

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

October 30, 2008

The regular meeting of the Board of Directors (Directors) of the Texas Environmental Research Consortium (TERC) was held on Thursday, October 30, 2008 in Dallas, TX at the Greater Dallas Chamber of Commerce. Chairman Frels convened the meeting at 1:06 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 Chad Adams, Mr. Jay Barksdale representative and proxy for Mr. Tom Leppert, Mr. Jim Marston, Mr. Ravi Singhania, Dr. Jonathan Ward, Dr. Jim Lester representative and proxy for The Honorable Bill White, and The Honorable B. Glen Whitley. Additional persons in attendance were Mr. George Beatty, Ms. Ivy Guice, Dr. Jay Olaguer, Ms. Holly Davis, Mr. David Duncan, Ms. Kathi Harris, Ms. Susana Hildebrand, and Mr. Ronnie Schultz.

The Board took the following actions at the meeting:

- Considered and approved the minutes of June 12, 2008 as corrected;
- Received and discussed the Chairman's report. Items included: the Texas Clean Air Working Group's draft legislative agenda, which Mr. Frels and Judge Adams co-chair, was distributed, with the intent to discuss at a later time; and regulatory possibilities affecting TERC's mission;
- Received and discussed the Executive Director's report. Items covered included: the testimony submitted to the Senate Committee on the Natural Resources hearing, stating that TERC has sufficient resources to address its current mission; the Quarterly meeting between TERC-HARC-TCEQ was held October 14, 2008, the purpose of which fosters communication and progress on both programs and addresses any concerns of which there were no serious issues at this time; Susana Hildebrandt, TCEQ, agreed these meetings are very helpful; the TERC Advisory Council meeting's process was explained noting the last meeting focused on Air Toxics and proposed new device projects; these projects are reviewed and fully vetted before presenting to the Board;
- Received and discussed the NTRD projects status report. Dr. Jim Lester announced that Yiqun Huang had been hired as the Director of the NTRD program; and updated the board on all of the NTRD active projects;
- Considered and approved Resolution 2.50, which thereby provides final approval for TERC funding of up to \$5.15 million for the NTRD projects outlined below at amounts not to exceed those listed, conditional upon resolution of the issues identified by TCEQ:

Clean Air Systems	All Temperature SCR System	\$750,000
Clean Diesel Technologies	Verification Advanced SCR	\$750,000
	Control Strategies	
NETT Technologies	Low Temperature Off-Road SCR	
\$750,000		
NETT Technologies	Low Temperature On-Road SCR	
\$750,000		

Eaton	Electrification for Engine-Off Operations of Trucks in Ports	\$750,000
QuantLogic	Reducing Emissions from Drayage Trucks	\$750,000
ESW	Combination Engine and Aftertreatment Technology	\$650,000

- Considered and approved Resolution 2.51 as amended and hereby authorizes the Houston Advanced Research Center to increase the funding as follows: an increase of up to \$135,645 to the current award of \$903,290 for N03, NETT Technologies, and an increase of up to \$407,000 to the current award of \$949,400 for N06, Johnson Matthey;
- Considered and approved Resolution 2.52, and hereby authorizes the Houston Advanced Research Center to fund the annual report at a cost of \$32,000;
- Considered and approved Resolution 2.53, and hereby authorizes the Houston Advanced Research Center to develop, publish and issue a Request for Grant Assistance for the purpose of receiving proposals from interested parties for the Development, Verification and Testing of Technologies to Reduce NOx Emissions from Diesel Engines; and authorizes TERC's Executive Director and the Houston Advanced Research Center to budget and expend up to \$6.5 million of NTRD program's FY 2009 budget to support this project;
- Considered and approved as amended Resolution 2.54, and hereby appoints Terry Ullman and Rudy Smaling to the ETAC, effective immediately; conditional upon Mr. Ullman not having any vested benefits in Southwest Research Institute (SWRI) and subject to review by the Executive Committee;
- Received and discussed the Air Quality Program report;
- Considered and approved Resolution 2.55, and hereby acknowledges Dr. Melanie Sattler for her dedication and leadership of the SAC;
- Announced the new Chairman for SAC as Mr. Chris Klaus of the North Central Texas Council of Governments (NCTCOG) and former SAC Vice Chairman;
- Mr. Ravi Singhania presented the survey results of TERC's review of HARC;
- Considered and approved Resolution 2.57, and thereby authorizes Chairman Frels to execute a contract renewal with HARC for the financial and clerical services necessary to operate the corporation and comply with the terms of contracts to which TERC is a party;
- Considered and approved the Executive Director's contract extension retroactive to September 1, 2008 through August 31, 2009;
- Received and discussed financial reports; noting TERC's 2007 audit was completed on September 29, 2008 and there were no material weaknesses to report;
- Announced next Board meeting will be held December 11, 2008 in Houston, TX; future 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 3:30 p.m.