

MINUTES

STAPPA AND ALAPCO BOARDS OF DIRECTORS AND COMMITTEE CHAIRS SUMMER MEETING

July 24-26, 2004
Hotel Vintage Plaza
Portland, Oregon

I. Introductions – Saturday, July 24, 2004

STAPPA President Jim Joy (SC) opened the meeting and asked everyone to introduce himself or herself. In addition to Jim, STAPPA Board Members present were Colleen Cripps (NV), Lloyd Eagan (WI), Andy Ginsburg (OR), Shelley Kaderly (NE), Bill O'Sullivan (NJ), Terry O'Clair (ND), Nancy Seidman (MA) and Eddie Terrill (OK). ALAPCO Board Members present were Cory Chadwick (Cincinnati, OH), Brian Jennison (Lane County, OR), Ursula Kramer (Tucson, AZ), John Paul (Dayton, OH) and Christine Robinson (Las Vegas, NV). Committee Chairs present were Mary Boyer (CA), Norm Covell (Sacramento, CA), Lynne Liddington (Knoxville, TN), Brock Nicholson (NC), Doug Quetin (Monterey, CA), Eric Skelton (Spokane, WA), Dick Valentinetti (VT) and Art Williams (Louisville, KY). The meeting agenda is attached.

II. Committee Reports on Critical Issues and Related Discussions – Saturday, July 24, 2004

Permitting

Ursula Kramer (Tucson, AZ), ALAPCO Co-Chair of the Permitting Committee, asked Board Members and Committee Chairs to encourage their staff to attend the STAPPA/ALAPCO Permitting Workshop on September 28-29, 2004 in Kansas City, Missouri. She provided an update on the Title V review process that EPA is conducting with the Clean Air Act Advisory Committee. Shelley Kaderly (NE), who is on the Title V panel, said that the panel has discussed developing a survey of state agencies on key issues and may approach STAPPA and ALAPCO to help in administering the survey. She urged people to submit comments through the docket or present testimony to the panel.

New Source Review

John Paul (Dayton, OH), ALAPCO Co-Chair of the NSR Subcommittee, spoke about EPA's Notice of Reconsideration of the Final Prevention of Significant Deterioration Rule and indicated that STAPPA and ALAPCO would submit comments. The members then discussed the pending NSR court cases and their status. John noted that STAPPA and ALAPCO continued to work on the nonattainment elements of the Menu of Options. The members discussed their agencies' respective schedules for developing NRS rules.

Agriculture

Shelley Kaderly (NE), STAPPA Co-Chair of the Agriculture Committee reported that EPA has not yet released the safe harbor agreement with the animal farming operation industry. The Committee is still seeking \$75,000 from EPA to fund its emission factor research proposal and may seek funds elsewhere if EPA does not provide funding. Doug Quetin (Monterey, CA), ALAPCO Co-Chair of the Agriculture Committee, provided an update on activities in California in moving forward with the legislation that removed the permitting exemption for agriculture activities. He noted that CAPCOA should be issuing in September a list of what measures constitute BART and BACT for agriculture.

Energy

John Paul (Dayton, OH), ALAPCO Co-Chair of the Energy Committee, recapped for the Boards and Committee Chairs the Committee's efforts during the fall and winter to analyze the associations' May 2002 multi-pollutant principles, to determine what national emission caps for NO_x, SO₂ and mercury would result if the principles were applied in practice. This comprehensive effort was completed in March 2004. John advised the group that the Committee is now evaluating next steps for its activities. He further noted the Committee's recommendation that the 2004 Fall Membership Meeting include presentations on technologies for coal-fired power plants.

Monitoring/Funding

Andy Ginsburg (OR), STAPPA Co-Chair of the Program Funding Committee, provided an update on Congressional appropriations activities, then gave a summary of the results of the survey of the members regarding whether monitoring funds currently granted under Section 103 should be granted under Section 105. He noted that the responses were too mixed to justify taking action. However, he recommended that the Program Funding Committee pursue discussions with the members about the merits of the matching and Maintenance of Effort provisions in the Clean Air Act. The members discussed some of the issues related to shifting funds from the Section 103 to Section 105 pots. Dick Valentinetti (VT) expressed concerns about the fact that EPA is continuing to grant some of the air toxics monitoring funds on a competitive basis and indicated that STAPPA and ALAPCO had asked that those funds be distributed to the regions under Section 105 authority. Following a discussion, the Boards agreed that the Monitoring Committee should draft a letter similar to the one sent to EPA last year, recommending that the air toxics monitoring funds be distributed to the regions under Section 105. It was agreed that the Presidents should sign the letter, once it has been approved by the Program Funding Committee.

Training

Mary Boyer (CA), STAPPA Co-Chair of the Training Committee, provided an update on training activities. The 2005/2006 Training Needs Assessment Survey was completed in March 2004. EPA is conducting a Training Benchmarking Study; the agency has said it will not make any decisions on training funding until the study is completed, which is expected to be at the end of 2004. The Joint Training Committee (JTC) met in March 2004 to allocate training funding. A total of \$2.125 million was

allocated at the meeting since the Board had approved an increase of \$325,000 for FY 2005 training activities.

Brian Jennison, (Lane County, OR), ALAPCO Co-Chair of the Training Committee, then provided an update on training funding. After the JTC meeting, EPA informed STAPPA and ALAPCO that it could not implement the Boards' decision to increase by \$325,000 funding for FY 2005 training activities because EPA had already distributed the FY 2004 funding (which is used to fund FY 2005 training activities) to the regions. However, Steve Page, Director of EPA's Office of Air Quality Planning and Standards, did agree to provide \$162,500 in EPA funds toward FY 2005 training. Accordingly, the Training Committee requested that the Program Funding Committee approve the following: increase by \$325,000 – from \$1.8 million to \$2.125 million – the amount of FY 2005 funds provided for training (since the associations' previous decision to increase training funding by \$325,000 from FY 2004 funds could not be implemented). Half of this increase – \$162,500 – would be used for FY 2005 activities, with EPA funds constituting the other half. Thus training activities for FY 2005 would be funded at \$2.125 million. The other half of the increase would be used for FY 2006 training activities, so \$1,962,500 would be allocated for FY 2006 training activities. The group also agreed that the associations should continue to press EPA to provide more funding for training. This proposal was unanimously approved by the Program Funding Committee (comprised of the STAPPA and ALAPCO Boards of Directors and Committee Chairs).

Air Toxics

Lloyd Eagan (WI), STAPPA Co-Chair of the Air Toxics Committee, reported that EPA had issued several MACT rules that include risk-based exemptions and had recently proposed another one. She summarized some of STAPPA and ALAPCO's concerns with those provisions and indicated that it is possible several environmental groups will sue EPA. The members indicated that the Air Toxics Committee should monitor what other groups are doing and determine what STAPPA and ALAPCO's options are with respect to participating in legal action. Lloyd then provided a status of EPA's residual risk rule development and noted that state and local agencies have not had the input that industry groups have had. She requested volunteers to work with EPA on the risk-related issues. Several members offered assistance. Lloyd then outlined a new STAPPA/ALAPCO project to develop a model polyvinyl chloride rule for state and local agencies wishing to adopt a more stringent rule than the one EPA recently issued. Finally, Lloyd indicated that the associations may want to start considering what their next steps will be if EPA issues an inadequate rule to control mercury from utilities.

III. Committee Reports on Critical Issues and Related Discussions – Sunday, July 25, 2004

Criteria Pollutants

Brock Nicholson (NC), STAPPA Co-Chair of the Criteria Pollutants Committee, noted that STAPPA and ALAPCO commented on EPA's supplemental proposal on the interstate transport rule. He provided an update on the menu of options STAPPA and ALAPCO are developing for reducing emissions of PM_{2.5} and PM_{2.5} precursors.

Discussion then turned to PM_{2.5} designations. EPA recommended that 243 counties be designated as nonattainment (10 partial) for PM_{2.5}, whereas states recommended that 141 counties (8 partial) be designated nonattainment for PM_{2.5}. EPA looked at nine factors in deciding its recommendations, but focused mostly on air quality and emissions, using a weighted emissions score it developed to take multiple PM_{2.5} pollutants into account. Lynne Liddington (Knoxville, TN), ALAPCO Co-Chair of the Criteria Pollutants Committee, led a discussion that centered on the weighted emissions score. Some attendees expressed concern about the metric, in particular as to whether it was being used consistently and that EPA informed STAPPA and ALAPCO that it was using this metric only after states had submitted their recommendations.

NAS Report on Air Quality Management in the U.S./EPA CAAAC AQ Management Work Group

Bill Becker (STAPPA/ALAPCO) explained that EPA established the Air Quality Management (AQM) Work Group under the Clean Air Act Advisory Committee in order to examine the recommendations in the National Academy of Sciences' Report on Air Quality Management in the U.S. and to suggest follow-up action to implement the recommendations. He referred to documents in the meeting books that explain how the AQM work group is set up and lay out the timeline, noting that the work group has an ambitious schedule. Brock Nicholson (NC) discussed the presentation he made for the Center for Clean Air Policy, in which he outlined his ideas for restructuring the air quality management system. Bill noted that he had asked STAPPA and ALAPCO members for suggestions for improving the SIP process and forwarded those suggestions to Janet McCabe (IN), Co-Chair of the AQM Work Group. Members asked if Janet could share what she forwarded to EPA. Several attendees expressed interest in participating on the AQM Work Group and it was agreed that this would be raised with Greg Green, Deputy Director of EPA OAQPS, when he attended the Board/Committee Chairs Meeting the following morning (Greg co-chairs the AQM Work Group with Janet McCabe.)

External Relations

Norm Covell (Sacramento, CA) discussed the results of the survey that had been distributed at the last membership meeting gauging the members' interest in attending a workshop on "Working Effectively with Tribal Governments." Based on the responses to the survey, Norm recommended that STAPPA and ALAPCO consider including a session on this issue at a future membership meeting. The members then discussed their interest in inviting other North American air agencies (e.g., Canadian) to future membership meetings. Mary Sullivan Douglas (STAPPA/ALAPCO) then provided a demonstration on the soon-to-be-completed Clean Air World and STAPPA/ALAPCO Public websites. She showed some of the features and explained the purpose of each of the associations' sites. The members discussed some options for making Air Web more secure and agreed that they are in favor of a more secure system including passwords.

IV. Development of Fall Membership Meeting Agenda – Sunday, July 25, 2004

Board Members and Committee Chairs discussed the agenda for the STAPPA/ALAPCO 2004 Fall Membership Meeting, which will be held October 23-27, 2004 in Coeur d'Alene, Idaho. They reviewed a list of suggestions from the staff regarding possible sessions and topics and also discussed what types of sessions have

been successful in the past and which topics would be most timely for the Fall Meeting. After discussing several topics, making suggestions and stating preferences about how the draft agenda might be changed, they directed the staff to develop an agenda for the membership meeting to include sessions on the latest information from EPA's Office of Transportation and Air Quality and Office of Air Quality Planning and Standards, the National Academies of Science report on air quality management in the U.S. and EPA's response, federal enforcement activities, issues related to fires and burning, PSD reform, environmental justice, technology innovations and innovative state and local initiatives.

VI. Miscellaneous – Sunday, July 25, 2004

Name Change

Bill Becker reiterated some of the difficulties associated with STAPPA/ALAPCO's lengthy and complicated name. He summarized a discussion he had with a public relations expert who counseled the associations to consider merging, as well as simplifying the name, since outsiders consider the two associations to be one. The members had a lengthy discussion about the pros and cons of combining the associations into one. Several members outlined some of the serious concerns they have with the idea, including that one association may subsume the other, if the two groups are merged.

The members discussed whether the by-laws and voting procedures could be written to reflect the fact that there are two types of members, thereby preserving some of the benefits of having two associations without the confusion. The group agreed that further exploration and discussion are needed to determine if this action is one that would benefit the organizations. They agreed that the Presidents and Vice Presidents should develop a list of issues and interests related to the ideas of merging and changing the associations' names. They would then share it with the Boards to get feedback.

Consideration of STAPPA/ALAPCO Tuition Reimbursement Policy

The Boards of Directors reviewed a draft STAPPA/ALAPCO Tuition Reimbursement Policy (distributed in advance of the meeting and also included in the meeting notebooks), developed in response to the Boards' direction at a previous meeting. After discussing several minor changes and clarifications, the Boards unanimously approved the policy.

Financial Statements

Bill Becker (STAPPA/ALAPCO) provided an overview of each of the financial statements that had been provided to the Boards of Directors, including STAPPA and ALAPCO's individual financial statements and grant reports for the Secretariat's operating budget and for the greenhouse gas grant. The Boards then discussed the status of the states that have not contributed to the associations.

Future Meeting Locations and Dates

Bill Becker (STAPPA/ALAPCO) reviewed future meeting locations and dates. The 2004 Fall Membership Meeting will take place in Coeur d'Alene, Idaho, October 23-27, 2004. The 2005 Winter Boards of Directors and Committee Chairs Meeting will take place January 28-31, 2005, in Clearwater, Florida. The Spring 2005 Membership meeting will take place in Madison, Wisconsin.

Discussion then turned to where the Boards of Directors and Committee Chairs should meet in the summer of 2005. The following locations were proposed as possibilities: Tahoe, Nevada; Monterey, California; Jackson Hole, Wyoming; Burlington, Vermont; Duluth, Minnesota; and Wilmington, North Carolina. For the membership meeting in the fall of 2005, the overwhelming preference was for Santa Fe, New Mexico; Asheville, North Carolina was mentioned as another possibility.

VII. Draft Negotiated Agreement on Controlling Airport Ground Support Equipment – Monday, July 26, 2004

Arthur Marin (NESCAUM), Marlin Gottschalk (GA), Gary Honcoop (CA) and Diane Franks (MD) – the state representatives to the EPA/FAA airport stakeholder discussions – joined the Boards and Committee Chairs via telephone for a discussion of a draft memorandum of understanding (MOU) on controlling emissions from airport ground service equipment (GSE). (The draft MOU and related background information were provided to Board Members and Committee Chairs in advance of the meeting and also included in the meeting notebooks.)

Bill Becker, who serves on the senior-level steering committee for the stakeholder discussions, provided background on the initiative, noting that when the initiative began almost six years ago, the primary intent was to reduce emissions from aircraft. However, six years later, the sole product of this effort is a draft memorandum of understanding on GSE. Bill reminded the group that Arthur and Gary had presented preliminary elements of the GSE MOU at the 2003 Fall Membership Meeting in San Francisco, at which time the memberships had identified a number of key concerns and indicated they would be interested in further discussion of this issue only if their concerns were addressed. Since that time, the state negotiators had sought to resolve these issues, but the industry negotiators had not been responsive and most of the state/local concerns remained unresolved. The draft MOU now on the table represents industry's "bottom line" and the state negotiators were seeking a vote by the Boards as to whether or not they endorsed the draft MOU. Marlin provided some background on the GSE discussions and overviewed and explained key provisions of the draft MOU.

An open discussion ensued, during which Eric Skelton (Spokane, WA), ALAPCO Co-Chair of the Mobile Sources and Fuels Committee, identified numerous serious concerns with the MOU. Many other Board Members and Committee Chairs voiced their concerns as well. The state negotiators explained that they had worked hard to address the issues being raised, but were unsuccessful in gaining industry agreement; they noted that the negotiation has now concluded and the agreement "is what it is." Art Williams (Louisville, KY), who had originally been part of the stakeholder discussions, but had withdrawn due to lack of progress by the stakeholder group, remarked that the state negotiators had done a great job in the face of very difficult circumstances.

Nonetheless, he observed, the draft MOU represents a bad deal for STAPPA and ALAPCO and that state and local air agencies would have to give up far more than they would get in return; to endorse the MOU or move forward with discussions of it would damage the credibility of the associations. Eric Skelton also acknowledged the hard work of the state negotiators and expressed appreciation for their efforts, but agreed with Art that given the many obvious, significant problems with the MOU, there was no point in spending any more time on this process; others concurred.

The Boards of Directors then voted unanimously (the STAPPA Board by a vote of 9-0 and the ALAPCO Board by a vote of 4-0) against endorsing the MOU and in favor of instructing the state negotiators to end their participation in the negotiations (although Committee Chairs did not vote on this issue, those present unanimously concurred with these decisions). By this vote, the Boards also affirmed their appreciation of the efforts of the state negotiators on behalf of state and local air agencies and their desire for the associations to investigate their options and initiatives for pursuing meaningful reductions in emissions from airports and aircraft. It was also agreed that the Secretariat would set up a membership-wide conference call in September to brief the memberships on the outcome of this discussion and the associations' intention of identifying and pursuing other action(s) to address airport/aircraft emissions.

VIII. Update from EPA's Office of Air Quality Planning and Standards with Greg Green – Monday, July 26, 2004

Greg Green, Deputy Director of EPA OAQPS, explained that he and Steve Page, Director of OAQPS, are trying to change the Office and want to have a better, more collaborative relationship with STAPPA and ALAPCO, like the associations have with the EPA Office of Transportation and Air Quality. He said that there will be organizational changes in OAQPS by the end of this year and changes in OAQPS' foci, and he invited STAPPA and ALAPCO to be part of this process. Greg asked that STAPPA and ALAPCO bring specific issues and recommendations to his and Steve's attention. One of the new subdivisions in OAQPS will be innovative and voluntary programs. Greg announced that OAQPS plans to make \$100,000 available at the upcoming Air Innovations Conference (August 10-12, 2004) to fund innovative state and local projects. Attendees commented on Greg's statements and provided their thoughts on his proposals.

Discussion then turned to the AQM Work Group. Greg encourages attendees to participate in the work group, as it is a way to provide specific recommendations to EPA. He said if people are interested in participating, to send their names to him.

The idea of a STAPPA/ALAPCO/EPA retreat was then discussed. It was decided to explore piggybacking such a meeting on the STAPPA/ALAPCO 2005 Boards of Directors and Committee Chairs Winter Meeting in January 2005 in Clearwater, Florida.

IX. New Business – Monday, July 26, 2004

John Paul (Dayton, OH) referred members to Tab 6 of their meeting notebooks and encouraged them to review the memorandum from Curt Marshall (Dayton, OH), Co-Chair of the STAPPA/ALAPCO Enforcement and Compliance Committee, on EPA's Information Collection Request (ICR) – seeking comment on adding certain reporting

requirements to the compliance information currently required to be provided by state and local agencies to the AIRS Facility Subsystem – as well as the associations' draft comments on the ICR.

Nancy Seidman (MA), Co-Chair of the STAPPA/ALAPCO Mobile Sources and Fuels Committee, referred members to Tab 6 of their meeting notebooks and encouraged them to review the one-page highlights of the Committee's key activities and issues.

Andy Ginsburg (OR) thanked members for meeting in Portland, Oregon.

The STAPPA/ALAPCO 2004 Boards of Directors and Committee Chairs Summer Meeting was adjourned.

AGENDA

STAPPA AND ALAPCO BOARDS OF DIRECTORS AND COMMITTEE CHAIRS SUMMER MEETING

July 24-26, 2004
Hotel Vintage Plaza
422 SW Broadway
Portland, Oregon
(800) 263-2305

Saturday, July 24, 2004

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| 7:00 a.m. – 9:00 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">• Permitting (30 minutes)• NSR (30 minutes)• Agriculture (15 minutes)• Energy (15 minutes) |
| 10:00 a.m. – 10:30 a.m. | Break |
| 10:30 a.m. – 12:30 p.m. | <u>Committee Reports on Critical Issues and Related Discussion:</u> <ul style="list-style-type: none">• Monitoring/Funding (45 minutes)• Training (30 minutes)• Air Toxics (45 minutes) |

Sunday, July 25, 2004

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| 7:00 a.m. – 9:00 a.m. | Breakfast |
| 8:00 a.m. – 9:45 a.m. | <u>Committee Reports on Critical Issues and Related Discussion</u> <ul style="list-style-type: none">• Criteria Pollutants (30 minutes)• NAS Report on Air Quality Management in the U.S./EPA CAAAC AQ Management Workgroup (30 minutes)• External Relations (45 minutes) |
| 9:45 a.m. – 10:00 a.m. | Break |

10:00 a.m. – 11:00 a.m.

Development of Fall Membership Meeting
Agenda

11:00 a.m. – 12:30 p.m.

Miscellaneous

- Name Change
- Review of STAPPA/ALAPCO Tuition Reimbursement Policy
- Financial Statements
- Future Meeting Locations and Dates

Monday, July 26, 2004

7:00 a.m. – 9:00 a.m.

Breakfast

8:00 a.m. – 9:00 a.m.
Ground

Draft Negotiated Agreement on Controlling Airport

Service Equipment

9:00 a.m. – 10:00 a.m.
and

Update from EPA's Office of Air Quality Planning

Standards with Greg Green

10:00 a.m. – 11:00 a.m.

New Business

11:00 a.m.

Adjourn