

MINUTES

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

July 28-30, 2007

**Holiday Inn
Estes Park, Colorado**

I. Introductions – Saturday, July 29, 2007

The NACAA Board of Directors and Committee Chairs Summer Meeting was called to order. NACAA Board Members present at the meeting were Shelley Kaderly (NE), Andy Ginsburg (OR), Colleen Cripps (NV), Joyce Epps (PA), Vince Hellwig (MI), Keith Overcash (NC), Nancy Seidman (MA), Don Vidrine (MT), Eddie Terrill (OK), Ursula Kramer (Tucson, AZ), Arturo Blanco (Houston, TX), Larry Greene (Sacramento, CA), Bob Elliott (Vancouver, WA), Jim Hodina (Cedar Rapids, IA), Lynne Liddington (Knoxville, TN) and John Paul (Dayton, OH). Committee Chairs present included Bruce Andersen (Kansas City, KS), Mary Boyer (CA), Cory Chadwick (Cincinnati, OH), Bob Colby (Chattanooga, TN), Dennis McLerran (Seattle, WA), Brock Nicholson (NC), Bill O'Sullivan (NJ), Doug Quetin (Monterey, CA), Dick Valentinetti (VT) and Art Williams (Louisville, KY). NACAA staff present included Bill Becker, Mary Sullivan Douglas and Mary Stewart Douglas. The meeting agenda is attached.

II. Legislative Update – Saturday, July 29, 2007

During the update on legislative activities, Bill Becker (NACAA) noted that the Diesel Emission Reduction Act (DERA)/State and Tribal Assistance Grants (STAG) coalition, of which NACAA is a member, is planning to send a letter to the President requesting funding increases for FY 2009. Bill requested guidance on what NACAA should request for FY 2009 appropriations so that the association's recommendations could be included in the letter. The Board agreed that NACAA should request an increase of \$50 million above the amount appropriated in FY 2006, for a total of \$270.3 million, and that the grants for DERA should not be awarded from the STAG account, but from some other account in EPA's appropriation.

Bill also reported that energy legislation was being considered in the House of Representatives and that action would likely occur during the following week. The Board agreed that NACAA should send a letter early in the week recommending that the energy legislation under discussion be strengthened by including 1) the Markey-Platts Corporate Average Fuel Economy proposal; 2) the Udall-Platts Renewable

Electricity Standard bill; 3) safeguards against air pollution increases from any comprehensive renewable fuels amendment; and 4) provisions to retain the ability of states and localities to adopt more stringent standards than minimum federal requirements.

III. Critical Issues and Related Discussion – Saturday, July 29, 2007

Global Warming

The different bills on global warming were summarized by Amy Royden-Bloom, (NACAA) who participated via telephone. Bill Becker noted that the bills offered by Senator Sanders (D-VT) and Rep. Waxman (D-CA) held possibilities for broad support. The Board requested that Amy compile a side-by-side comparison of the various bills, with reductions shown to 2050. Other related association efforts underway include development of a white paper on the potential role of state and local air agencies in a federal global warming program, for which contractor assistance has been obtained, and a NACAA national global warming conference, to take place in the winter.

Criteria Pollutants

During a discussion about how NACAA should comment on the proposed National Ambient Air Quality Standard for ozone, the Board agreed that the association should recommend that EPA establish the standard consistent with the unanimous recommendation of the Clean Air Scientific Advisory Committee (CASAC). Additionally, the association should indicate that, no matter at what level the standard is set, state and local air agencies will require additional resources for monitoring and staff, timely guidance and other regulatory tools.

Monitoring

Monitoring Committee Co-Chair Dick Valentinetti (VT) noted that mercury monitoring will continue to be problematic until the TEKRAN equipment is improved and recommended that agencies considering this monitoring wait for better equipment. He also said that there is a serious need for FRM-equivalent PM_{2.5} continuous monitoring equipment because the current every-three-day sampling requirement poses a severe burden on air agencies. Dick also noted the need for EPA to revise the Air Quality Index in light of the PM NAAQS daily standard revision, which has not yet been done.

Enforcement

Eddie Terrill (OK), Co-Chair of the NACAA Enforcement and Compliance Committee, discussed the issue of recently diminished engagement by EPA OECA of the Committee. Arturo Blanco (Houston, TX) said that he would make an effort to find out what other local agencies are focusing on and would report back to NACAA staff. The Permitting/Enforcement Workshop, being organized by METRO-4/SESARM and OECA, with agenda input from the NACAA Enforcement and Compliance Committee, was discussed. Eddie said that the Committee is attempting to have at least two

members from different parts of the country—possibly east and west—work with METRO-4/SESARM and OECA on this workshop.

New Source Review

John Paul (Dayton, Ohio), New Source Review (NSR) Committee Co-Chair, gave a summary of pending NSR rules, and also discussed recent NSR case developments, including *Duke Energy*, *Cinergy* and *Eastern Kentucky Electric Power Cooperative*. A question was raised on whether the EGU Hourly rule was proposed by EPA to be a part of the minimum program requirements, as with the 2002 “NSR Reforms.” NACAA staff has looked into this, and it is in fact the case that EPA has proposed that programs adopt the EGU Hourly test for NSR increases in emissions and applicability unless they establish that their programmatic requirements are the equivalent of EPA’s rule.

IV. Critical Issues and Related Discussion – Sunday, July 30, 2007

Mobile Sources and Fuels

Mobile Sources and Fuels Committee Co-Chair Nancy Seidman (MA) presented recent activities and issues relating to the Committee. In the course of a discussion of the Congestion Mitigation and Air Quality Improvement (CMAQ) program, Bill Becker (NACAA) reminded members that NACAA’s long-standing position was that there should be concurrence by air agencies in DOT’s and MPO’s CMAQ decisions, rather than consultation only. Committee Co-Chair Dennis McLerran (Seattle, WA) updated the Board on marine engines and their high rate of emissions of SO₂ and NO_x. He noted that the International Maritime Organization (IMO) is deliberating over new standards for Category 3 marine vessels, and that the U.S. has presented to the IMO proposals for significant reductions in emissions of PM and SO₂. Dennis also suggested that when EPA’s Advance Notice of Proposed Rulemaking is released this fall on Category 3 marine vessels, NACAA should engage in the subsequent debate. Dennis also discussed the issue of state jurisdiction over ocean-going vessels, saying that California has been sued on the 24-mile limits it claims for boarding, inspecting and enforcing on marine vessels.

Training

Training Committee Co-Chair Mary Boyer (CA) said that the Committee expects a SEP settlement to result in a \$50,000 contribution to a fund that will be administered by CenSARA. The purpose of this fund is to update and create new courses, and former NACAA president Eddie Terrill (OK) has also contacted several foundations to contribute to this fund. In addition, she said that for Fiscal Year 2008, each multi-jurisdictional organization (MJO) will receive \$50,000 from the Section 105 pot of \$300,000. This distribution to the MJOs results from EPA’s conclusion that the agency cannot award Section 105 funds to a university or other nongovernmental organization, so EPA cannot carry out the original goal of competing the \$300,000 to award to a national training provider. The Board then voted to continue this distribution of Section 105 funds to the MJOs for training for Fiscal Year 2009.

Mercury Update

John Paul (Dayton, OH) updated members on the association's ongoing conference calls regarding state activities to regulate mercury.

Air Toxics

Bill Becker (NACAA) reported that he recently attended a meeting with environmental groups, control equipment manufacturers and others during which there was a discussion about the lack of an air toxics standard to control emissions from boilers. Since the court vacated the Maximum Achievable Control Technology (MACT) standard that EPA had established, there were no standards in place and state and local air agencies would be required to permit sources using MACT levels they would need to determine on their own – pursuant to Clean Air Act Section 112(j). Bill noted that the groups he had discussed this with agreed that it would be useful if there were a model Boiler MACT that state and local agencies could use if they wish. Bill asked if the Board was interested in NACAA pursuing the idea of working with these other groups to establish such a model rule. The Board agreed that NACAA should move ahead with this project.

Funding

The members had an in-depth discussion about NACAA's position with respect to the reallocation of Section 105 grants among the regions. NACAA's traditional position has been that a reallocation should not be implemented unless there was an increase in grant funds. However, some members argued that grant increases are unlikely and the reallocation should not wait until there are increases since it is very outdated. The members discussed three possible options for NACAA's position: 1) The grant allocation formula should be revised, but it should not be implemented unless there is a significant increase in grants (a reaffirmation of the existing NACAA position); 2) The grant allocation formula should be revised and implemented. Although federal grants to state and local air quality agencies are insufficient and should be increased, the revised formula should be implemented regardless of whether or not there are increases in federal grants to state and local air quality agencies; or 3) The grant allocation formula should be revised. However, because federal grants to state and local air quality agencies are insufficient, NACAA is neutral regarding whether the implementation of a new formula should be dependent on increased federal grants to state and local air quality agencies.

Following the discussion, the members voted to endorse the following position: State and local air agencies need increased federal funding to carry out their programs. There should be no more cuts to state and local air agencies' federal grants. When EPA moves forward with a revised formula for allocating Section 105 grants, NACAA expects it to be done in a manner that will minimize disruption to state and local air agencies and that is consistent with the NACAA Principles for Reallocating Section 105 Grants (adopted on October 24, 2006). The local agency representatives on the NACAA Board of Directors voted 7 – 0 (no abstentions) in favor of the position. The state agency representatives voted 9 – 1 (no abstentions) in favor of the position.

V. NACAA Finances – Monday, July 30, 2007

Bill Becker provided members with a report on the association's finances.

Next, it was reported that Texas had failed to reply to a letter from the NACAA Co-Presidents asking for a response prior to the Summer Board/Chairs meeting as to whether the state would commit to paying its full share of FY 2008 dues by October 1, 2007 or opt to discontinue its participation in NACAA. The Co-Presidents had noted in their letter that in the absence of a response, NACAA would assume that Texas was no longer interested in continuing its membership in the association. Since Texas did not respond, the Board agreed that this served as a formal indication of Texas' desire to withdraw from NACAA. NACAA Headquarters will send an email to all Texas staff who participate in the association's activities apprising them of the situation and explaining that, as of October 1, 2007, NACAA services will no longer be available to them. It was suggested that Board Members and Committee Chairs may want to advise their Commissioners of the circumstances leading up to this situation, emphasizing that Texas will be welcome back to the association any time that it chooses to pay its dues in full. Texas local agencies will be kept informed, with the City of Houston facilitating communications between the local agencies and NACAA.

VI. NACAA Meetings – Monday, July 30, 2007

Development of Fall Membership Meeting Agenda

The members discussed the topics to be included on the agenda for the NACAA Fall Meeting. They provided guidance on what should be included in a number of the sessions and then suggested that the staff develop the final agenda to address the recommendations as much as possible.

Update on Future Meeting Locations and Dates

The members discussed possible locations for future meetings. The 2007 NACAA Fall Membership Meeting will be held in San Diego, California in October 2007. They agreed that the Board and Committee Chairs should meet on Sunday morning, October 28 and that the registration and meeting preview should be held in the evening, beginning around 6:00 p.m. They also suggested the Board hold a second, shorter meeting on Wednesday morning (October 31, 2007), if necessary.

Bill Becker noted that the 2008 Winter Board of Directors and Committee Chairs Meeting will be held on January 26-28, 2008 in Washington, DC and that NACAA would hold a national global warming conference in the winter in the Washington, DC area.

The 2008 NACAA Spring Membership Meeting will likely be held in Florida, at a location to be determined. With respect to the 2008 Summer Board and Committee Chairs Meeting, several suggestions were made, including Oregon and Vermont.

The NACAA staff will look into various options for future meeting locations.

VII. New Business – Monday, July 30, 2007

Proposal for Addition of New Performance Excellence Committee

Jim Hodina (Cedar Rapids, IA) provided an explanation of an idea for establishing a new NACAA Performance Excellence Committee for the purpose of facilitating “process improvement initiatives.” Several board members voiced opinions, including whether a new committee might pose resource problems for NACAA Headquarters, whether this concept could be worked into existing committees and whether it was practical to add a committee on process without relating it to a particular subject. A suggestion was made that perhaps such a committee could be comprised of the co-chairs of existing committees. The idea for the new committee was left open, with the Board requesting that NACAA staff give it further thought and report back after consideration of whether and how such a committee concept might be implemented.

FINAL AGENDA

NACAA BOARD OF DIRECTORS AND COMMITTEE CHAIRS SUMMER MEETING

July 28-30, 2007

**Rocky Mountain Park Inn
101 South Saint Vrain Avenue
Estes Park, Colorado 80517**

Saturday, July 28, 2007

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| 7:00 a.m. – 8:30 a.m. | Registration and Breakfast |
| 8:30 a.m. – 8:45 a.m. | <u>Introductions and Review of Agenda</u> |
| 8:45 a.m. – 9:15 a.m. | <u>Legislative Update</u> |
| 9:15 a.m. – 10:00 a.m. | <u>Critical Issues and Related Discussion</u> <ul style="list-style-type: none">• Global Warming (45 minutes) |
| 10:00 a.m. – 10:30 a.m. | Break |
| 10:30 a.m. – 12:00 a.m. | <u>Critical Issues and Related Discussion</u> <ul style="list-style-type: none">• Criteria Pollutants (30 minutes)• Monitoring (20 minutes)• Enforcement (20 minutes)• Permitting (20 minutes) |

Sunday, July 29, 2007

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| 7:00 a.m. – 8:30 a.m. | Breakfast |
| 8:30 a.m. – 10:00 a.m. | <u>Critical Issues and Related Discussion</u> <ul style="list-style-type: none">• Mobile Sources and Fuels (30 minutes)• Training (60 minutes) |
| 10:00 a.m. – 10:30 a.m. | Break |
| 10:30 a.m. – 12:00 noon | <u>Critical Issues and Related Discussion</u> <ul style="list-style-type: none">• Air Toxics (15 minutes)• Mercury Update (15 minutes)• Funding (60 minutes) |

Monday, July 30, 2007

7:00 a.m. – 8:30 a.m.

Breakfast

8:30 a.m. – 9:00 a.m.

NACAA Finances

9:00 a.m. – 10:00 a.m.

NACAA Meetings

- Development of Fall Membership Meeting Agenda
- Update on Future Meeting Locations and Dates

10:00 a.m. – 10:30 a.m.

New Business

- Operational Performance Improvement Discussion (15 minutes)

10:30 a.m.

Adjourn