

**STAPPA AND ALAPCO
BOARDS OF DIRECTORS AND COMMITTEE CHAIRS
2003 SUMMER MEETING
August 2-4, 2003**

**Kandahar-The Lodge at Big Mountain
Whitefish, Montana**

Minutes

I. INTRODUCTION AND REVIEW OF THE AGENDA – Saturday, August 2, 2003

The STAPPA and ALAPCO Boards of Directors and Committee Chairs 2003 Summer Meeting was called to order at 8:00 a.m. by STAPPA President, Lloyd Eagan (WI). Other STAPPA Board members present included Jim Joy (SC), John Benedict (WV), Andy Ginsburg (OR), Shelley Kaderly (NE), Eddie Terrill (OK), Terry O'Clair (ND), and Dick Valentinetti (VT). ALAPCO Board members included Cory Chadwick (Cincinnati, OH), Dennis McLerran (Seattle, WA), Brian Jennison (Lane County, OR), Gary Young (Des Moines, IA), and Art Williams (Louisville, KY). Committee chairs included Brock Nicholson (NC), Norm Covell (Sacramento, CA), Eric Skelton (Spokane, WA), and Bruce Andersen (Kansas City, KS). The meeting agenda is attached.

II. COMMITTEE REPORTS ON CRITICAL ISSUES AND RELATED DISCUSSION – Saturday, August 2, 2003

Public Education and Communications – Cory Chadwick (Cincinnati, OH), ALAPCO Chair of the Public Education and Communications Committee, announced the Communicating Air Quality Conference, to be held in Orlando, Florida in December. He noted that the Committee is requesting proposals for presentations in advance. The meeting will be held in conjunction with the Communities in Motion workshop. Cory summarized other activities in which the Committee is involved, including public outreach for the year-round Air Quality Index; comments on EPA's document, "Particles and Your Health; and the National Monitoring Strategy.

Agriculture – Shelley Kaderly (NE), STAPPA Chair of the Agriculture Committee, reported that STAPPA and ALAPCO sent EPA a letter in early April to express serious concerns with 1) a "safe harbor" agreement between EPA and animal farming operations and 2) a policy that would deem most agricultural air emissions "fugitive" emissions. STAPPA and ALAPCO received a response from EPA Assistant Administrator Jeff Holmstead in June, but the response did not address the issues raised by the associations. Shelley said she had learned from Sally Shaver of EPA OAQPS that the safe harbor agreement is on hold until a new Administrator is appointed and EPA sees whether he or she wants to

move forward with it. With respect to fugitive emissions, it is less clear what EPA plans to do. California is the driver for EPA issuing a memo that lays out which emissions from agricultural operations are fugitive. California farming operations were supposed to apply to EPA for permits by August 1, and thus they needed to know if emissions from their operations triggered reporting or control requirements. However, this deadline was moved to November because it appears California will pass legislation enabling EPA to hand back to California the Title V permitting program.

Shelley also provided a brief update on other agricultural air issues, including follow-up on the National Academy of Sciences study, the USDA's Agricultural Air Quality Task Force, and the Agriculture Committee's Emission Factors Subcommittee. She also noted that the Committee continues to look for an ALAPCO Chair.

Criteria Pollutants – Brock Nicholson (NC), STAPPA Chair of the Criteria Pollutants Committee, reported that EPA had finally released its proposal for implementing the 8-hour ozone standard on June 2, 2003; comments were due August 1, 2003. He noted that the proposal was difficult to comment upon because it is difficult to follow – there are options upon options, so it is difficult to understand the implications for any one area, let alone all the states and localities. Furthermore, EPA did not provide regulatory text until July 31, 2003, and then for only one set of options – in some cases, EPA's preferred option, but not in every case. The rule is also difficult to comment on substantively, as areas have different opinions on the issue of classification under subpart 1 versus subpart 2 and when and how the one-hour ozone standard should be revoked. Despite STAPPA and ALAPCO's attempts to broker a compromise among states and localities with divided opinions on these two critical issues, we were unable to develop a consensus position. Thus, the associations did not submit comments on EPA's proposed rule. On a related matter, states were required to submit their recommendations for designating 8-hour ozone areas to EPA by July 15. Brock also reported that EPA Assistant Administrator Jeff Holmstead testified at a House hearing that EPA would support putting into law EPA's policy of extending attainment dates of areas affected by transport without bumping up their classification, a policy which EPA is no longer applying because three courts of appeals have declared it illegal.

STAPPA and ALAPCO are participating in briefings held by EPA every six weeks or so on its development of a regional transport rule to help states and localities attain the new PM_{2.5} and 8-hour ozone standards. So far these briefings have been primarily technical in nature. Brock also updated participants on EPA's latest schedule for proposing the transport rule, as well as for proposing a PM_{2.5} implementation rule, proposing a rule on regional haze to comply with a court decision that partially revoked the existing regional haze rule, proposing a transportation conformity rule to deal specifically with 8-hour ozone and PM_{2.5} and revising the PM and ozone standards.

Finally, he noted that EPA has provided STAPPA and ALAPCO with funding to develop a PM_{2.5} menu of options document to help states and localities take early action to reduce PM_{2.5} emissions. The menu will focus on options that will reduce PM_{2.5} and also provide updated information for controlling PM_{2.5}. This project will begin in late summer.

Enforcement – Mary Stewart Douglas (STAPPA/ALAPCO) gave an update. She first introduced herself as a new Senior Staff Associate and noted her educational background and previous work experience. She then noted that the Enforcement Workshop held in St. Louis in June had received positive ratings from attendees. Next she described the EPA “Watch List” that was the subject of discussion at a recent breakfast meeting convened by Steve Thompson, Chair of ECOS’ Enforcement and Compliance Committee, and attended by representatives of STAPPA/ALAPCO, ASIWPCA, ASTSWMO and ASDWA. The list is considered a “management tool” by EPA, and will include facilities that are HPV status under the “timely and appropriate” guidance, but which have not received an administrative order or other enforcement initiative. Mary then noted that the Enforcement Committee was drafting comments on EPA’s draft stack test guidance. Finally, she discussed the recent *TVA* case and noted that EPA would probably move for reconsideration *en banc* in the Eleventh Circuit.

Air Toxics – Lloyd Eagan (WI), STAPPA Chair of the Air Toxics Committee, reported on the recent developments related to the hammer provisions under Section 112(j). She noted that the rule that provided EPA additional time to develop the MACT standards and, therefore, delayed the need for case-by-case MACT, was in jeopardy due to an environmental group’s lawsuit. Lloyd described the Committee’s efforts to follow EPA’s development of the residual risk standards, as well as MACT standards that were proposed with risk-based exemptions. Lloyd described STAPPA and ALAPCO’s activities related to mercury as part of the Quicksilver Caucus. The members discussed EPA’s air toxics strategy, including the community-based efforts upon which the agency is focusing. Finally, the members discussed the recent lawsuit on Mobile Source Air Toxics that Earthjustice had filed and discussed whether STAPPA and ALAPCO should become involved in the suit along with Earthjustice. Bill Becker agreed to investigate this option.

Energy – John Paul (Dayton, OH), ALAPCO Co-Chair of the Energy Committee, updated the group on the Committee’s multi-pollutant activities, including its use of the associations’ May 2002 multi-pollutant principles to evaluate various legislative proposals. John reported that because none of the current legislative proposals are supportable by the associations’ principles, the Committee had discussed shifting its focus to a more constructive and positive effort: an analysis of the STAPPA/ALAPCO principles that would allow the associations to more clearly articulate the kind of program they could support. Accordingly, a workgroup comprised of the Presidents, Energy Committee Chairs, NSR

Subcommittee Chairs and Secretariat staff had worked to draft such an analysis. John referred members to a chart in their meeting books containing some initial results of the analysis, in the form of caps for NO_x, SO_x and mercury that are consistent with STAPPA and ALAPCO's principles. John explained how these caps and compliance dates were developed and asked the Boards and Chairs for their feedback and guidance on 1) the concept of the Committee and the associations engaging in such an analysis and 2) the initial results. After a robust discussion, all present agreed that they supported the effort and the direction in which the Committee was proceeding and directed the Committee to continue its analysis, focusing on what the STAPPA/ALAPCO principles "translate" into in real terms, and to present the results at the 2003 Fall Membership Meeting.

III. COMMITTEE REPORTS ON CRITICAL ISSUES AND RELATED DISCUSSION – Sunday, August 3, 2003

Program Funding – Bruce Andersen (Kansas City, KS), ALAPCO Chair of the Program Funding Committee, provided an update on Congressional appropriations activities, reporting that STAPPA and ALAPCO provided testimony to both the House and Senate and that Secretariat staff had met with Congressional staff. The associations requested an increase of \$25 million above the President's request and requested that the increase in the President's budget not be earmarked for air toxics monitoring. Bruce noted that the House had acted and had not included any increases, but had included a prohibition in the bill on EPA's use of statistical analysis when determining health-benefit needs of elderly people. Senate action had not yet taken place. Bruce also reported on the status of EPA's draft Strategic Plan, which is due to Congress in the fall of 2003. The members discussed how to increase ECOS' interest in air grant increases and agreed that they need to better inform the commissioners about the funding problem.

Monitoring – Dick Valentinetti (VT), STAPPA Chair of the Monitoring Committee, reported that many states had not expended funds that had been appropriated for monitoring fine particles. Dennis McLerran (Seattle, WA), ALAPCO Committee Chair, expressed concern that the unspent funds could result in subsequent reductions by EPA in monitoring funding. Dick noted that it was possible that states were expending the funds, but not charging to the fine particulate monitoring grant, resulting in an accounting inaccuracy rather than money unspent. He also noted that \$44 million was planned for fine particle monitoring over the next five years, including \$32 million for state and local agencies and \$12 million for the speciation contract (which, in turn, includes \$1 million for the national speciation lab.)

Dick next discussed air toxics monitoring, spending for which will be \$10 million under section 103, including grants of \$500,000 for four cities, and a contract to LADCO. Dick's main concern was that this will be allocated to states

in accord with competitive grants, rather than going to the regional EPA offices for distribution. He also noted that Sally Shaver of EPA OAQPS has stated that the monitoring funds should go to “community-based monitoring,” but has not given any indication of what this means. Dennis stated that he and Dick had requested that EPA put the air toxics funds into the 105 grants, but that EPA had not concurred. It was agreed that the Air Toxics and Monitoring Committees would draft a letter urging EPA to allocate the money to the regions for distribution.

Training – Brian Jennison (Lane County, OR), ALAPCO Chair of the Training Committee, said the Training Committee was seeking to increase its section 105 off-the-top base funding from \$1.8 million to \$2.125 million, as \$2.125 million is a sustainable level of funding. However, he was not putting the matter to a vote as training is forward-funded and thus the \$2.125 million that was approved for Fiscal Year 2003 would carry the providers through September 2004. Some attendees thought that the matter should be put to a vote. However, after much discussion, the Boards agreed that STAPPA and ALAPCO should ask EPA if the agency would agree to 1) take \$167,500 of the section 105 money that Congress specified should be used for air toxics monitoring and use it for training on air toxic and 2) supply the remaining \$167,500 for training from EPA money. (This tracks the decision reached in Fiscal Year 2003, when states agreed to fund half of the \$325,000 increase with section 105 money and EPA agreed to pay the other half.) If EPA does not agree to this, the Training Committee will raise the issue again with the Boards at the October membership meeting.

Brian also distributed a draft training statistics chart prepared by the Training Committee’s Training Statistics Subcommittee, which provides a snapshot of what activities are funded with the training grants, by provider.

External Relations – Norm Covell (Sacramento, CA), ALAPCO Chair of the External Relations Committee, announced the selection of the new STAPPA Committee Chair – Dave Shaw of New York. Norm then summarized a day of meetings that he and Mary Sullivan Douglas (STAPPA/ALAPCO) attended with representatives from international organizations and offices at EPA. Those groups expressed interest in working with state and local air agencies in their efforts. Norm also described the next monitoring donation effort, which will attempt to obtain used monitoring equipment for Panama. Finally, he noted that the Commission for Environmental Cooperation is working on an information clearinghouse for BACT, which would include information from Mexico, Canada and the United States.

New Source Review – John Paul (Dayton, OH), ALAPCO NSR Subcommittee Chair, reported on the following developments in new source review: 1) STAPPA and ALAPCO presented testimony at all five EPA hearings on the NSR Routine Maintenance, Repair, and Replacement proposal, expressing serious concern and requesting that EPA rescind the rule; 2) STAPPA and ALAPCO sponsored an NSR Workshop in Arlington, Virginia on May 28 and 29; 3) development of STAPPA/ALAPCO’s NSR menu of options is proceeding well (examples of the

draft in progress were included in the meeting briefing book); 4) EPA had announced reconsideration of six aspects of the December 21, 2002 rulemaking; 5) NSR court cases were in progress; and 6) various multi-pollutant bills in Congress include NSR-related provisions.

John then discussed NSR components of the proposed 8-hour ozone implementation rule and noted that there had recently been a conference call to discuss the need for guidance for states seeking to establish new PSD baseline areas or to redefine existing baseline areas.

Mobile Sources and Fuels – Eric Skelton, ALAPCO Chair of the Mobile Sources and Fuels Committee, highlighted key activities in which the Committee is engaged. Eric first apprised the group that STAPPA and ALAPCO had analyzed EPA's proposed nonroad diesel engine rule and presented testimony at EPA's three public hearings in June and would be submitting comprehensive written comments to the agency by August 20, 2003. Eric noted that although the associations firmly support the proposal, there were several significant items on which they would express concerns and offer recommendations, which he identified and explained. Eric urged members to review and provide feedback on the associations' draft comments once they are distributed. Next he reported to the group on the associations' efforts to convene a Clean School Bus Workshop on November 2, 2003 in Chattanooga, in response to the Boards' request at their Spring Meeting. Eric directed members to a draft agenda in their notebooks and urged them to attend the workshop and to send their staff as well. He also encouraged their attendance at STAPPA and ALAPCO's 21st North American Motor Vehicle Emissions Control Conference, November 2-5, 2003 in Chattanooga, to be hosted by the Chattanooga-Hamilton County Air Pollution Control Bureau. Eric then asked Nancy Kruger (STAPPA/ALAPCO) to report to the group on the associations' recent efforts regarding transportation conformity. Nancy explained that the National Governors Association had revisited its transportation conformity policy, in follow-up to discussions it had held over the winter, and that governors' staff had reached agreement on policy changes that would be considered at the NGA meeting in August. Nancy noted that she and Bill Becker had sat in on NGA Staff Advisory Committee meetings during which policy changes were discussed, but that their input had not been welcome. Several Board members and Chairs who had also taken part in NGA's discussions on behalf of their respective states raised significant concerns with both conformity policy changes, as well as with the process. Next, Nancy reported on congressional activity related to transportation reauthorization, noting that the associations had taken part in a press briefing in June to raise concerns over a draft set of environmental provisions and that they were continuing to engage in the legislative process.

Stratospheric Ozone and Global Warming – Art Williams (Louisville, KY), ALAPCO Chair of the Stratospheric Ozone and Global Warming Committee, reported that scientific developments continue to underscore the need to take action on climate change. Given this, state and local authorities that want to be

proactive on climate change can use innovative planning tools like STAPPA/ALAPCO's innovative software tool, the Clean Air and Climate Protection Software. STAPPA and ALAPCO held a press conference to announce the release of the software on April 29 in Washington, DC, and have held four free training sessions across the country so far in Denver, Chicago, Boston and Atlanta. The final training session will be August 5 in San Francisco. The software will soon be available for download from STAPPA/ALAPCO's website for free, and software support for members will also be freely available.

A number of states are taking action on climate change. Maine's governor signed legislation in May requiring the state to reduce its greenhouse gas (GHG) emissions. Connecticut has embarked on developing a climate change action plan, with strong support from its governor. New York will adopt California's GHG motor vehicle emission standard and a Renewable Portfolio Standard, so that by 2010 25 percent of electricity purchased in New York will come from renewable sources. On June 4, Attorneys General from Connecticut, Maine and Massachusetts filed suit in federal district court in Connecticut against EPA for its failure to regulate CO₂ under the Clean Air Act. Northeast and Mid-Atlantic governors have agreed to work together to develop a regional strategy to address CO₂ emissions from power plants. NESCAUM is exploring developing its own GHG registry, probably linked to California's existing climate registry.

Art concluded by reporting on international activity related to climate change.

IV. Development of Fall Membership Meeting Agenda – Monday, August 4, 2003

The members discussed a list of suggested session topics for the STAPPA/ALAPCO 2003 Fall Membership Meeting, which will take place in San Francisco, California in October 2003. They discussed the most effective way of including EPA management and ECOS representatives in the meeting (e.g., as session participants or lunch speakers). They agreed to invite the EPA OAR office directors to participate on a panel. The members also expressed interest in having a session on public health, as those discussions have been very interesting in the past. The members also decided not to schedule concurrent sessions at the meeting. They approved the amended list of sessions for the meeting.

V. Miscellaneous – Monday, August 4, 2003

Financial Statements – Bill Becker, Executive Director of STAPPA/ALAPCO, reviewed the associations' financial statements. In short, the associations are doing well, with a strong cash position, significant assets and minimal liabilities. The associations' grant from EPA expires September 30, 2003, but since STAPPA and ALAPCO obtained a three-month no-cost extension on the

previous grant, there is significant funding left under the current grant. Therefore, STAPPA and ALAPCO will again seek a no-cost extension, but will need to provide EPA a plan for what the associations intend to spend the money on. The grant STAPPA and ALAPCO received to produce the Clean Air and Climate Protection Software still has a significant amount of money remaining and the associations have requested a no-cost extension through August 31, 2004.

STAPPA Dues – Bill Becker, Executive Director of STAPPA/ALAPCO, reported that a few states had decided to change the method by which they pay their dues to STAPPA and that, two states had requested that they pay a reduced level of dues. Specifically, Utah and Wyoming requested that instead of EPA taking their dues off the top of 105 funds and sending them to STAPPA, they would prefer the funds be sent to them, and they will send their full amount to STAPPA. Texas and Ohio are requesting that EPA send their section 105 funding to them, and that they be able to send a reduced amount to STAPPA, because they are experiencing budget problems. After much discussion, the Board agreed on the following course of action: Bill would advise Texas and Ohio that STAPPA is willing to work with them to address their budget issues by billing them and giving them additional time – up to a year – to pay their full dues. Finally, Bill advised the group that Colorado had decided it would no longer pay its dues and will withdraw from STAPPA beginning October 1, 2003.

Future Meeting Locations and Dates – The fall membership meeting will be October 18-22, 2003 at the Pan Pacific Hotel in San Francisco, California. STAPPA and ALAPCO are exploring holding the winter Board meeting at Kiawah Island, South Carolina, either the last weekend in January or the first weekend in February 2004. Participants discussed holding the spring 2004 membership meeting in Phoenix, Arizona. After some discussion, it was agreed that the associations would explore locations in the Southeast instead. It was also agreed that associations would explore locations in the Northwest for the summer 2004 Board Meeting. The fall 2004 membership meeting will take place in Coeur d'Alene, Idaho.

The STAPPA/ALAPCO Board of Directors and Committee Chairs 2003 Summer Meeting was adjourned.

AGENDA

STAPPA AND ALAPCO BOARDS OF DIRECTORS AND COMMITTEE CHAIRS SUMMER MEETING

August 2-4, 2003
Kandahar-The Lodge at Big Mountain
P.O. Box 278
Whitefish, Montana 59937
(406) 862-6098

Saturday, August 2, 2003

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| 7:00 a.m. – 8:00 a.m. | Registration and 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">• Public Education and Communications (15 minutes)• Agriculture (30 minutes)• Criteria Pollutants (30 minutes)• Enforcement (15 minutes) |
| 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">• Air Toxics (30 minutes)• Energy (60 minutes) |

Sunday, August 3, 2003

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| 7:00 a.m. – 8:00 a.m. | 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">• Program Funding (30 minutes)• Monitoring (45 minutes)• Training (30 minutes)• External Relations (15 minutes) |
| 10:00 a.m. – 10:15 a.m. | Break |

Sunday, August 3, 2003 (continued)

10:15 a.m. – 12:15 p.m.

Committee Reports on Critical Issues and Related Discussion

- New Source Review (60 minutes)
- Mobile Sources and Fuels (30 minutes)
- Stratospheric Ozone and Global Warming (30 minutes)

Monday, August 4, 2003

7:00 a.m. – 8:00 a.m.

Breakfast

8:00 a.m. – 9:00 a.m.

Development of Fall Membership Meeting Agenda

9:00 a.m. – 10:00 a.m.

Miscellaneous

- Financial Statements
- Update on States Paying STAPPA Dues
- Future Meeting Locations and Dates
 - *2003 Fall Membership Meeting
San Francisco, California (confirmed)*
 - *2004 Winter Board Meeting
Charleston, South Carolina*
 - *2004 Spring Membership Meeting
Phoenix, Arizona*
 - *2004 Summer Board Meeting
Colonial Williamsburg, Williamsburg, VA*
 - *2004 Fall Membership Meeting
Coeur d' Alene, Idaho*

10:00 a.m. – 11:00 a.m.

New Business

11:00 a.m.

Adjourn