

TEXAS ENVIRONMENTAL RESEARCH CONSORTIUM

MINUTES OF THE BOARD OF DIRECTORS' MEETING

September 10, 2009

The regular meeting of the Board of Directors (Directors) of the Texas Environmental Research Consortium (TERC) was held on Thursday, September 10, 2009 in Dallas, Texas at the Greater Dallas Chamber of Commerce. Chairman Frels convened the meeting at 1:04 p.m. The Agenda for the meeting is provided herein as Attachment I. Board members attending this meeting in addition to Chairman Frels were Ms. Catarina Cron representative and proxy for The Honorable Ed Emmett, Mr. Jim Marston, Mr. Ronnie Schultz, Mr. Ravi Singhania, Dr. Jonathan Ward, Mr. Neil Strassman representative and proxy for The Honorable B. Glen Whitley. Additional persons in attendance were Mr. George Beatty, Ms. Ivy Guice, Dr. Jim Lester, Dr. Jay Olaguer, Dr. Yiquan Huang, and Mr. Chris Klaus.

The Board took the following actions at the meeting:

- Considered and approved the minutes of June 11, 2009, as corrected;
- Received and discussed the Chairman and Executive Director reports. Mr. Frels reported on the Texas Clean Air Working Group (TCAWG) meeting, adding that Dr. Olaguer had given an outstanding presentation on the SHARP Campaign, the role of radical precursors and the future direction of air quality research. Both Mr. Frels and Mr. Beatty also attended a meeting with TCEQ's Executive Director, Mark Vickery, and his staff to discuss NTRD and Air Quality research. TCEQ advised them that they would be managing NTRD themselves. They talked about the progress TERC has made and lessons learned, suggesting that TCEQ should have a highly qualified leader for their program and an advisory committee as an outside source to help them screen projects. They also discussed the future direction of air quality research, the SHARP Campaign, and the role of radical precursors. TCEQ still needs to appoint another nominee to the TERC Board, and it was suggested that it should be a representative from Austin or San Antonio. There was no indication that TERC was not going to be involved in air research, but it has not been confirmed. Mr. Frels is following up with Mr. Vickery to get something in writing. The Air Quality contract has been extended through December 29, 2009. The NTRD has been extended to August 31, 2011 for the management of the projects that have been contracted out; there are no funds for TERC administration as that portion of the contract expired August 31, 2009.

Mr. Beatty reported on the quarterly meeting with TCEQ. Susana M. Hildebrand, P.E. has been appointed Chief Engineer of the agency; David Brymer has been appointed Director of the Air Quality Division. There have also been changes at the Commission level; a new commissioner has been appointed as well as a new Chairman. The TERC Advisory Council continues to meet, occasionally having someone from the Science Advisory Committee join them. The non-attainment areas of Austin, San Antonio, and East Texas are interested in working with TERC. Mr. Beatty reported that he is meeting with the Greater Houston Partnership to help develop a workshop to let the community

know what TERC has been doing to improve air quality. The workshop would be held either late winter or early spring of 2010.

- Received and discussed the NTRD status report;
- Considered and approved Resolution 2.80 as amended, hereby providing approval for the increase in the scope of work (SOW) for the NTRD projects outlined below, conditional upon the final approval by TCEQ:

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| Quantlogic SOW | Reducing Emissions from Drayage Trucks | Increase in |
| NETT SOW | Low Temperature Off-Road SCR | Increase in |
| NETT SOW | Low Temperature On-Road SCR | Increase in |

- Received and discussed the Air Quality budget report;
- Discussed and approved extending the Executive Director's contract for one year subject to availability of funding;
- Considered and discussed possible appointments to the TERC Board of Directors to fill December vacancies, and include other non-attainment regions, i.e., Austin and San Antonio;
- Considered and approved Resolution 2.81, hereby authorizing the Executive Director to execute a contract renewal with HARC for the website services necessary for outreach purposes and compliance with the terms of the contracts to which TERC is a party, subject to available funding;
- Considered and approved Resolution 2.82, hereby authorizes the Executive Director to execute a contract renewal with HARC for the financial and administrative support services necessary to operate the corporation and comply with the terms of the contracts to which TERC is a party, subject to available funding;
- Received and discussed TERC's financial report;
- Received and discussed the regulatory changes and legal activities relevant to TERC's mission; these included the EPA's proposed NOx rule, greenhouse gas regulation, and consent decrees including monitoring.

The meeting was adjourned at 3:15 p.m.