

MINUTES

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

Sunday, May 6, 2012

**The Westin Denver Downtown
1672 Lawrence Street
Mezzanine Level, Lawrence AB
Denver, Colorado**

The NACAA Board of Directors convened its meeting at 8:30 a.m. NACAA Board members present included Tad Aburn (Maryland), Bruce Andersen (Kansas City, KS), Mike Bates (Arkansas), Stu Clark (Washington), Larry Greene (Sacramento, CA), Vince Hellwig (Michigan), Merlyn Hough (Springfield, OR), Thomas Huynh (Philadelphia, PA), Dave Klomp (Montana), Lynne Liddington (Knoxville, TN), John Lyons (Kentucky), Shelley Schneider (Nebraska), Richard Stedman (Monterey, CA) and Barry Wallerstein (Los Angeles, CA). Committee Co-Chairs, who are not also Board members, present included Arturo Blanco (Houston, TX), Jac Capp (Georgia), Cory Chadwick (Cincinnati, OH), Bob Colby (Chattanooga, TN), Mike Dowd (Virginia), Andy Ginsburg (Oregon), Ursula Kramer (Tucson, AZ), Barbara Lee (Healdsburg, CA), Bill O'Sullivan (New Jersey), John Paul (Dayton, OH), Nancy Seidman (Massachusetts), David Thornton (Minnesota) and Dick Valentinetti (Vermont). NACAA staff present included Bill Becker, Stephanie Cooper, Mary Sullivan Douglas, Misti Duvall, Monique Faye, Nancy Kruger and Amy Royden-Bloom. The meeting agenda is attached.

Feedback on NACAA Efforts to Address Commissioner Concerns

Bruce Andersen (Kansas City, KS), NACAA Co-President, summarized the actions NACAA has taken in response to the letter received last fall from 22 state environmental commissioners expressing concerns about NACAA's processes and procedures. He noted that the Board adopted a resolution at its Winter Meeting stating that "at each NACAA Board Meeting time will be allotted for members to offer feedback on NACAA processes and procedures" and that this time had been set aside on the agenda for this discussion. Attendees discussed reactions to the implemented and proposed changes to NACAA's processes and procedures, including reactions from other states in their regions and from their own commissioners. All agreed it was a good discussion and that such discussions would continue to be an agenda item for future NACAA Board meetings.

NACAA Dues Structure

Bruce Andersen (Kansas City, KS) and Andy Ginsburg (OR), Co-Chairs of the NACAA Program Funding Committee, discussed the change in the dues structure that NACAA is considering and reported that the issue will be discussed during the Business Meeting on May 8, 2012 and, following the meeting, would be subject to an email vote by the full membership. They reported that NACAA held a conference call for interested members to discuss the proposed structure on March 29, 2012. Additionally, Andy reported that NACAA representatives

had held a call with EPA regional office representatives, during which the EPA participants had expressed some concern about the complexities related to implementing a new dues structure.

Andy reported that, in general, the new dues structure would be based upon each agency's share of the section 105 grant, rather than on the current population-based formula, and would be phased in over five years. In addition, NACAA would seek outside funding to help defray the costs related to the loss of dues from any members that leave the association.

The members discussed the pros and cons of the proposed change, including concerns about the timing of the phase-in and also regarding dues increases, either as a result of the change in formula or because of agencies leaving the association. They also discussed the fact that the proposal resulted from many discussions and that it represents a compromise between agencies with divergent opinions about the dues structure.

Following a lengthy discussion, the Board and Committee Chairs developed five principles related to the NACAA dues structure for FY 2013 to present to the membership at the Business Meeting and to incorporate into the proposed dues change that would be sent by email for a membership vote. They are:

1. No NACAA members' dues will increase in FY 2013 (over FY 2012 levels) as a result of other members, if any, dropping out of the association.
2. NACAA will begin phasing in the new dues formula in FY 2013 (the first year of a five-year phase-in), which will align dues with the formula for allocating section 105 grants.
3. If an agency would have experienced an increase in dues under the new formula in FY 2013, NACAA will offset those increases in FY 2013 so that the agency will not pay more to the association as a result of the reallocation. If an agency is slated to have a decrease in dues under the new formula, it will still experience that decrease.
4. The NACAA Board of Directors will discuss both the NACAA budget and future dues during the Board of Directors meeting in October 2012 and propose adjustments as necessary for future funding cycles.
5. NACAA will seek additional funding (e.g., grants) to offset any loss of dues and increases due to the new dues formula.

The following morning, the NACAA Board of Directors voted to approve the five principles by the following votes: the local members voted six in favor, none opposed and no abstentions, while the state members voted eight in favor, none opposed and no abstentions.

NACAA Finances

Bill Becker presented and explained the NACAA financial statements, including those covering the association's non-federal funds and the operating grant (through March 31, 2012). He also outlined some possibilities on states that might leave the association and several potential funding options that NACAA is pursuing to offset any reductions in dues if states do leave.

Meet with Janet McCabe (EPA OAR) to Discuss Key Agency Initiatives

Janet McCabe, Deputy Assistant Administrator of EPA's Office of Air and Radiation, joined the meeting by phone to provide updates regarding key EPA air initiatives, as follows.

First, the agency is involved in litigation over the schedule for the next review of the particulate matter (PM) National Ambient Air Quality Standard (NAAQS). EPA and Petitioners have not yet reached an agreement, so the litigation continues. On Friday, May 4, 2012, EPA submitted a brief to the court asking for a new schedule that would require the agency to issue the final PM NAAQS rule by August 15, 2013. The proposed rule has not yet been released, nor is a date for its release specified in the brief.

Second, EPA has committed to undertake a rulemaking to formally phase implementation of the nitrogen dioxide near road monitoring network, and plans to move the rulemaking forward as soon as possible.

Third, EPA will release for public comment proposed documents containing tools and best practices for enhanced public participation in the permitting process, along with a framework for how EPA Regional Offices will identify specific permits for enhanced public outreach. This is part of the agency's environmental justice (EJ) in permitting initiative and will apply to EPA-issued permits.

Fourth, the comment period for EPA's Proposed Greenhouse Gas (GHG) Tailoring Rule Step 3 recently ended. A workgroup has been formed under the Clean Air Act Advisory Committee to evaluate streamlining techniques for GHG permitting going forward. EPA is interested in any feedback concerning the rulemaking.

Fifth, the agency recently sent a letter to states outlining a process for moving forward with implementation of the 1-hour sulfur dioxide (SO₂) NAAQS. A stakeholder meeting for states, locals and tribes is scheduled for May 31, 2012, in Research Triangle Park, NC. EPA's draft white paper with options for SO₂ implementation will be discussed at the NACAA Membership Meeting this week.

Sixth, EPA will soon release another set of documents regarding the exceptional events policy for public review. The agency is willing to set up a call with state and local agencies to discuss.

Seventh, EPA recently released the ozone designations and classifications rule.

In response to questions, Janet reported that EPA is still working on the Tier 3 Rule and does not yet have a schedule for issuance. She also agreed to talk with EPA's EJ Coordinator, Lisa Garcia, regarding the point, raised during discussion, that the agency's EJ efforts should be expanded to focus on mobile sources.

Finally, following discussion about the agency's upcoming woodstove New Source Performance Standards, Janet McCabe asked for state and local input and support to help EPA move forward with a rule that will be helpful to state and local agencies.

Committee/Workgroup Structure/Membership

This discussion was tabled until a future meeting.

Future NACAA Meeting Locations

Bill Becker indicated that the 2012 Summer Board and Committee Chairs Meeting will take place July 28-30, 2012, at Grouse Mountain Lodge in Whitefish, MT and the 2012 Fall Membership Meeting will take place September 30-October 3, 2012, at Skamania Lodge in Stevenson, WA.

Other Business

Due to time constraints, the NACAA Board and Committee Chairs decided to reconvene on Monday morning, May 7, at 7:30 p.m. to discuss the proposed changes to the NACAA Bylaws.

Adjourn

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

Monday, May 7, 2012

The NACAA Board of Directors and Committee Chairs reconvened at 7:30 AM on Monday, May 7, 2012 to continue their meeting. The following Board Members were present: Bruce Andersen (Kansas City, KS); Merlyn Hough (Eugene, OR); Thomas Huynh (Philadelphia, PA); Lynne Liddington (Knoxville, TN); Richard Stedman (Monterey, CA); Barry Wallerstein (Los Angeles, CA); Tad Aburn (MD); Mike Bates (AR); Stu Clark (WA); Ann Gobin (CT); Vince Hellwig (MI); Dave Klemp (MT); Dave Shaw (NY – by telephone); Jac Capp GA – for Barry Stephens [TN]. The following Committee Chairs were present: Cory Chadwick (Cincinnati, OH); Mike Dowd (VA); Andy Ginsburg (OR); Larry Greene (Sacramento, CA); Ursula Kramer (Tucson, AZ); Barbara Lee (Healdsburg, CA); Bill O'Sullivan (NJ); John Paul (Dayton, OH); Shelley Schneider (NE); David Thornton (MN); and Dick Valentinetti (VT). The following NACAA staff members were present: Bill Becker; Nancy Kruger; Mary Sullivan Douglas; Amy Royden-Bloom; Misti Duvall; and Monique Faye.

Proposed Changes to NACAA Bylaws

NACAA Co-President Bruce Andersen explained that the proposed amendments to the Bylaws were developed to address two issues: 1) voting on NACAA resolutions and positions and 2) quorum requirements. Before the proposed amendments can be presented to the membership for consideration, they must be approved by the Board.

Nancy Kruger provided an overview of the two issues and the associated amendments to the Bylaws.

The first issue, related to voting on NACAA resolutions and positions, was based on a change the Board of Directors agreed, during its 2012 Winter Meeting, was necessary to improve NACAA's processes and procedures. Specifically, the Board agreed that adoption of association resolutions or positions – by the membership or Board – should require a greater number of votes in favor than the current requirement for a majority. In the *NACAA Board of Directors Resolution on Improving the Association's Processes and Procedures*, adopted

January 29, 2012, the Board determined that such actions should be approved by a two-thirds vote in favor. Nancy identified the three places in the Bylaws where amended language was proposed to affect this change.

The second issue, related to quorum requirements, was based on recent changes to the District of Columbia's Nonprofit Corporation Act of 2010 (sec. 29-405.24), which took effect on January 1, 2012 and which change the default requirements for a quorum on which NACAA's Bylaws were based. The previous default requirement for a quorum was 10 percent of an organization's members. Thus, a quorum of State Agency Members of NACAA or of the Local Agency Members of NACAA was 10 percent of the respective group. The new default requirement is a majority of an organization's members. The DC statute, in sec. 29-405.26, provides for the establishment of a lower quorum requirement for members or voting groups of members. Although securing a majority of the State Agency Members of NACAA poses no problem, due to the number of Local Agency Members and the historic level of participation in meetings, a majority threshold for a quorum is not viable. Accordingly, the proposed amendment is for 15 percent of Local Agency Members to constitute a quorum for that group. Nancy identified the three places in the Bylaws where amended language was proposed to affect this change.

After a discussion of the proposed amendments, the Board agreed to a change in the proposed requirements for a local quorum. Instead of 15 percent of members, a quorum of Local Agency Members should be the same as the number (as opposed to a proportion or percentage) of State Agency Members in good standing as are required for a quorum of that group. The Board voted – State Agency Members 8 to 0 and Local Agency Members 6 to 0 – to make this change to the proposed amendments. The Board then voted – State Agency Members 8 to 0 and Local Agency Members 6 to 0 – to recommend the proposed amendments to the membership for its approval, via separate votes of the State Agency Members and the Local Agency Members.

Next steps include presenting the proposed Bylaw changes to the membership at the Business Meeting on Tuesday afternoon, May 8, and then conducting an email ballot of the membership. In accordance with Article IX of the NACAA Bylaws, the proposed amendments, along with a justification, are to be sent via email ballot to the NACAA membership for a vote. Thirty days are to be provided for ballots to be cast. In accordance with Article II, section 8, of the NACAA Bylaws, the number of ballots returned must at least equal a quorum for a meeting (under the quorum requirements of the existing Bylaws) – that is, a majority of State Agency Members and a majority of Local Agency Members. Approval will require that a majority of votes cast by State Agency Members and a majority of votes cast by Local Agency Members be cast in favor of the amendments.

At 8:30 a.m., the NACAA Board of Directors and Committee Chairs Meeting was adjourned.



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BOARD OF DIRECTORS AND COMMITTEE CHAIRS MEETING**

Sunday, May 6, 2012

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AGENDA

7:00 a.m. – 8:30 a.m.	Breakfast
8:30 a.m. – 8:45 a.m.	<u>Introductions and Review of Agenda</u>
8:45 a.m. – 9:30 a.m.	<u>Feedback on NACAA Efforts to Address Commissioner Concerns</u>
9:30 a.m. – 9:45 a.m.	Break
9:45 a.m. – 10:30 a.m.	<u>NACAA Dues Structure</u>
10:30 a.m. – 11:30 a.m.	<u>Meet with Janet McCabe (EPA OAR) to Discuss Key Agency Initiatives</u>
11:30 a.m. – 11:45 a.m.	<u>Proposed Changes to NACAA Bylaws</u>
11:45 a.m. – 12:00 noon	<u>Committee/Workgroup Structure/Membership</u>
12:00 noon – 12:10 p.m.	<u>NACAA Finances</u>
12:10 p.m. – 12:15 p.m.	<u>Future NACAA Meeting Locations</u>
12:15 p.m. – 12:30 p.m.	<u>New Business</u>
12:30 p.m.	Adjourn/Box Lunch