

MINUTES

May 07, 2008

H-GAC, Conference Room C
3555 Timmons Lane, 2nd Floor
Houston, TX 77027

BOARD MEMBERS PRESENT

Adrian Araiza--Phone (Galveston County), Ed Fiesinger (Brazoria County), John Kush – Phone (Harris County), and Jeanette Rash (Harris County)

PROXY VOTES

Proxies given to the Chair (Ed Fiesinger) prior to the meeting were Patrick Bartosh (Harris County), Mark Bosma (Montgomery County), John Hebert (Liberty County), Alton Porter (Harris County), and Betin Santos (Harris County)

NON-BOARD MEMBERS AND H-GAC STAFF PRESENT

Kelli Angelone (H-GAC), Luke Baine (TCEQ), Ashley Forbes (TCEQ), Graciela Lubertino (H-GAC), Christine Smith (H-GAC), Crystal Spencer (H-GAC), Jay Tonne (TCEQ), and Shelley Whitworth (H-GAC)

CALL TO ORDER AND INTRODUCTIONS

Mr. Ed Fiesinger officially began the AERCO board meeting naming attendees and proxy votes. Mr. Fiesinger welcomed everyone and introduced the AERCO Board Member attendees.

ADMINISTRATIVE BUSINESS

APPROVAL OF FEBRUARY 13, 2008 MINUTES

AERCO board meeting minutes for February 13, 2008 was approved with changes.

DISCUSSION ITEM

CLEAN SCHOOL BUS UPDATE – Christine Smith, H-GAC

i. GUIDELINE CLARIFICATIONS

Ms. Christine Smith began her discussion by informing the committee that slight revisions were made to the Clean School Bus guidelines to clarify different criteria regarding weight and mileage requirements, etc. All of the Clean School Bus guideline changes were previously reviewed by Mr. Ed Fiesinger. The new Clean School Bus guidelines are posted on the Clean School Bus website. No questions or comments followed this discussion.

ii. SEP & FINANCIAL UPDATES

(Please refer to handout.) Ms. Christine Smith began her discussion by informing the committee that she consolidated the SEP Quarterly Report from three reports. Ms. Smith explained the format and setups for the Clean School Bus Financial Summary, AERCO Account Activity, and Clean School Bus Application Status Sheet. Inquiries regarding the new report format were addressed. The discussion continued with a brief consideration of a possible Pilot Program to see how small businesses could participate and contribute to clean up a school bus with retrofits. Brief comments followed this discussion.

CLEAN VEHICLES UPDATE – Christine Smith, H-GAC

Ms. Christine Smith began her discussion by announcing the most current Clean Vehicle Program amounts. H-GAC approved funding for incorporated school districts with ninety-three engines which is equivalent to about fourteen tons per NOx reduced per year and approximately \$775 thousand in CMAQ

funds. Also, a half million dollars of SEP funds were committed for a grand total of grants for the past few months of just over approximately \$1.2 million. Brief comments followed this update.

TCEQ REPORT – Jay Tonne, TCEQ

Mr. Jay Tonne began his discussion by introducing himself to the committee as the replacement for Mr. Steve Sun. Mr. Tonne gave a brief update about TCEQ's programs. TCEQ is currently at their lowest emissions under the current MECT program. Mr. Tonne expounded on TCEQ's trades that occurred within the last five months. TCEQ is currently working with Environ to perform an HRVOC study to access the levels of control for the ACT Program. TCEQ has a potential rural update for the Dallas-Fort Worth region which is a discreet emission reduction program flow control. TCEQ has a potential control strategy which is an engine monitoring alternative for allowing engines in the Houston Region and other non-attainment regions to use output base emission monitoring. TCEQ also have a CAIR Rule Revision in response to the EPA changes. TCEQ had a SIP Stakeholder meeting with comments for potential control strategies for the Houston Region on March 25 & 26, 2008. Should you have further questions, feel free to call Mr. Tonne at (512) 239-1453 or Ms. Ashley Forbes at (512) 239-0493. Copies of Mr. Tonne report will be provided. Brief questions or comments followed the discussion.

DISCUSSION OF BY-LAWS – Ed Fiesinger

Mr. Ed Fiesinger began his discussion by announcing the committee should have received a copy of the Bylaws.

- Mr. Fiesinger noticed Article IV—Membership indicates 15 member Board of Directors representing the general public; however the Annual Reports reflects 18 members. The committee requested that the Bylaws changes be recommended as an Action Item for the next AERCO meeting.
- Mr. Fiesinger questioned Article III—Responsibilities and Powers indicate the Organization may: (1) receive and use funds. Article III does not reflect receiving anything other than ERCs. Mr. Fiesinger concluded that the Article III wording is more of a legal question and recommended that Mr. Kuryla and Mr. Lewis be contacted about the issue to determine whether Article III should be revised.

ACTION ITEM

APPROVAL OF SUPPLEMENTAL ENVIRONMENTAL PROJECT FUNDS FOR:

(Action Item was not approved due to no quorum.)

- PASADENA ISD**
- DANBURY ISD**
- CYPRESS-FAIR ISD**
- GALVESTON ISD**

RECOMMENDED CHANGES & APPROVAL OF THE DRAFT AERCO ANNUAL REPORT

(Action Item was not approved due to no quorum.)

APPROVAL OF DOW SEP PROPOSAL

(Action Item was not approved due to no quorum.)

OTHER BUSINESS

ANNOUNCEMENTS

Advancing the Choice Conference will be on Wednesday, June 18, 2008 at the Stafford Center.

ITEM FOR DISCUSSION AT NEXT MEETING

Alex Cuclis would like to discuss DIAL's potential impacts on the cap and trade program.

PUBLIC COMMENT

No public comments were received.

NEXT MEETING DATE

The next meeting is scheduled for Wednesday, August 06, 2008 at 2:00 P.M.

ADJOURN

If you have an item you wish to be added to the agenda for a future meeting, please e-mail Christine Smith at Christine.smith@h-gac.com.