eddie indicated that EPA enforcement staff are seeking input on how they can best support state and local enforcement activities.

Richard Stedman (Monterey, CA), Co-Chair of the NACAA Enforcement and Compliance Committee, noted that the questions seek to elicit, among other things, what activities EPA currently carries out are the most valuable and what enforcement efforts have been done well.

The members discussed some of the benefits of a good federal program, including providing expertise that state and local agencies may not have and serving as encouragement to sources to work with state or local agency staff rather than waiting for federal action.

Training Web Portal

Mike Dowd (VA), Co-Chair of the NACAA Training Committee, gave an update on NACAA's training resources web portal. The hub includes three separate sections: 1) a listing of upcoming classroom courses; 2) highlights of online training resources; and 3) descriptions of the various organizations that provide training opportunities. A preliminary version of the portal is available on NACAA's website but will be more formally announced and rolled out after the Spring Membership Meeting. Mike noted that while many other organizations maintain lists of training opportunities, the NACAA web portal will be the first to consolidate various independent training resources to create a single, comprehensive resource.

E-Permitting Webpage and Survey

Ali Mirzakhilili (DE), Co-Chair of the NACAA Permitting and New Source Review Committee, provided an update on the Committee's recent activities related to electronic permitting (e-permitting). The Committee has significantly escalated its activities in this area in response to very high membership interest. In February, NACAA submitted a detailed survey to Committee members on their e-permitting systems. The responses are posted on a new Committee webpage devoted exclusively to e-permitting topics. Ali encouraged those present to have their agencies complete the survey if they have not already done so, and to provide suggestions as to how the Committee can help members with their e-permitting activities. He then reported that the Environmental Council of the States (ECOS) has asked NACAA to share the survey results with it, and he asked how the Committee should respond to the request. Ali noted that the survey was distributed to Committee members with the understanding that the results would be made available only to other NACAA members. NACAA Co-President Craig Kenworthy (Seattle, WA) observed that members have objected in the past to distribution of survey results outside NACAA and it was agreed that the survey should remain internal to NACAA.

NACAA Business

Approval of Board-Committee Chairs' 2017 Winter Meeting Minutes

The State Agency Members and the Local Agency Members of the NACAA Board, in separate votes, unanimously approved the minutes of the 2017 Winter 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.

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 reiterated 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 2017 Summer Board of Directors and Committee Chairs' Meeting: August 15-16, 2017 at the Embassy Suites Chicago Downtown Magnificent Mile, in Chicago, IL; and
- NACAA 2017 Fall Membership Meeting: September 25-27, 2017 in Seattle, WA, preceded by the Fall Board of Directors and Committee Chairs' Meeting on September 24 at the Hilton Seattle, in Seattle, WA.

The group discussed using e-mail to develop and choose session topics for the 2017 Fall Membership Meeting given the short time frame between the summer and fall meetings.

New Business

There was no new business to discuss.

Adjourn

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

FINAL AGENDA

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

Sunday, April 30, 2017

**National Ballroom A
Washington Plaza Hotel
10 Thomas Circle, N.W.
Washington, DC**

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| 7:00 a.m. – 8:30 a.m. | Continental Breakfast |
| 8:30 a.m. – 8:45 a.m. | Introductions |
| 8:45 a.m. – 9:45 a.m. | Meeting with NACAA Search Firm, Vetted Solutions (Members' Only) |
| 9:45 a.m. – 10:15 a.m. | Legislative Update |
| 10:15 a.m. – 10:30 a.m. | Break |
| 10:30 a.m. – 11:55 a.m. | Critical Issues <ul style="list-style-type: none">• Federal Budget Status and Discussion of Impacts of Reductions• MY 2022-2025 Light-Duty Vehicle GHG Emission Standards• EPA Office of Inspector General QA Investigation Regarding Ozone Monitoring Data• Future of EPA/State/Local Enforcement Relationship• Training Web Portal• E-Permitting Webpage and Survey |
| 11:55 a.m. – 12:10 p.m. | NACAA Business <ol style="list-style-type: none">1. Approval of Board/Committee Chairs' 2017 Winter Meeting Minutes2. Financial Reports3. Update on NACAA Investments |
| 12:10 p.m. – 12:20 p.m. | Future Meeting Dates and Locations |
| 12:20 p.m. – 12:30 p.m. | New Business |
| 12:30 p.m. | Board of Directors and Committee Chairs' Meeting Adjourns |