



MINUTES

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

January 28-30, 2012

Charleston Place Hotel
205 Meeting Street
Charleston, SC

Saturday, January 28, 2012

Introductions and Review of Agenda

NACAA Co-President Bruce Andersen (Kansas City, KS) convened the NACAA Board of Directors and Committee Chairs Winter Meeting at 8:30 AM. In addition to Bruce, Board Members in attendance included Tad Aburn (MD), Mike Bates (AR), Rick Brunetti (KS), Anne Gobin (CT), Vince Hellwig (MI), Jim Hodina (Cedar Rapids, IA), Thomas Huynh (Philadelphia, PA), Dave Klemp (MT), Lynne Liddington (Knoxville, TN), David Shaw (NY), Richard Stedman (Monterey, CA), Barry Stephens (TN) and Barry Wallerstein (Los Angeles, CA). James Goldstein (CA) and Merlyn Hough (Springfield, OR) joined a portion of the meeting on Saturday by phone. Committee Chairs, who are not also Board members, in attendance included Arturo Blanco (Houston, TX), Jac Capp (GA), Cory Chadwick (Cincinnati, OH), Bob Colby (Chattanooga, TN), Mike Dowd (VA), Andy Ginsburg (OR), Larry Greene (Sacramento, CA), Ursula Kramer (Tucson, AZ), Barbara Lee (Healdsburg, CA), John Paul (Dayton, OH), Nancy Seidman (MA), Eddie Terrill (OK) and Dick Valentinetti (VT). NACAA staff in attendance included Bill Becker, Mary Sullivan Douglas, Misti Duvall and Nancy Kruger.

Bruce reviewed the meeting agenda (copy attached).

Report from State Commissioners' Meeting/Recommendations to Address Concerns

NACAA Co-President David Shaw (NY) initiated a discussion among the Board Members and Committee Chairs of a set of recommendations drafted by the NACAA Co-Presidents and Co-Vice Presidents in response to the October 25, 2011 letter of concern sent to NACAA by environmental commissioners from 22 states. Following receipt of that letter, the NACAA Co-Presidents and Co-Vice Presidents met with representatives of eight of the states on December 12, 2011.

Board Members and Committee Chairs discussed the recommendations in depth, as well as alternative and additional ideas. At the end of the discussion, it was agreed that the Co-Presidents and Co-Vice Presidents would take all the perspectives shared and draft a resolution for consideration the following morning.

Sunday, January 29, 2012

Report from State Commissioners' Meeting/Recommendations to Address Concerns (continued)

David Shaw (NY), Bruce Andersen (Kansas City, KS), Tad Aburn (MD) and Barry Wallerstein (Los Angeles, CA), the NACAA Co-Presidents and Co-Vice Presidents, presented a draft resolution that sought to capture the perspectives shared the previous day. Following discussion, the Board of Directors approved the *NACAA Board of Directors Resolution on Improving the Association's Processes and Procedures* – the State Agency Group by a vote of 8 in favor, none opposed and no abstentions, and the Local Agency Group by a vote of 5 in favor, none opposed and 1 abstention. The approved resolution is attached.

Included in the resolution are a few procedural changes that require amendments to the NACAA Bylaws. The Board will recommend such Bylaws changes to the NACAA membership, which will have an opportunity to discuss them at the Spring Meeting in Denver, after which an email ballot vote of the membership will be conducted.

NACAA Dues Structure

The group discussed a possible change to the method for calculating the dues each member agency pays to operate NACAA. Currently, the dues are based upon population, but the group discussed changing the structure to base it on the distribution of Clean Air Act section 105 grants. The Program Funding Committee voted (26 in favor, none opposed and 1 abstention) to recommend the strategy detailed below to the Board of Directors. The Board of Directors then voted to present the strategy to the full membership for a final decision – the State Agency Group by a vote of 8 in favor, none opposed and no abstentions, and the Local Agency group by a vote of 6 in favor, none opposed and no abstentions. The approach the Board of Directors will recommend to the membership is as follows:

- The dues that state and local agencies pay to support NACAA operations (whether these are paid by section 105 grant funds that are held “off the top” or by a state or local agency via direct billing) will be calculated using a formula that is aligned with the distribution of section 105 grants (i.e., if a region is allotted x percent of the total section 105 pot, then the agencies within that region would pay x percent of the NACAA budget). The calculations would exclude PAMs monitoring funds, as well as PM_{2.5} monitoring under section 103. If PM_{2.5} monitoring is rolled into section 105 in the future, it will not become part of the data used to calculate dues.
- The dues will be calculated to the regional level only. The state and local agencies within each region will decide how to determine each agency's share of the dues for that region (e.g., based on each agency's share of the regional section 105 pot, each agency's percent of population, or a different formula). If the agencies within the region are unable to agree on a formula, the default will be to base it on population.
- The calculation of dues will be based on the most recent grant data available from EPA (this may be from one to two fiscal years prior, depending on how recent EPA's data is).
- There will be a phase-in over a five-year period. In the first year, NACAA will move 1/5 of the way toward the new formula. In the second year, the association will go 2/5 of the way,

etc. If the section 105 formula itself begins to change, the phase-in will be adjusted to accommodate that, so that by the end of the five-year period the dues share and the section 105 share will be the same.

- If NACAA is able to acquire sufficient additional grants/funds from an outside source, it will use these grants/funds to offset some or all of the dues increase for the regions that are facing increasing dues.
- The proposed change in the dues structure will be discussed at the upcoming NACAA membership meeting, after which an email ballot vote of the membership will be conducted.

Critical Issues

FY 2013 Appropriations – Andy Ginsburg (OR), Co-Chair of the NACAA Program Funding Committee, reported that President Obama will announce his budget request for FY 2013 during the week of February 13, 2012 and is expected to recommend an increase for state and local air grants of approximately \$65 million above FY 2012 levels, or around \$300 million. Andy suggested that the Board authorize the NACAA staff to contact Congress and express NACAA's support for the President's budget request. As in the past, this contact would include meetings, testimony, letters and other communications.

Mary Sullivan Douglas noted that the President's request is expected to recommend that PM_{2.5} monitoring grants be shifted from section 103 authority to section 105 authority (requiring a match). NACAA's recommendation has been that the PM_{2.5} monitoring program continue to be funded under section 103.

The members discussed the benefits of supporting the increase but recommending that state and local air agencies be given more flexibility on how the funds are spent.

The Board voted on a motion to authorize the NACAA staff and Program Funding Committee to express the association's support for the President's FY 2013 budget request for increased state and local air grants. NACAA would recommend that the increase be used to support core programs and monitoring and that funding for PM_{2.5} monitoring be left under section 103 authority, rather than being moved to section 105 authority. NACAA staff would transmit these views to Congress through testimony, letters, meetings and other communications, as in the past. The Local Agency Group approved the motion by a vote of 6 in favor, none opposed and no abstentions. The State Agency Group adopted the motion by a vote of 8 in favor, none opposed and no abstentions.

Monitoring – Barbara Lee (Healdsburg, CA) reviewed EPA's plan to implement the near road nitrogen dioxide monitoring network. Under the build-and-hold approach, which was previously discussed with the Board, EPA plans to phase in the network, providing funding for network implementation in stages. The Monitoring Committee has expressed significant concerns regarding implementation of this phased approach, particularly in the absence of regulatory changes or EPA guidance. The Monitoring Committee recommended that the Board of Directors elevate this issue to EPA senior management. The Board discussed this recommendation, and decided to elevate this issue and ask EPA senior management to undertake a rulemaking in order to implement the phased approach. The NACAA officers will schedule a call with EPA Deputy Assistant Administrator Janet McCabe to convey this recommendation.

CSAPR – In the interest of time, the Co-Chairs of the Criteria Pollutants Committee withdrew the Cross-State Air Pollution Rule discussion from the agenda.

IG Report on State Enforcement – Eddie Terrill (OK) highlighted three issues from the NACAA Enforcement and Compliance Committee. First, the Inspector General (IG) recently published a report on state enforcement. The Committee has two main concerns with the report: 1) even though EPA is resistant, the IG is pushing to centralize enforcement at EPA Headquarters and 2) it raises the possibility of establishing a score card that ranks states. Second, EPA has put together a MACT implementation workgroup, on which the NACAA Enforcement and Compliance Committee Co-Chairs and staff lead currently participate. In areas where a state or local agency does not currently have area source MACT delegation, the EPA Regional Offices are seeking to determine how to implement the requirements. Finally, EPA's workgroup on High Priority Violations (HPVs) continues to work to revise the HPV Policy.

Monday, January 30, 2012

Approval of Minutes of 2011 Board of Directors and Committee Chairs Fall Meeting

The Board approved the minutes from the 2011 NACAA Fall Board of Directors and Committee Chairs Meeting in Cleveland, OH – the Local Agency Group by a vote of 5 in favor, none opposed and no abstentions and the State Agency Group by a vote of 7 in favor, none opposed and 1 abstention.

Development of Agenda for 2012 NACAA Spring Membership Meeting

The group discussed a list of potential sessions for the 2012 Spring Membership Meeting, to take place May 7-9, 2012 in Denver, Colorado (to be preceded by a Board of Directors Meeting on May 6, 2012). Board Members and Committee Chairs concluded that the agenda should include sessions to address the following topics: Face the Air Directors with Gina McCarthy; NAAQS implementation and reviews; targeting pollutants that both cause local air pollution problems and contribute to climate change; EPA development of health and risk statistics; state and local smoke management initiatives; SO₂ attainment modeling; regulating GHG emissions from power plants (new and existing); the state of electric vehicle infrastructure; monitoring issues and challenges; and an update by EPA on enforcement policy issues.

NACAA Finances and Review of NACAA's 2011 Annual Audit

Bill Becker reviewed in detail the financial information included in the handouts. He explained the two sets of figures – one being NACAA's treasury funds and the other showing details for the EPA grant that funds NACAA's operations. He also explained that some states pay to support NACAA through off-the-top section 105 contributions and some pay directly by check to the NACAA headquarters. Bill noted that in addition to the NACAA treasury and EPA grants, the association had received a grant from the Energy Foundation. He reported that it was possible that grant could be extended or that additional grant funds could be obtained. Additionally, NACAA could investigate applying for other grants from EPA.

Bill reported that the auditors had completed the audit of NACAA's finances and had not identified any deficiencies or any action that needs to be taken. The results of the audit (hard copies of which were provided to Board Members and Committee Co-Chairs) were very good. He

offered to have the auditors meet with the Board of Directors at a future meeting, if the members were interested.

Update on Future Meeting Dates and Locations

Upcoming NACAA meetings are as follows:

- 2012 NACAA Spring Membership Meeting, May 7-9 in Denver, CO, with the Spring Board of Directors and Committee Chairs Meeting scheduled for the morning of Sunday, May 6.
- 2012 NACAA Summer Board of Directors and Committee Chairs Meeting, July 27-30 in Whitefish, MT.
- 2012 NACAA Fall Membership Meeting, October 1-3 in Stevenson, WA, with the Fall Board of Directors and Committee Chairs Meeting scheduled for the morning of Sunday, September 30.
- NACAA is co-sponsoring a meeting with the National Association of Regulatory Utility Commissioners (NARUC) and the National Association of State Energy Officials (NASEO) during the week of July 9, 2012. The meeting will be held in Washington, DC, Baltimore, or the surrounding area, and will be open to the public. There will be some funding available to assist with member travel.

New Business

Bill Becker relayed that NACAA has been working on reinvigorating and updating its website over the past four months, and is working with a contractor on new designs and functions for both the public site and Air Web.

Adjourn

The meeting was adjourned.



REVISED
FINAL AGENDA

NACAA
BOARD OF DIRECTORS AND COMMITTEE CHAIRS
WINTER MEETING

January 28-30, 2012

Charleston Place Hotel
205 Meeting Street
Charleston, SC

Friday, January 27, 2012

5:00 p.m. – 11:00 p.m. NACAA Hospitality Suite Hospitality Suite E2

Saturday, January 28, 2012

7:30 a.m. – 8:30 a.m. Breakfast Pavilion Room

8:30 a.m. – 8:45 a.m. Introductions and Review of Agenda Pavilion Room

8:45 a.m. – 10:15 a.m. Report from State Commissioners' Meeting/
Recommendations to Address Concerns Pavilion Room

10:15 a.m. – 10:30 a.m. Break

10:30 a.m. – Noon Report from State Commissioners' Meeting/
Recommendations to Address Concerns
(continued) Pavilion Room

Noon Lunch

Sunday, January 29, 2012

7:30 a.m. – 8:30 a.m. Breakfast

8:30 a.m. – 10:30 a.m. NACAA Dues Structure Pavilion Room

10:30 a.m. – 10:45 a.m. Break

10:45 a.m. – 12:30 p.m. Critical Issues Pavilion Room

- *FY13 Appropriations (20 minutes)*
- *Monitoring (15 minutes)*
- *CSAPR (30 minutes)*
- *IG Report on State Enforcement (20 minutes)*

12:30 p.m. Lunch

Monday, January 30, 2012

7:30 a.m. – 8:30 a.m. Breakfast

8:30 a.m. – 8:35 a.m. Approval of Minutes of 2011 Board of Directors
and Committee Chairs Fall Meeting

8:35 a.m. – 9:30 a.m. Development of Agenda for 2012 NACAA
Spring Membership Meeting Pavilion Room

9:30 a.m. – 10:00 a.m. Break and Check-out

10:00 a.m. – 10:30 a.m. NACAA Finances and Review of NACAA's
2011 Annual Audit Pavilion Room

10:30 a.m. – 10:45 a.m. Update on Future Meeting Dates and Locations Pavilion Room

10:45 a.m. – 11:00 a.m. New Business Pavilion Room

11:00 a.m. Adjourn

1/24/2012

NACAA BOARD OF DIRECTORS

Co-Presidents

Dave Shaw
New York

James Hodina
Cedar Rapids, IA

Bruce Andersen
Kansas City, KS

Thomas Huynh
Philadelphia, PA

Co-Vice Presidents

Tad Aburn
Maryland

David Klemp
Montana

Barry Wallerstein
Los Angeles, CA

Richard Stedman
Monterey, CA

Barry Stephens
Tennessee

Co-Treasurers

Stu Clark
Washington

Immediate Past Presidents

Vince Hellwig
Michigan

Merlyn Hough
Springfield, OR

Lynne Liddington
Knoxville, TN

Directors

Mike Bates
Arkansas

Rick Brunetti
Kansas

Anne Gobin
Connecticut

James Goldstene
California

Italics = Not present at this meeting

NACAA COMMITTEE CHAIRS

Agriculture Committee

Shelley Schneider (Nebraska)
Merlyn Hough (Springfield, OR)

Air Toxics Committee

Vince Hellwig (Michigan)
Bob Colby (Chattanooga, TN)

Criteria Pollutants Committee

Lynne Liddington (Knoxville, TN)
Tad Aburn (Maryland)

Emissions and Modeling Committee

David Thornton (Minnesota)
Jim Hodina (Cedar Rapids, IA)

Enforcement Committee

Eddie Terrill (Oklahoma)
Richard Stedman (Monterey, CA)

External Relations Committee

Dave Shaw (New York)
Vacant

Global Warming Committee

Stu Clark (Washington)
Larry Greene (Sacramento, CA)

Mobile Sources and Fuels Committee

Nancy Seidman (Massachusetts)
Barry Wallerstein (Los Angeles, CA)

Monitoring Committee

Dick Valentinetti (Vermont)
Barbara Lee (Northern Sonoma County,
California)

New Source Review Committee

Bill O'Sullivan (New Jersey)
John Paul (Dayton, OH)

Permitting Committee

Ursula Kramer (Tucson, AZ)
Jac Capp (Georgia)

Program Funding Committee

Andy Ginsburg (Oregon)
Bruce Andersen (Kansas City, KS)

Public Education and Communications Committee

Cory Chadwick (Cincinnati, OH)
Vacant

Training Committee

Arturo Blanco (Houston, TX)
Mike Dowd (Virginia)

Italics = Not present at this meeting

NACAA STAFF

Bill Becker
Executive Director

Nancy Kruger
Deputy Director

Mary Sullivan Douglas
Senior Staff Associate

Amy Royden-Bloom
Senior Staff Associate

Misti Duvall
Staff Associate

Stephanie Cooper
Office Manager

Monique Faye
Administrative Assistant

**NACAA Board of Directors Resolution on Improving the Association's
Processes and Procedures**

January 29, 2012

WHEREAS, on October 25, 2011, 22 states sent a letter to the National Association of Clean Air Agencies (NACAA) expressing concerns with the operation of the association;

WHEREAS, on November 24, 2011, the NACAA Co-Presidents and Co-Vice Presidents sent a letter of response to the 22 states providing information about the association's processes and procedures;

WHEREAS, the NACAA Co-Presidents and Co-Vice Presidents met with representatives of the 22 states on December 12, 2011 to discuss and better understand their concerns;

WHEREAS, based on the December 12, 2011 discussions and a desire to be responsive to the concerns raised, the NACAA Co-Presidents and Co-Vice Presidents drafted recommended actions for review by the NACAA Board of Directors;

WHEREAS, at its 2012 Winter Meeting, the Board discussed the draft recommendations and suggested improvements;

WHEREAS, the Board articulated its commitment to serving all NACAA members;

WHEREAS, the Board firmly believes that collaboration, communication, coordination and consensus building must be the foundation of NACAA; and

WHEREAS, the Board recognizes the tremendous benefits that NACAA provides to its members including, among many, providing comprehensive coverage and analysis of all major air-related topics; conducting conferences and workshops; facilitating conference calls of its 14 standing committees; offering opportunities for discussions with EPA senior management and staff experts; providing extensive up-to-date information on all air issues and association activities through Air Web; transmitting timely information via direct emails; and promoting training.

NOW, THEREFORE, BE IT RESOLVED that NACAA is fully committed to improving collaboration, communication, coordination and consensus building with and among its members;

BE IT FURTHER RESOLVED that resolutions and overarching position statements put before the Board of Directors (when there is a quorum) and/or NACAA membership for a vote shall be adopted if two-thirds of the state members voting and two-thirds of the local members voting vote in favor (to affect this change, the Board will recommend amendments to the Bylaws for the members' consideration);

BE IT FURTHER RESOLVED that in the absence of an adopted resolution or overarching position statement, NACAA will send letters and/or provide testimony to Congress only if at least two-thirds of each body (state and local) of the Board (when there is a quorum) approves that such action be taken (to affect this change, the Board will recommend amendments to the Bylaws for the members' consideration);

BE IT FURTHER RESOLVED that where a vote of the Board is required, Board members will be provided as much notice as possible, but no less than seven business days to review the proposed action and associated materials;

BE IT FURTHER RESOLVED that all votes will be recorded as the total in favor, opposed, and abstaining. Since some issues are more divisive than others, officers may elect to request a straw vote prior to an official vote to gauge the level of consensus and whether an official vote is appropriate;

BE IT FURTHER RESOLVED that the NACAA Officers will seek to reach consensus among the Board and resolve Board members' concerns, including by deciding that NACAA will not submit the letter to, nor testify before, Congress;

BE IT FURTHER RESOLVED that NACAA's Committees will continue to develop comments to EPA and will provide as much notice as possible, but no less than seven business days, for members to review draft comments;

BE IT FURTHER RESOLVED that Committee Co-Chairs will seek to reach consensus among commenters and resolve members' concerns, including by deciding that NACAA will not submit comments;

BE IT FURTHER RESOLVED that members are responsible for providing written notice to NACAA specifying any objections or concerns with draft documents;

BE IT FURTHER RESOLVED that Board members are encouraged to consult with state and local agencies within their respective region and all members should consult with their elected and appointed officials, as appropriate;

BE IT FURTHER RESOLVED that NACAA will include the following language in the body of all non-unanimous letters: "The views expressed in these comments do not represent the positions of every state and local air pollution control agency in the country." NACAA will include the following language in all letters: "NACAA is a national, non-partisan, non-profit association of air pollution control agencies in 45 states, the District of Columbia, 4 territories and over 165 metropolitan areas. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the U.S. The comments we offer are based upon that experience."

BE IT FURTHER RESOLVED that *NACAA will continue to follow its policy of not taking positions counter to positions taken by the Environmental Council of the States (ECOS) or the National Governors Association (NGA)*;

BE IT FURTHER RESOLVED that NACAA will send a detailed budget to each member agency twice a year and otherwise upon request;

BE IT FURTHER RESOLVED that the Co-Presidents will brief the Board of Directors on the role and purpose of the Compensation Committee and its recent activities and decisions;

BE IT FURTHER RESOLVED that at each NACAA Board Meeting time will be allotted for members to offer feedback on NACAA processes and procedures; and

FINALLY, BE IT RESOLVED that the NACAA Board of Directors will review this resolution at its 2013 Winter Meeting and take action to amend it as necessary.

Adopted at the 2012 NACAA Winter Board of Directors Meeting