

HOUSTON-GALVESTON AREA EMISSION REDUCTION CREDIT ORGANIZATION

MEETING SUMMARY

August 05, 2009
H-GAC Conference Room C
3555 Timmons Lane, 2nd Floor
Houston, Texas 77027

MEMBERS PRESENT:

Adrian Araiza (Via Phone)	Ed Fiesinger
Patrick Bartosh	John J. Hebert (Via Phone)
Brandon Buell	John Kush
Catarina Cron	Malcolm Richards

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

Mark Bosma	Edward Lewis
Steve Cernak (called Shelley to forward proxy)	Jeanette Rash
	Julie Woodard

STAFF PRESENT:

Patricia Franco (H-GAC)
Christine Smith (H-GAC)
Shelley Whitworth (H-GAC)

MEMBERS NOT PRESENT:

Mark Bosma (Montgomery County)	Jeanette Rash
Mary Jane Naquin	Orval Rhoads
Mr. Eddie Lewis	Julie Woodard
Mr. Steve Cernak	Ke Chen

CALL TO ORDER:

1. Mr. Ed Fiesinger officially began the AERCO Board Meeting at 2:10pm. He opened by identifying meeting attendees and proxy votes.
2. Mr. Fiesinger welcomed all people in attendance, followed with introduction of AERCO Board Members in attendance.

H-GAC staff present introduced themselves.

MOTION TO APPROVE MINUTES:

1. Mr. Fiesinger motioned for approval of minutes for May 05, 2009.
 - a. 1st Motion to approve-Patrick Bartosh
 - b. 2nd Motion to approve-Malcolm Richards
2. May 05, 2009 Minutes Approved

DISCUSSION ITEMS

1. **Clean Fleet Update – Christine Smith, H-GAC**
 - a. Mrs. Christine Smith reported that a number of invoices were processed through the H-GAC this quarter. Of which, some have cleared and a number of school districts have already been reimbursed (identified on the AERCO Financial Report). School Districts that have been reimbursed are reflected in the Financial Report with a status change from ‘implementation’ to ‘compliance’ phase. In addition, new school districts have been added to the report. Christine Smith chose to highlight Spring ISD in her report for the reason that it was the first school district to purchase a plug-in hybrid school bus.

Question posed regarding the price difference between a clean diesel school bus versus an electric hybrid. Christine reported that a clean diesel school bus costs approximately \$90,000; whereas, an electric hybrid school bus is about \$190,000 dollars.

2. **TCEQ Report – Jay Tonne, TCEQ**
 - a. Jay Tonne was not present to provide a TCEQ report
3. **Status on the New 3rd Party SEP Agreement for Local Government Fleets – Christine Smith, H-GAC**
 - a. This issue is deferred, pending the reschedule of meetings between H-GAC and TCEQ. The action is with TCEQ.

ACTION ITEM

1. **Acceptance of 1st Quarter 2009 Financial Report**
 - a. (Please refer to handout.) Mrs. Christine Smith opened with a brief update of the organization's financials spreadsheet that the AERCO maintains. Bank transactions indicate that four (4) ISD invoices cleared: Danbury ISD, Sheldon ISD, Klein ISD, and Magnolia ISD.
 - b. Christine noted the addition of Spring ISD for their one (1) plug-in hybrid school bus to the SEP report.
 - c. It was noted there was an error in the SEP Quarterly Report. Ed Fiesinger identified that Page 3 was missing the SEP expenditures. Christine Smith responded that this was an oversight on our part and we would rectify this before submitting the report to Sharon Blue at the TCEQ.
 - d. There was a comment that the majority of funds available, noted in the SEP report, are from Brazoria County.
 - e. There are currently applications pending for Brazoria County
 - f. Recently there was a class action settlement that set forth the payment of 3.6M toward the Clean School Bus program. This money has been deposited into the account. These funds should be reflected in the next quarterly report. Christine Smith also stated that the 3.6M was identified to be used for projects specifically in Eastern Harris County, which is defined as including school districts Spring, Aldine, and Houston, and those east of these districts in Harris County.
 - g. Brief questions and comments followed these action items.

The action item was motioned, seconded, and all present were in favor of approval of the Second Quarter 2009 Financial Report.

MOTION TO APPROVE AERCO FINANCIAL REPORT

1. **Acceptance of Proposed TCEQ SEP Language Revision**
 - a. (Please refer to handout.) The action item was deferred until the next quarter, pending a meeting that was rescheduled between H-GAC and TCEQ; therefore this item was .
2. **Acceptance of Supplemental Environmental Project Funds**

- a. There was a comment about the item #4 for Klein ISD. Mr. Fiesinger stated wanted to clarify if the funds were \$20,000 or \$200,000. Christine Smith confirmed that this was a typo on our part and the correct figure for Klein ISD was \$200,000.
 - b. The action item was motioned, seconded, and all were in favor to approve the expenditures for the following ISD's listed below;
 - i. **COLUMBIA BRAZORIA ISD**
10 Engine Retrofits at \$29,810.00
 - ii. **DAMON ISD**
1 Bus Replacement at \$96,962.00
 - iii. **SPRING ISD**
1 Bus Replacement at \$61,097.00
 - iv. **KLEIN ISD**
5 Engine Replacements at \$200,000.00
3. **Acceptance of H-GAC Finance Request for Independent AERCO Bank Account**
- a. There was a question from John Hebert (via phone) as to whether this change would mean that the funds would not be insured by the FDIC, or if they would receive the same protection that funds within H-GAC accounts
 - b. The action item was motioned, seconded, and all present were in favor of approval of opening an independent AERCO bank account under H-GAC

PUBLIC COMMENT:

There were no public comments.

OTHER BUSINESS:

1. **Announcements**

- a. Commute Solutions Month – August, 2009
- b. Clean Air Action Awards Luncheon – August 26, 2009 - Four Seasons Hotel
- c. H_GAC has submitted funding requests to EPA Smartway Program and DOE Clean Cities Program. The latter proposal included a request to leverage the funding received from the Shell settlement, on behalf of three eastern Harris County school districts: Humble, Spring, and La Porte.

NEW BUSINESS:

1. 3rd Party SEP Status Update
2. Status of Bank Account

NEXT MEETING DATE:

The next meeting is scheduled for Wednesday, November 04, 2009 at 2:00 P.M.

ADJOURN:

The meeting adjourned at 2:45 p.m.

If you have an item you wish to be added to the agenda for a future meeting, please e-mail Patricia Franco at patricia.franco@h-gac.com.