

TEXAS ENVIRONMENTAL RESEARCH CONSORTIUM
MINUTES OF THE BOARD OF DIRECTORS' MEETING

December 11, 2008

The regular meeting of the Board of Directors (Directors) of the Texas Environmental Research Consortium (TERC) was held on Thursday, December 11, 2008 in Houston, TX at the County Judge's Office. Chairman Frels convened the meeting at 1:09 p.m. The Agenda for the meeting is provided herein as Attachment I. Board members attending this meeting in addition to Chairman Frels were The Honorable Ed Emmett, Mr. Jay Barksdale representative and proxy for Mr. Tom Leppert, Mr. Jim Marston, Mr. Ravi Singhania, Dr. Jonathan Ward, and Mr. Karl Pepple representative and proxy for The Honorable Bill White. Additional persons in attendance were Mr. George Beatty, Ms. Ivy Guice, Dr. Jim Lester, Dr. Jay Olaguer, Dr. Yiqun Huang, Mr. Alex Cuclis, Mr. Craig Beskid, Mr. David Brymer, Mr. Greg Nudd, and Ms. Catarina Cron.

The Board took the following actions at the meeting:

- Considered and approved the minutes of October 30, 2008;

- Received and discussed the Chairman's report. Mr. Frels thanked everyone for their participation and adapting to the new meeting time of 1:00 p.m., thus making travel times more convenient for everyone;

- Received and discussed the Executive Director's report. Items covered included: The November ETAC meeting went extremely well and they have added additional individuals due to the number of RFGA's issued; discussion has taken place and a motion would likely be brought forward at the next Board meeting to increase the compensation in the form of an honorarium for some of these members; discussion was held on the challenges of acceptance of the NTRD Technology - there is incentive for installation of the technology, but there is no incentive costs associated with maintenance - EPA is interested in how this will be addressed; there have been two Advisory Council Meetings since October, where they also discussed this challenge of getting the technology to the market place so that we can start getting the credits; Directors and Officers Insurance Policy is due for renewal May 2009, but Mr. Beatty wanted all new Board members to be aware of the policy; discussed the revision of the Science Synthesis document, and asked for comments from the Directors in order that they could be incorporated into the final document; introduced Dr. Yiqun Huang, new Program Director for NTRD.

- Received and discussed the Air Quality report which included a presentation by Dr. Olaguer to the Board entitled "Major Issues in the 2008 TERC Science Synthesis: The Big Picture," highlighting the historical, current and future of TERC's Air Quality program; he announced a workshop is scheduled for January 5, 2009 to finalize the 2009 Science Synthesis document;

- Considered and approved Resolution 2.58, which authorizes HARC to engage persons and entities to complete the following Air Quality projects with the appropriate funding stipulations:
 - H113: Houston Urban Air Composition Characterization Using a Mobile Laboratory and Measurements of HONO at Moody Tower (\$154,696 of State Funds);
 - H114: Occurrence and Distribution of Nitrophenols in Air and Rain Water in Houston and Dallas (\$150,000 of CIAP and/or State funds);
 - H115: Inter-comparison of Solar Occultation Flux (SOF) and Differential Absorption LIDAR (DIAL) Remote Sensing Tools (\$250,000 of State and/or CIAP funds);
 - H116: The Benzene and Other Toxics Exposure (BEE-TEX) Study (\$250,000 of CIAP funds); and
 - H117: PM and Ozone Formation from Toluene and the Importance of “NO_x-sinks” under NO_x-limited Conditions (\$15,000 of CIAP funds).

- Considered and approved Resolution 2.59, which thereby authorizes additional funds of \$195,726 to complete H100 and \$200,000 to complete Phase 2 of H101.

- Received and discussed the NTRD report which included a presentation by Dr. Huang to the Board entitled, “NTRD Update, TERC Board Meeting.”

- Received and discussed the NTRD projects status report. Dr. Yiqun Huang updated the board on the NTRD RFGA 14 and 17 status and the NTRD active projects;

- Considered and approved Resolution 2.60 and thereby authorizes the Houston Advanced Research Center to increase the funding for Motive Project N-12 entitled “Mechanical Variable Injection Timing by Motive Engineering” for a cost of \$37,136;

- Tabled Resolution 2.61 which would increase the funding for Miratech Project N-39 entitled “Emission Reduction Kit for Marine EMD” for a total cost of \$386,570;

- Considered and approved Resolution 2.62, which thereby authorizes Houston Advanced Research Center to develop, publish and issue a Request for Grant Applications for the purpose of receiving proposals from interested parties for the Development, Verification and Testing of Innovative Technologies to Reduce NO_x Emissions from Diesel Powered Equipment and Vehicles; and also authorizes TERC’s Executive Director and the Houston Advanced Research Center to budget and expend up to \$5 million of the NTRD program’s FY 2009 budget to support projects under this RFGA;

- Withdrew Resolution 2.63 which would authorize HARC to develop, publish and issue a RFGA for the verification and testing of NO_x reduction technologies and development of cost effective enabling technologies to reduce NO_x emissions from diesel powered equipment and vehicles;

- Considered and approved Resolution 2.64, which appoints Andrew Trenholm to the ETAC, effective immediately;
- Considered and approved Resolution 2.65, and hereby authorizes the Chairman to execute a contract with HARC for the website services necessary for outreach purposes and compliance with the terms of the contracts to which TERC is a party;
- Received and discussed the financial reports;
- Considered and approved Resolution 2.66, and hereby authorizes the Executive Director and the Houston Advanced Research Center to appoint Blazek and Vetterling LLP to audit the TERC financial statements for 2008;
- Considered and approved Resolution 2.67, and hereby adopts and approves the FY 2009 budget for its Air Quality Research and NTRD programs;
- Considered and approved Resolution 2.68 as amended, and hereby appoints the following directors to an additional 3-year term of service on the Board: The Honorable Chad Adams, Mr. Jim Marston, Dr. Jonathan Ward, and The Honorable Bill White;
- Considered and announced the appointment of the following: Executive Committee: Mr. Kelly Frels, The Honorable Chad Adams, The Honorable Ed Emmett, and Dr. Jonathan Ward; Finance Committee: Mr. Karl Pepple, The Honorable B. Glen Whitley, and a third person to be appointed at the discretion of the Chairman;
- Discussed the Conflict of Interest Policies and forms for 2009;
- Announced 2009 Board meeting will be held meetings will be held March 12, 2009 in Dallas, TX; June 11, 2009 in Houston, TX; September 10, 2009 in Dallas, TX; and December 10, 2009 in Houston, TX.
- The meeting was adjourned at 3:39 p.m.