

**HOUSTON-GALVESTON AREA EMISSION REDUCTION CREDIT ORGANIZATION
(AERCO)**

MEETING SUMMARY

August 04, 2010
H-GAC Conference Room C, 2nd Floor
3555 Timmons Lane, Suite 120
Houston, Texas 77027

MEMBERS PRESENT:

Adrian Araiza (Via Phone)	John Kush
Brandon Buell	Edward Lewis (Via Phone)
Ed Fiesinger	Mary Jane Naquin
John J. Hebert (Via Phone)	Julie Woodard

PROXY VOTES: *(given to Chairman Ed Fiesinger prior to the meeting)*

Jeanette Rash

STAFF PRESENT:

Brandon Greulich (TCEQ)
Patricia Lawhorn (H-GAC)
Christine Smith (H-GAC)
Crystal Spencer (H-GAC)
Robert Veazie (H-GAC)

MEMBERS NOT PRESENT: *(not represented by a proxy)*

Patrick Bartosh
Mark Bosma
Steve Cernak
Ke Chen
Catarina Cron
Orval Rhoads
Malcolm Richards

CALL TO ORDER

- 1. Chairman Ed Fiesinger officially called the AERCO Board Meeting to order at 2:09 P.M.**
- 2. Chairman Ed Fiesinger Introduction**
 - a. A welcome was presented to all in attendance. The AERCO Board Members present and proxies were announced. Guests and staff present introduced themselves.
- 3. Approval of the February 03, 2010 Meeting Summary**
 - a. The motion to accept the AERCO February 03, 2010 Meeting Summary was seconded and unanimously approved with no amendment.

DISCUSSION ITEMS

- 1. Clean Vehicles Update – Christine Smith, H-GAC**

(Please refer to handout.)

 - a. H-GAC reported that a few reimbursements to school districts were distributed over the past quarter and a number of larger items are soon to come forth. Overall, the Clean Vehicle Program is making good progress.

- b. SEP funds received from TCEQ are lower than usual. Majority of SEP funds received and currently in the AERCO account has been allocated to school districts leaving remaining available fund extremely low.
 - c. H-GAC confirmed that SEP funds can be used for any county in the 8-counties located in the 8 HGB non-attainment regions, unless funds are specified for a certain organization upon fine remittance by the company.
- 2. Clean School Bus Guidelines – Christine Smith, H-GAC**
- a. Previous suggested changes to the Clean School Bus Guidelines were reviewed. Ms. Smith explained each revision and its effects on criteria associated with fund distribution to schools districts, administrative and structural layout, marketing consolidation, efficient application processing, available trainings, and vehicle expected use of life.
 - b. Currently, there is not a reporting rule in place for transportation. Once EPA's MOVES Program is incorporated, the greenhouse gas tracking will be easier to process.
- 3. TCEQ Report – Bandon Greulich, TCEQ**
- a. The Mass Emission Cap and Trade Program (MET) 2009 year had 222 trades which is full term NOx at 4,251.8 tons, with the average price per ton of \$628, where as the current was \$806. Projects are 81% completed.
 - b. The HEC Program 2009 year had 11 trades with 220 tons, with the average price per ton of HRVOC was \$4,717, where as the current was \$2,300. All projects are 100% completed.
 - c. Emission Reduction Credits (ERC) 2009 year had average price per ton NOx is at \$13,500. VOC average price per ton is at \$650.
 - d. Discreet Emission Reduction Credit Program (DERCP) 2009 year had \$1,575 per ton of trade in.

ACTION ITEM

- 1. Acceptance of Financial Report**
(Please refer to handout.)
- a. The motion to accept the AERCO Second Quarterly Financial Report was seconded and unanimously approved.
- 2. Acceptance of Supplemental Environmental Project Funds**
(Please refer to handout.)
- a. The motion to accept the expenditure of \$1,152,481.00 for Brazosport ISD was seconded and unanimously approved.
 - b. The motion to accept the expenditure of \$100,000.00 for Huffman ISD was seconded and unanimously approved.
 - c. The motion to accept the expenditure of \$1,067,840.00 for Pasadena ISD was seconded and unanimously approved.
 - d. The motion to accept the expenditure of \$39,230.00 for High Island ISD was seconded and unanimously approved.

- 3. Proposed Changes to the Structure & Administration of the Clean School Bus Program & Funding Guidelines**
 - a. The action to propose changes to the Structure & Administration of the Clean School Bus Program & Funding Guidelines was motioned, seconded and unanimously approved.
- 4. Acceptance of AERCO Annual Report**
 - a. The motion to accept the AERCO Annual Report for January 01, 2009 thru December 31, 2009 was seconded and unanimously approved.
- 5. Redesignation of Funds Reserved for TxDOT Costs (\$20,053.08) to become General AERCO Funds**
 - a. The motion to accept the Redesignation of Funds Reserved for TxDOT Costs (\$20,053.08) to become General AERCO Funds was seconded and unanimously approved.

OTHER BUSINESS

- 1. Announcements**
 - a.
- 2. Items for Discussion at Next Meeting**
 - a. August 19, 2010 – Clean Air Action Leadership Awards Luncheon
Registration – 11:00 A.M. Luncheon – 11:30 A.M. to 1:00 P.M.
Hilton Americas, 1600 Lamar Street, Houston, Texas 77010
 - b. November 04, 2010 – Clean Air Forum
Sponsored by the Greater Houston Partnership
More information is forth coming.
- 3. Public Comments**
 - a. No public comments were received.
- 4. Next Meeting Date**
 - a. The next AERCO Board Meeting is scheduled for Wednesday, November 03, 2010 at 2:00 P.M.

ADJOURN

- 1. Chairman Ed Fiesinger officially adjourned the AERCO Board Meeting at 2:48 P.M.**

If you have an item you wish to be added to the agenda for a future meeting, please e-mail Mr. Robert Veazie at robert.veazie@h-gac.com.