

## **II. Consideration and Approval of Minutes of the December 14, 2006 Meeting**

**TEXAS ENVIRONMENTAL RESEARCH CONSORTIUM  
MINUTES OF THE BOARD OF DIRECTORS' MEETING – DECEMBER 14, 2006**

The regular meeting of the Board of Directors (Directors) of the Texas Environmental Research Consortium (TERC) was held on Monday, December 14, 2006, in Houston, Texas at the office of Chairman LaBoon. Chairman LaBoon convened the meeting at 2:00 p.m. The Agenda for the meeting is provided herein as Attachment I. Directors attending this meeting in addition to Chairman LaBoon were the Honorable Carl Griffith, the Honorable Chad Adams and Dr. Jonathan Ward. The Honorable Margaret Keliher, the Honorable Ron Harris and Ms. Jan Hart Black participated in the meeting by phone. Additionally, Mr. Karl Pepple and Ms. Catarina Cron served by proxy respectively for Mayor White and Judge Eckels. Additional persons attending the meeting were Mr. George Beatty, Mr. Kelly Frels, Ms. Ivy Guice, Mr. David Hitchcock, Dr. Jim Lester, Mr. Rich Haut, Dr. Jay Olaguer, Mr. Mike Eastland, Ms. Anne Culver, Dr. Rudy Smalings, Ms. Susana Hilderbran and Mr. John Hall.

The Board took the following actions at the meeting:

- Approved the Minutes of the September 21, 2006 meeting;
- Considered and discussed Resolution 2.01 and thereby formally approved TERC's FY 2007 Budget for the Air Quality Research and the New Technology Research and Development (NTRD) Programs;
- Considered and discussed a report by John Hall and Mike Eastland regarding the proposed State Implementation Plans for Houston-Galveston and Dallas-Ft. Worth;
- Received and discussed the Air Quality Research and Budget Report;
- Received and discussed the New Technology Research and Development Program Report;
- Considered and approved Resolution 2.02 regarding the technology projects to fund under Request for Grant Assistance #6;
- Received and discussed a report regarding TERC's programs and various SIP issues as conveyed by the Environmental Protection Agency;
- Received and approved a report from George Beatty and John Hall regarding TERC's priorities for the upcoming legislative session;
- Considered and approved Resolution 2.03 and elected Mr. Kelly Frels as TERC's Board Chairman;
- Considered and approved Resolution 2.04 and commended the Honorable Margaret Keliher;
- Received and discussed the fundraising report from Mr. Beatty; and
- Considered and approved Resolution 2.05 and recognized Chairman LaBoon for his services as TERC's Board Chairman from 2002 – 2006.

The regular meeting of TERC's Board of Directors adjourned at 4:00 p.m. The Board then convened in Executive Session to discuss various personal issues. No actions were taken.

TEXAS ENVIRONMENTAL RESEARCH CONSORTIUM  
BOARD OF DIRECTORS' MEETING  
THURSDAY, DECEMBER 14, 2006 – 2:00 P.M. – 4:00 P.M.  
THE OFFICES OF LOCKE LIDDELL AND SAPP  
700 TRAVIS, SUITE 3500, HOUSTON, TEXAS

**AGENDA**

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| I.    | Convening of Meeting and Introductions   | Chairman Bruce LaBoon |
| II.   | Consideration and Approval of the Minutes of the October 2, 2006 and October 31, 2006 Board of Directors' Meetings (John Hall, George Beatty)  | Directors             |
| III.  | Consideration and Discussion of TERC's FY 2006 Financial Report (Ivy Guice, George Beatty)   | Directors             |
| IV.   | Consideration and Adoption of Resolution 2.01 Approving TERC's FY 2007 TCEQ Budget Regarding the Air Quality Research and New Technology Research and Development Programs (Ivy Guice, John Hall)  | Directors             |
| V.    | Consideration and Discussion of TCEQ's Proposed SIPs for Houston-Galveston and Dallas-Ft. Worth and Potential Follow-up Activities for TERC (Mike Eastland, John Hall)   | Directors             |
| VI.   | Consideration and Discussion of the Air Quality Research Report<br>A. Air Quality Study II Key Findings<br>B. Follow-up Research to the Field Study<br>C. Other Issues<br>D. Budget Report<br>(Jay Olaguer, Jim Lester)  | Directors             |
| VII.  | Consideration and Discussion of the New Technology Research and Development (NTRD) Program Report<br>A. The Status of Projects Approved for Funding To Date<br>B. Responses/Projects to RFGA 7 and 8 and Timeline for Project Selection<br>C. The Bio-diesel Initiative<br>D. Budget Report<br>(Rudy Smaling, John Hall) | Directors             |
| VIII. | Consideration and Adoption of Resolution 2.02 to Ratify Board Approval of Technology Projects Under Request for Grant Assistance #6 (Rudy Smaling, John Hall)  | Directors             |

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| IX.   | Consideration and Discussion of Meetings with the EPA Regarding TERC's Programs and SIP Attainment Issues (John Hall, George Beatty)            | Directors |
| X.    | Consideration and Discussion of TERC's Legislative Priorities for the Upcoming Legislative Session (John Hall, George Beatty)                   | Directors |
| XI.   | Consideration and Adoption of Resolution 2.03 Regarding the Election of Mr. Kelly Frels as TERC Board Chairman (Chairman LaBoon, George Beatty) | Directors |
| XII.  | Consideration and Discussion of TERC's Fundraising Efforts (George Beatty)  | Directors |
| XIII. | Adjournment (4:00 p.m.)   | Directors |

**Executive Session**

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| A. | Consideration and Discussion of Potential Candidates to Fill TERC Board Positions That Will Become Vacant on December 31, 2006 (Chairman LaBoon, George Beatty) | Directors |
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