

MINUTES

February 13, 2008

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

BOARD MEMBERS PRESENT

Adrian Araiza (Galveston County), Patrick Bartosh (Harris County), Steve Cernak (Galveston County), Ed Fiesinger (Brazoria County), Steve Kilpatrick (Brazoria County), John Kush (Harris County), Mary Jane Naquin (Harris County), and Jeanette Rash (Harris County)

PROXY VOTES

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

NON-BOARD MEMBERS AND H-GAC STAFF PRESENT

Luke Baine (TCEQ), Christine Smith (H-GAC), and Crystal Spencer (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 NOVEMBER 07, 2007 MINUTES

AERCO board meeting minutes for November 07, 2007 was approved with changes.

DISCUSSION ITEM

CLEAN SCHOOL BUS UPDATE – Christine Smith, H-GAC

Ms. Christine Smith began her discussion by informing the committee that several items were sent out relating to the Clean School Bus Program. TCEQ's previous Third Quarter Report was amended because several SEPs had been processed by H-GAC's finance department without the knowledge of Air Quality staff. TCEQ's current Third Quarterly Report reflects the correct amounts of SEPs received. The Clean School Bus Program contribution spreadsheet also includes the most current SEPs received and anticipated. Both the Third and Fourth Quarter Reports were submitted to TCEQ. A description of the current project status in the Clean School Bus program is included in the Fourth Quarter Report. Klein ISD is listed as an Action Item to receive four school busses. Angleton ISD has submitted an application for bus retrofits. Waller ISD will receive grant funds from EPA pending finalization of the award, and AERCO will supplement this with SEP funds. Pearland ISD will move forward in the next upcoming quarter. Several questions and comments followed the discussion.

CLEAN VEHICLES UPDATE – Christine Smith, H-GAC

Ms. Christine Smith began her discussion by announcing the most current Clean Vehicle Program amounts. November to January reflects 141 vehicle and/or engines were put on H-GAC Board agenda for replacements. February will reflect an additional 71 vehicles and/or engines for replacements. The Clean Vehicle Program amount for November to February is over \$15 Million from CMAQ funding. Metro had a very large project in January for 100 hybrid busses with a ~100 ton per year NOx reduction. Brief questions and comments followed the discussion.

TCEQ REPORT – Luke Baine, TCEQ

Mr. Luke Baine began his discussion by informing the committee that TCEQ had not heard from the EPA beyond the last update. There is no indication of having changes to the TCEQ Report. No questions or comments followed the discussion.

ORGANIZATIONAL DIRECTION & GOALS – Christine Smith, H-GAC

Ms. Christine Smith began her discussion by asking the committee their expected goals and concerns for AERCO's upcoming year.

Comments:

- All is well with AERCO evolving from being a credit management organization to more of a Clean School Bus funding group.
- AERCO name change was inquired; however, a name change will involve legislation action.
- It was requested to review AERCO's original goals and bylaws from about 3 years ago.
- The Emission Reduction Credit Market is self sustaining and doesn't require a jumpstart. Once EPA approves the DERC Program, it is possible that AERCO could help get it started.
- AERCO should keep doing what it's doing as a 501(c3) organization and give funds to school districts to clean up their bus fleets.

The DERC Program is a mission reduction credit that would generate credits by additional or over controls in a one year period that could be used in subsequent years to help meet compliance. DERC is another form of banking. Extensive questions and comments followed the discussion.

ACTION ITEM

APPROVAL OF SUPPLEMENTAL ENVIRONMENTAL PROJECT FUNDS FOR KLEIN ISD

Klein ISD – Klein ISD is proposing a project with a cost of \$352,000.00 (\$98,514.54 of CMAQ funding, \$6,000.00 of Private Donation funding, and \$248,297.46 of SEP funds.). The motion was to approve the SEP funds for Klein ISD for 4 new school busses. The Board voted in favor of this action.

OTHER BUSINESS

ANNOUNCEMENTS

- Annual Fresh Air Friday Event – April 11, 2008
- Clean Cities Stakeholder Meeting – March 26, 2008

ITEM FOR DISCUSSION AT NEXT MEETING

- School Bus Update
- Clean Vehicle Update
- TCEQ Report
- Address Bylaws
- Voluntary School Bus Painting Update

PUBLIC COMMENT

No public comments available.

NEXT MEETING DATE

The next meeting is scheduled for Wednesday, May 07, 2008 at 2:00 P.M.

ADJOURN