

**Bylaws
of the Area Emissions Reduction Credit Organization
for the Houston-Galveston Non-attainment Area**

Article I--Purpose

The purpose of the Area Emissions Reduction Credit Organization (Organization) for the Houston-Galveston ozone non-attainment area is to promote air quality improvement and economic development within the non-attainment area through acquisition and distribution of emission reduction credits. Its activities may include using emission reduction credits to help meet federal reasonable further progress requirements as well as using emission reductions credits to facilitate issuance of air quality permits.

Article II-Geographic Area

The geographic area served by the Organization is the Houston-Galveston non-attainment area, which is currently coterminous with the Houston-Galveston-Brazoria consolidated metropolitan statistical area. This area currently includes the counties of Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller.

Article III--Responsibilities and Powers

The Organization has independent decision-making authority for matters enumerated herein and shall not be required to have its decisions reviewed by the Houston-Galveston Area Council (Council). The Organization may, however, enter into agreements with the Council to provide staff support and other administrative services. The Council will not otherwise be liable for any contracts entered into by the Organization, or any other decision of the Organization. The Organization may: (1) receive and use funds; (2) have an account at the Texas Air Control Board Emission Reduction Credit Bank; (3) acquire emission reduction credits through purchase, donation, or other means; (4) transfer emission reduction credits by sale or other means; (5) identify, evaluate, promote, initiate, and facilitate potential projects and strategies to generate emission reduction credits; (6) provide financial assistance for projects to generate emission reduction credits; (7) employ staff; (8) enter into contracts; and (9) consider project sustainability.

Article IV--Membership

A. The Organization shall have a 15 member Board of Directors representing the general public, large industrial sources of emissions, small regulated businesses, and environmental and economic development interests. Each county in the non-attainment area shall be represented on the Board of Directors. Sub-areas within the non-attainment area will be represented in a manner that reflects the relative contribution of each sub-area to total emissions or potential emission reductions. At least seven of the members shall represent entities and organizations from Harris County.

B. The Organization's Board of Directors will be appointed by the Houston-Galveston Area Council Board of Directors from nominations submitted by individual Council Board members and other interested organizations and officials within the area.

C. Appointed Board members for the Organization will serve three year terms with one-third of the members terms expiring each year. At the initial meeting of the Board, members will draw lots to determine which one-third of its membership serves for one year, which one-third serves for two years, and which one-third serves for three years. All subsequent appointments shall be for three year terms.

D. The Board of Directors for the Organization shall also include an ex-officio, non-voting member from the Texas Air Control Board or any successor agency.

E. Board members shall be eligible to succeed themselves without limitation, and members shall serve until the appointment of their successors.

F. A member of the Board of Directors may be removed for cause by the Houston-Galveston Area Council if the member cannot discharge his or her duties for a substantial portion of the member's term due to illness or disability. A member may also be removed if he or she is absent from more than one-half of the regularly scheduled meetings during a calendar year, unless the absence is excused by a majority vote of the Board of Directors.

Article V--Officers

A. The officers of the Organization shall be a Chair, Vice-Chair, and Secretary-Treasurer elected by a simple majority of those present and voting at the first Board of Directors meeting occurring after September 1 of each year. Officer shall serve one-year terms, without limit.

B. All normal powers of the presiding officer shall be vested in the Chair.

C. The Vice-Chair shall preside in the absence of the Chair, and the Secretary-Treasurer shall preside in the absence of the Chair and Vice-Chair. In the absence of all officers, the presiding officer for that meeting will be named by vote of the Board members present.

D. Upon vacancy of an office through any eventuality, a replacement will be elected from the current Board of Directors membership by majority vote.

Article VI--Quorum

A quorum shall consist of a simple majority of Board of Directors membership.

Article VII--Vacancies

- A. Upon occurrence of a vacancy among the Board of Directors membership, the Houston-Galveston Area Council Board of Directors shall immediately be notified in order that the vacancy can be promptly filled.
- B. When a vacancy occurs, the replacement appointee shall serve the duration of the unexpired term to which he or she is appointed.

Article VIII--Subcommittees and Task Forces

- A. The Organization may be assisted by subcommittees or task forces appointed by the Chair. Members of task forces do not have to be members of the Board of Directors.

Article IX--Conflict of Interest

No Board member may participate in a vote in which the member or the member's employer has a direct financial interest. Whenever such a conflict occurs, the member will declare his or her interest and abstain from voting.

Article X--Procedures

- A. All Board of Directors meetings will be open to the public. Board procedures may provide opportunity for public comment.
- B. All matters of policy, approval of contracts and agreements, transfer of emission reduction credits, or other matters specified by the Board of Directors will be subject to Board of Directors approval. Any matter brought to a vote will be enacted by a simple majority vote of the members present, a quorum being in attendance, except for those matters provided for specifically in other paragraphs of these bylaws.
- C. These bylaws may be amended provided that the members have been provided a copy in writing ten (10) days prior to the meeting at which adoption is requested. Bylaw amendments require an affirmative majority vote of Board members present. All amendments to the bylaws must be approved by the Houston-Galveston Area Council.
- E. The Board of Directors shall meet as necessary to fulfill its purpose.
- F. Board meetings will be conducted in accordance with Roberts Rules of Order, Newly Revised.

**Adopted by the Houston-Galveston Area Emissions Credit Organization Board of Directors:
Approved by the Houston-Galveston Area Council Board of Directors: July 20, 1993**