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From: Wood, MelanieL
Sent: Thursday, May 22, 2014 1:59 PM
To: R8 RLT
Cc: Bulanowski, Gerard; Deloach, Anthony; Coate, Carson
Subject: Hot Topics for R8 States for WGA - due COB Tuesday, May 27

RLT -

On Tuesday, June 10, Administrator McCarthy will be keynoting the Western Governors' Association Annual Meeting in Colorado Springs, CO).

In preparation for this meeting, **please make send your Hot Topics (all states except UT as we just gathered UT hot topics so I think we are good there unless there is something new) by COB, May 27th.** Please check in with your ARA/DARA to ensure that they are in the loop on the hot topics you submit. As usual, make sure that these topics are as short as possible.

Below are the hot topics that we had gathered as of 3/17 for the NGA. These are the actual format that HQ presented to the Administrator so you can see that there is not a lot of detail. **Please let us know which of these topics we should keep, update or eliminate as well as providing us any new issues. (We have not updated UT in this list yet; Gerard will review the recent UT materials and make updates to those issues).**

Thank you and sorry for the short notice.

Melanie

COLORADO (Governor John Hickenlooper)

- **EPA Study of the Potential Impacts of Hydraulic Fracturing on Drinking Water Resources**: EPA has appreciated the collaboration with Colorado in conducting the case study investigation in the Raton Basin as part of the overall research program for the study. EPA is developing reports and products from individual research activities now, and expects to release a draft of the study synthesis report in December 2014 for public comment.
- **Colorado Water Supply Projects:** Colorado has five or more major water supply projects in various stages of planning or development. Many include trans-basin diversions from west of the Continental Divide across to population centers on the eastern slope. All remove water from river systems already stressed by withdrawals and other uses. Colorado has promoted water conservation over the last decade and its efforts at developing a statewide water supply plan are impressive. We recognize the importance of developing a sustainable water supply for Colorado's residents, agriculture and industry, and we want to be helpful. Region 8 will work closely with Colorado and the Corps and others. As you know, the Agency is working with Colorado and our federal partners to assure that as new supplies are developed, those projects can be accomplished while protecting water quality and aquatic resources.
- **Colorado Energy Projects:** Region 8 has many project and planning level EISs related to oil and gas development throughout Colorado. Five BLM field offices in northwest Colorado are in the process of updating their Resource Management Plans, with reasonably foreseeable development estimates over the next 20 years totaling in the tens of thousands of new wells. EPA is working closely with Colorado BLM in support of its statewide air modeling study (the Colorado Air Resources Management Modeling Study, or CARMMS), which will support both project and land use planning efforts in the future and take advantage of economies of scale for air modeling efforts.

MONTANA (Governor Steve Bullock)

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- **Libby Asbestos Superfund Site**: A final remedy will be developed after a risk assessment is completed. EPA is working with MTDEQ to transition to Operations and Maintenance at this site. MDEQ has expressed concern about the timing of this transition and the magnitude of future O&M activities.
- **One-Hour SO2 National Ambient Air Quality Standard (NAAQS) Designation for the Billings, Montana Area:** EPA designated a portion of Billings, Montana as nonattainment for the 2010 SO_2 NAAQS in a final rule published 8/5/13 which is associated with a single source: PPPG-Montana's Corette coal-fired power plant. Montana Sulphur & Chemical Company and Treasure State Resource Industry Association petitioned EPA to reconsider the Billings SO_2 nonattainment designation. EPA is currently drafting a response to these petitions.
- **Bakken Oil Shale Development:** Significant increases in exploration, development and production of oil and gas have occurred in the Bakken shale formation within the Williston Basin. EPA Region 8 has developed a comprehensive strategy to identify, investigate and address the most significant environmental impacts in the field.

NORTH DAKOTA (Governor Jack Dalrymple)

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SOUTH DAKOTA (Governor Dennis Daugaard)

- **Proposed Powertech (USA) Inc. Dewey Burdock Uranium In-Situ Recovery Site**: The Nuclear Regulatory Commission and the South Dakota Department of Environment and Natural Resources are the lead agencies for the Dewey Burdock proposed uranium in-situ recovery site in South Dakota to be built and operated by Powertech (USA) Inc. Since EPA has primacy for UIC Class II and V wells, EPA expected to issue a draft UIC permit decision in April 2014 with a 60 day comment period.

UTAH (Governor Gary Herbert)

- **Applicability of EPA Indian Country NSR Rule**: Utah has asked about the effect of the *Oklahoma* case on NSR permitting in Indian country in Utah, particularly with regard to whether oil and gas production facilities need to obtain NSR permits from EPA, a tribe, or the State of Utah. In brief, within reservations in Utah, the *Oklahoma* case does not disturb the status quo. However, for any non-reservation areas of Indian country in Utah, the *Oklahoma*

Ex. 5 Deliberative Process (DP)

- **24-hour $PM_{2.5}$ SIP**: EPA designated the 5-county Salt Lake area non-attainment for the 24-hour PM2.5 NAAQS. A Jan. 2013 Court order set a CAA attainment date for Subpart 4 of 12/31/15 with an extension to 12/2019 for serious areas. A PM2.5 SIP narrative was submitted on 12/14/12 and additional aspects was submitted on January 2014. EPA has proposed a new due date for the SIP of 12/31/14.
- **Uinta Basin**: The basin has high levels of ozone in the winter months and may be designated as nonattainment in the next ozone NAAQS designation cycle (approximately 2016). On 12/12/13, EPA issued a proposal to extend the deadline from 9/2/14 to a date range between 9/2/15 and 3/2/16 for oil and gas sources in Indian Country to obtain minor source NSR permits prior to commencing construction. EPA is working on a general a general permit for true

Ex. 5 Deliberative Process (DP)

- **Tier 3**: Gov. Herbert said UT will accelerate its transition to Tier 3 gasoline and lower-emission vehicles. Region 8 understands the strong need to improve air quality along the Wasatch Front (more than 100 miles between Provo and Ogden) and is scheduling a consultation with the Governor's Environmental Advisor and the UDEQ Executive Director regarding the options Utah does and does not have in this area
- **Nutrient Pollution**: EPA has been working closely with UDEQ as they develop nutrient reduction approaches that include: 1) development of numeric nutrient criteria for headwater rivers/streams; 2) technology based limits for

larger permitted facilities; 3) nutrient targets for impaired waters in which total maximum daily loads are being developed; and 4) site specific nutrient standards for other waters. Regional staffs are participating on the nutrient workgroup in UT and are encouraged by the direction the group is taking to address nutrient reductions.

WYOMING (Governor Matt Mead)

- **Regional Haze**: The final rule on the NOx portion of Wyoming's regional haze plan was signed on 1/10/14 and published in the Federal Register on 1/30/14. The final rule is a partial approval and partial disapproval with a corresponding Federal Implementation Plan (FIP) that requires selective catalytic reduction (SCR) as Best Available Control Technology for NOx at five coal-fired electrical generating units. Industry, the state, and environmental groups commented adversely on our June 2013 re-proposal. The state strongly objected to EPA disapproving parts of its NOx plan and putting a FIP in place.

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