

## MINUTES

### STAPPA AND ALAPCO BOARDS OF DIRECTORS AND COMMITTEE CHAIRS WINTER MEETING

January 28-30, 2006  
MonteLago Village  
30 Strada di Villaggio  
Henderson, Nevada 89011

#### I. Introductions – Saturday, January 28, 2006

John Paul (Dayton, OH), President of ALAPCO, opened the meeting and reviewed the agenda. STAPPA Board members in attendance included Eddie Terrill (OK), Shelley Kaderly (NE), Andy Ginsburg (OR), Colleen Cripps (NV), Joyce Epps (PA), Vince Hellwig (MI), Keith Overcash (NC), Nancy Seidman (MA) and Don Vidrine (MT). In addition to John Paul, ALAPCO Board members in attendance included Gary Young (Des Moines, IA), Ursula Kramer (Tucson, AZ), Chris Robinson (Las Vegas, AZ), Arturo Blanco (Houston, TX), Lynne Liddington (Knoxville, TN) and Dennis McLerran (Seattle, WA). STAPPA Committee Chairs in attendance included Mary Boyer (CA), Ron Methier (GA), Brock Nicholson (NC), David Thornton (MN) and Dick Valentinetti (VT). ALAPCO Committee Chairs in attendance included Larry Greene (Sacramento, CA), Doug Quentin (Monterey, CA) and Art Williams (Louisville, KY). STAPPA/ALAPCO staff members in attendance included Bill Becker, Nancy Kruger and Mary Sullivan Douglas (Amy Royden-Bloom and Mary Stewart Douglas participated in several of the discussions via conference call).

The group discussed briefly some preliminary information regarding the Administration's FY 2007 budget proposal that would be released shortly – particularly that there would be significant cuts to Section 105 grants – and how the associations may wish to respond.

#### II. Committee Reports on Critical Issues and Related Discussions – Saturday, January 28, 2006

##### *Criteria Pollutants/Monitoring*

Brock Nicholson (NC), STAPPA Co-Chair of the Criteria Pollutants Committee, and Dick Valentinetti (VT), STAPPA Co-Chair of the Monitoring Committee, described the major concerns the associations would articulate in their testimony to be provided at EPA's public hearing on the proposed revisions to the PM NAAQS and PM Monitoring Regulations: EPA's disregard for the Clean Air Scientific Advisory Committee's recommendation to tighten the annual standard for fine PM (PM<sub>2.5</sub>); EPA's exemption of agricultural and mining activities from the proposed PM coarse standard; EPA's decision not to place any PM coarse monitors in rural areas and EPA's criteria for where monitors should be placed; and EPA's decision to cut substantially funding for monitoring. Attendees reinforced these concerns and offered additional suggestions for inclusion in the associations' testimony and written comments.

Brock then reported on several other issues relative to the Criteria Pollutants Committee. He noted that the associations' report, *Controlling Fine Particulate Matter Under the Clean Air Act: A Menu of Options*, would be published soon. He also summarized the associations' draft comments on EPA's proposed rule for implementing the PM<sub>2.5</sub> standard. Bill Becker noted that these draft comments were posted on Air Web and that a hard copy was available for anyone wishing to review the comments during the meeting. Finally, Brock discussed EPA's proposed exceptional events rulemaking and some of the issues a subcommittee of the Committee had been discussing with EPA, including the timing of flagging of data and submittal of documentation and the need to prepare an action plan or public notification plan in advance.

### **III. Consideration of Recommendation for Combining and Renaming STAPPA and ALAPCO – Saturday, January 28, 2006**

STAPPA and ALAPCO Presidents Eddie Terrill and John Paul made a presentation to the Boards and Committee Chairs outlining a recommendation – developed by the Presidents and the associations' Vice Presidents, Shelley Kaderly and Gary Young, pursuant to the Boards' charge at the Fall 2005 Board Meeting – for combining and renaming STAPPA and ALAPCO. Eddie and John distributed a PowerPoint presentation detailing the recommendation. The main components of the recommendation included 1) recommending to the membership for their approval a) establishing a new, single entity with a new name – the National Association of Clean Air Agencies (NACAA), b) taking the appropriate legal and administrative steps to merge STAPPA and ALAPCO into NACAA, c) establishing recommended key operating procedures and 2) retaining expert legal counsel to assist in this effort. Eddie and John elaborated on each component. The group then engaged in discussion of the recommendation.

Following the discussion, the Boards voted on the recommendation, with two amendments: 1) to have Co-Treasurers for NACAA – one state official and one local official – rather than one NACAA Treasurer, to be alternated between a state and local official and 2) to allow Committee Co-Chairs to be air directors or their designees. In holding this vote, Board members also voted on authorizing action to be taken immediately to trademark "NACAA" and the "National Association of Clean Air Agencies" and to incorporate NACAA. Further, the ALAPCO Board voted to invoke a provision of the ALAPCO by-laws allowing a President to serve a second consecutive term in the case of an "emergency," in order to allow for continuity as the merger takes place. Both Boards approved the motions unanimously, STAPPA by a vote of 9 to 0 and ALAPCO by a vote of 7 to 0. By informal voice vote, all Committee Chairs present supported the motions as well. It was then agreed that this vote would be communicated to the membership and conference calls would be held with each association to explain the recommendation in detail and gain feedback as work progresses to develop a complete merger package on which the memberships could vote at the 2006 Spring Membership Meeting.

### **IV. Committee Reports on Critical Issues and Related Discussions – Sunday, January 29, 2006**

#### *Air Toxics*

Vince Hellwig (MI), STAPPA Co-Chair of the Air Toxics Committee, reported on several issues, including risk-based exemptions in MACT, EPA's proposed standards for

Large Municipal Waste Combustors and EPA's proposal for Portland Cement Plants. The members discussed issues related to mercury emissions from Portland Cement facilities. Vince indicated that EPA would not hold the annual Air Toxics Workshop in spring 2006 and Bill Becker reported that he would discuss this further with Steve Page of OAQPS. Vince reported on EPA's efforts related to the establishment of Residual Risk standards in general and the Dry Cleaner standard in particular, on which STAPPA and ALAPCO planned to comment. Vince briefly summarized the issues the associations would raise in their comments. Finally, Vince provided updates on the National-scale Air Toxics Assessment and the Toxics Release Inventory.

### *Mobile Sources and Fuels*

Prior to the Board Meeting, Board Members had voted via email to petition the U.S. Court of Appeals for the D.C. Circuit for review of EPA's November 2005 final aircraft engine emission standards rule. Such a petition was subsequently filed with the Court on January 13, 2006. Bill Becker now recapped for the Boards the background of EPA's aircraft rule and the history of the associations' involvement in efforts to reduce aircraft engine emissions. Bill also explained that the associations were able to obtain *pro bono* counsel for this challenge, by Georgetown University Law School's Institute for Public Representation. After a discussion by the Boards of the issues at stake, they voted unanimously to reaffirm their initial vote to challenge the rule, STAPPA by a vote of 9 to 0 and ALAPCO by a vote of 7 to 0.

Dennis McLerran (Seattle, WA), ALAPCO Co-Chair of the Mobile Sources and Fuels Committee, then provided updates on several key issues, noting that the associations had circulated a model letter to members urging Congress to fund the Diesel Emission Reduction Program. He also reported that in the coming week, the associations would be transmitting to the EPA Administrator their final report on the health impacts of locomotive and marine diesel engine emissions, and also holding a press conference to announce the release of the report. Finally, Dennis noted that the associations were involved in stakeholder discussions regarding the development of guidance to implement provisions of SAFETEA-LU regarding the use of CMAQ funds for retrofitting diesel engines.

Next, Nancy Seidman (MA), STAPPA Co-Chair of the Mobile Sources and Fuels Committee, updated members on the associations' ongoing discussions with EPA's Office of Transportation and Air Quality (OTAQ) regarding the need for EPA leadership in support of state and local I/M efforts. Nancy indicated that a group of STAPPA/ALAPCO representatives had held a meeting/conference call with OTAQ Director Margo Oge in December and that Margo had recently sent an invitation for an I/M "summit" with all air directors. STAPPA and ALAPCO will work with OTAQ to schedule such a summit and will forward details to state and local air directors as they become available. Nancy also reported that NESCAUM is developing a model rule for use by states interested in requiring the reflash of defeat-device-equipped heavy-duty diesel engines. She asked that states outside of the NESCAUM region let her know if they have an interest in such a model rule.

### *Program Funding*

Andy Ginsburg (OR), STAPPA Co-Chair of the Program Funding Committee, provided updates on the FY 2006 funds that EPA had held back for possible use in hurricane relief efforts and the upcoming FY 2007 budget (which had been discussed at the beginning of the meeting). The members discussed how devastating cuts would be

and the need for a strategy for addressing the proposed reductions. Andy then discussed EPA's plan to work on a reallocation formula, beginning with FY 2008. He walked the Boards and Chairs through a set of handouts that EPA had provided, outlining the meetings the agency had had and the discussions so far. The members agreed that STAPPA and ALAPCO should be involved in the discussions about an updated allocation formula. The members discussed that what they had heard about the upcoming FY 2007 budget was that state and local air grants were being cut and the funds were going to the diesel retrofit program. The members agreed that if this was the case, it was not something STAPPA and ALAPCO could support. Bill Becker said that a meeting was already scheduled with supporters of the diesel program to discuss the problem. Bill recommended that a number of the issues under discussion would be good subjects for a future retreat with upper-level management from the EPA Office of Air and Radiation. In the meantime, the members agreed that STAPPA and ALAPCO should communicate to EPA their interest in discussing the reallocation formula.

### *External Relations*

Larry Greene (Sacramento, CA), ALAPCO Co-Chair of the External Relations Committee, reported that the Committee was still interested in collecting used monitoring equipment for shipment overseas. Currently, equipment is going to Panama, but an effort with an African country may be next. Larry reported on recent conversations with the National Tribal Air Association, during which he learned about its interest in mercury issues and the fact that the association follows STAPPA/ALAPCO's activities closely. The Committee would like to pursue additional opportunities for training or assistance for the tribes and recommended that there be a panel on this at a future meeting. Larry noted that discussions with border states, both north and south, have been productive. Ursula Kramer (Tucson, AZ) described discussions at meetings she has attended at which Mexican state officials have described difficulties they have had with retaining trained staff and expressed interest in training assistance from the U.S.

### *New Source Review*

John Paul (Dayton, Ohio), ALAPCO Co-Chair of the New Source Review Subcommittee, described the recent hearing held in North Carolina on EPA's proposed EGU "hourly test" rule. Under this proposal, NSR would only apply if a modification resulted in an increase in hourly emissions, rather than actual annual emissions, meaning that essentially no utilities making modifications would be subject to NSR. John testified on behalf of the associations in December, opposing this proposed rule. In the question session following the testimony, EPA asked the utility representative at the hearing to provide the agency various types of information, including examples of when NSR has deterred it from undergoing maintenance projects; information about recordkeeping and reporting requirements it keeps to establish that there is no reasonable possibility that NSR would be triggered by its modifications; and what projects have triggered new source performance standard requirements, if any.

John noted that the recent "hourly" proposal has the effect of exempting a whole industry sector from NSR, and that this exemption conflicts with the D.C. Circuit's decision striking down EPA's "clean unit" exemption from NSR. John also noted there are currently many NSR rulemakings in process, including the agency's proposed redefinition of chemical processing relating to ethanol production, the debottlenecking and aggregation rule, NSR recordkeeping and reporting requirements and the supplemental "hourly" rule proposal that will include specific regulatory language.

## *Training*

Mary Boyer (CA), STAPPA Co-Chair of the Training Committee, gave a presentation on the draft National Training Strategy for Clean Air Officials. The strategy was created at the direction of the associations' Boards of Directors and Committee Chairs by a subgroup of the Training Committee to provide a framework for future training. The group included the Training Committee Chairs, as well as Eddie Terrill (OK), state and local training coordinators, regional consortia, a Secretariat staff person and EPA. The strategy describes the group's vision for training and which entities should serve as leads for certain training responsibilities. Attendees noted that, though EPA is assigned several lead roles, EPA informed STAPPA and ALAPCO that only 1 FTE (staff person) would now be assigned training responsibilities, along with a certain amount of contract dollars.

Mary and Arturo Blanco (Houston, TX), ALAPCO Co-Chair of the Training Committee, raised two issues for decision by the Boards. First, at the last meeting, the Boards decided not to release Fiscal Year (FY) 2006 money for training activities conducted in FY 2007 by universities, until certain information was provided by the universities. The requested information was provided and is in the meeting books. Mary and Arturo's recommendation was to disburse the money as recommended by the Joint Training Committee to the universities, and by the next meeting they would come back for options on how to fund the universities in the future. The second issue was that Mary and Arturo would like to hear the Boards' views on future university funding, to guide this thinking. EPA can no longer provide grants to the universities without competing the money, even though this is section 105 money. Should this money be given to EPA for it to compete out for training, should it be given to the regional consortia for training or should it be used for some other purpose? The Training Committee formed a subgroup to explore options. After discussion on this latter issue, it was agreed that this issue should not be discussed in a subgroup but that Arturo and Mary should come back to the Boards in the summer with their thoughts. Discussion then turned to the issue of providing universities with funding for FY 2007 activities. A motion was made to fund the universities as recommended by the Joint Training Committee. STAPPA Board members voted as follows: 7 yes, 1 no and 1 abstention. ALAPCO Board members voted as follows: 6 yes, 1 no and 0 abstentions.

## **V. Development of Spring Membership Meeting Agenda – Monday, January 30, 2006**

Board Members and Committee Chairs reviewed and discussed a list of potential session topics for the 2006 Spring Membership Meeting and agreed to include on the agenda "Ask OAQPS" and "Ask OTAQ", "The Latest on the NAAQS and Regional Haze," a federal enforcement update, case studies of local global warming initiatives, a session on establishing a national training strategy, a panel on state and local efforts to control mercury emissions, a speaker on the impact of global warming on human health, a session on CASAC's recommendations for revising the PM NAAQS and a presentation on control strategies for reducing PM<sub>2.5</sub>, based on the associations' forthcoming PM<sub>2.5</sub> menu of options, as well as the addition of other issues that may be timely.

## **VI. Miscellaneous – Monday, January 30, 2006**

### *Future Meeting Locations and Dates*

The members discussed locations for future meetings. The 2006 Spring Membership Meeting will be held in Newport, Rhode Island, the Summer Boards/Chairs Meeting will be held at the Grand Traverse Hotel in Acme, Michigan and the 2006 Fall Membership Meeting will be held in San Antonio, Texas. The group discussed possible locations for future meetings and agreed that the Secretariat should investigate holding the 2007 Winter Board Meeting in California or Tucson and the 2007 Spring Membership Meeting in New York City. If New York City is not feasible, the Secretariat will seek additional input from the Boards. For the 2007 Summer Boards/Chairs Meeting, the members agreed to consider Colorado. For fall 2007, there was no decision, but the Secretariat will consider Savannah, Asheville, Charleston or Nashville.

### *Financial Statements and Audit*

Bill Becker reported that the financial audits of STAPPA and ALAPCO had been excellent. The auditors had made some recommendations related to some comments contained in the 2005 audit and would provide STAPPA and ALAPCO with template language that the associations could use to comply with the recommendations. Bill noted that EPA is very happy with STAPPA/ALAPCO's performance in this regard and has used the Secretariat as a beta tester for on-line submission of grants and other projects. The members briefly discussed whether the operating procedures would need to be adjusted as part of the merger and name change. Bill indicated that he would discuss this with the accountants. The members then reviewed the Treasurers' reports and Bill summarized the information in the grant financial reports and explained the budget. The members also discussed the problem of state agencies that have not been paying their full amounts (i.e., Ohio and Texas). With respect to budget cuts and their impact on the Secretariat, Bill reminded the Boards that the Secretariat has remained at seven people for the past 12 years, including during times when there were additional funds available. The Secretariat has remained "lean" and has also suffered budget reductions as a result of the rescissions.

## **VII. New Business – Monday, January 30, 2006**

There was no new business.

The Boards of Directors and Committee Chairs 2006 Winter Meeting was adjourned.

## AGENDA

### STAPPA AND ALAPCO BOARDS OF DIRECTORS AND COMMITTEE CHAIRS WINTER MEETING

January 28-30, 2006  
MonteLago Village  
30 Strada di Villaggio  
Henderson, NV 89011

#### Saturday, January 28, 2006

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|-------------------------|---|
| 7:00 a.m. – 8:00 a.m.   | Registration and Continental Breakfast  |
| 8:00 a.m. – 8:30 a.m.   | Introductions and Review of Agenda  |
| 8:30 a.m. – 10:00 a.m.  | <u>Committee Reports on Critical Issues and Related Discussion</u> <ul style="list-style-type: none"><li>• Criteria Pollutants/Monitoring<ul style="list-style-type: none"><li>○ Proposed PM NAAQS and Monitoring Revisions</li><li>○ PM NAAQS Implementation</li></ul></li></ul> |
| 10:00 a.m. – 10:30 a.m. | Break   |
| 10:30 a.m. – 12:30 noon | <u>Consideration of Recommendation for Combining and Renaming STAPPA and ALAPCO</u>   |

#### Sunday, January 29, 2006

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|-------------------------|---|
| 7:00 a.m. – 8:00 a.m.   | Continental Breakfast   |
| 8:00 a.m. – 10:00 a.m.  | <u>Committee Reports on Critical Issues and Related Discussion</u> <ul style="list-style-type: none"><li>• Air Toxics (30 minutes)</li><li>• Mobile Sources and Fuels (45 minutes)</li><li>• Program Funding (30 minutes)</li><li>• External Relations (15 minutes)</li></ul> |
| 10:00 a.m. – 10:30 a.m. | Break   |
| 10:30 a.m. – 12:00 noon | <u>Committee Reports on Critical Issues and Related Discussion</u> <ul style="list-style-type: none"><li>• NSR (30 minutes)</li><li>• Training (60 minutes)</li></ul>   |

**Monday, January 30, 2006**

7:00 a.m. – 8:00 a.m.

Continental Breakfast

8:00 a.m. – 9:00 a.m.

Development of Spring Membership Meeting Agenda

9:00 a.m. – 10:00 a.m.

Miscellaneous

- Financial Statements and Audit
- Future Meeting Locations and Dates

10:00 a.m. – 10:30 a.m.

New Business

10:30 a.m.

Adjourn