

Propane Education & Research Council
April 10, 2015
Atlanta
MINUTES

Chairwoman Paula Wilson called the meeting to order at 8:33 a.m. Eastern Daylight Time.

Ms. Wilson, AmeriGas (Valley Forge, Pa.), welcomed the Council members in attendance:

Michael E. Barnes, BP Energy Co. (Houston) — *Vice Chairman, Producers*
Robert Barry, Bergquist (Toledo, Ohio) — *Treasurer*
Dan Binning, Kiva Energy (Aurora, Colo.)
Gene Bissell (Gladwyne, Pa.)
Steven Breckon, Lone Star NGL (Houston)
Drew Combs, CHS Inc. (Inver Grove Heights, Minn.)
Roxanne Fowles, MarkWest Energy Partners LP (Friendswood, Texas)
Robert Freeman, Freeman Gas (Spartanburg, S.C.)
Sam Hawley, Enterprise Products Operating LLC (Houston)
Rob Hemsworth, DCP Midstream (Houston)
Glenn Luce, Aux Sable Liquid Products (Morris, Ill.)
Gerry Misel, Georgia Gas Distributors (Sandy Springs, Ga.)
Doug Rinke (Columbia, Mo.)
Michael Sheehan, Sheehan's Gas Co. (Bird Island, Minn.)
John Simcox, Thompson Gas & Electric Service (Hagerstown, Md.) — *Secretary*
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)
David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.)

Chairwoman's Report

Ms. Wilson announced that the Executive Committee met April 9. Business included PERC's 2014 corporate goals and compensation, the president's upcoming performance evaluation, PERC and NPGA's media roles and responsibilities, and officer elections. Ms. Wilson said the Council had undertaken a strategic planning session on April 9.

Approval of Minutes. Ms. Wilson directed councilors' attention to the minutes of the November 2014 Council meeting in Sarasota, Fla., and the February 2015 conference call. Upon a motion duly made and seconded, the Council approved the minutes.

Council and Advisory Committee Appointments. Ms. Wilson announced the following appointments to the Advisory Committee:

To Market Outreach & Training Working Group: Harris Baker, Pinnacle Propane, Austin, Texas; Bill DeClerk, DeClerk LP Gas Inc., Pocahontas, Ark.; and Adam Friedman, Superior Propane, Vernon, Conn.

To Research & Technology Development Working Group: David Biggs, IPS Equipment, Inver Grove Heights, Minn., and Marty Erne, Gas Processors Association, Tulsa, Okla.

To Safety & Training Working Group: Byron Breda, Propane Gas Association of New England, Epsom, N.H., and Baron Glassgow, National Propane Gas Association, Scottsdale, Ariz.

Ms. Wilson announced that the Advisory Committee would meet in Austin, Texas, on April 23 and 24.

PERC President and CEO Roy Willis reviewed the rules for officer nominations and elections and opened the nomination process.

Advisory Committee Report

Randy Warner, chairman of the Safety & Training Working Group, reported that the Advisory Committee would take up important business at its upcoming meeting in Austin, including plans for the post-restriction environment, a project to improve driver training, and technology development initiatives.

Treasurer's Report

Mr. Barry reviewed the 2014 budget year surplus compared with the 2014 audited surplus and presented the investment management report.

Upon a motion duly made and seconded, the Council adopted the treasurer's report and approved a proposal to close out 14 docket, with the funds returning to the general treasury (as follows).

Docket: 17292 (Industry & Support Programs) \$1,500,000
Project: 2011-2012 Partnership With States
Action: De-obligates the remaining balance of \$17,846 and returns these funds to the general treasury

Docket: 18306 (Industry & Support Programs) \$1,369,500
Project: 2013 Partnership Agreement between PERC, GPA, and NPGA
Action: De-obligates the remaining balance of \$94,795 and returns these funds to the general treasury

Docket: 19174 (Industry & Support Programs) \$290,000
Project: 2014 Industry Outreach Program
Action: De-obligates the remaining balance of \$5,410 and returns these funds to the general treasury

Docket: 19199 (Research and Development) \$575,000
Project: 2014 Marketer Technology & Sales Training
Action: De-obligates the remaining balance of \$38,003 and returns these funds to the general treasury

Docket: 19246 (Industry & Support Programs) \$1,389,500
Project: 2014 Partnership Agreement between PERC, GPA and NPGA
Action: De-obligates the remaining balance of \$110,852 and returns these funds to the general treasury

Docket: 19248 (Industry & Support Programs) \$177,782
Project: 2013 API Survey and Report

Action: De-obligates the remaining balance of \$5,150 and returns these funds to the general treasury

Docket: **15938 (Research & Development) \$634,400**
Project: LPG Additive and Filter Effectiveness Studies
Action: De-obligates the remaining balance of \$4,980 and returns these funds to the general treasury.

Docket: **19278 (Research & Development) \$97,600**
Project: Cabinet Heater Technical Support
Action: De-obligates the remaining balance of \$14,497 and returns these funds to the general treasury

Docket: **18141 (Research & Development) \$900,000**
Project: Residential Gas Heat Pump
Action: De-obligates the remaining balance of \$65,000 and returns these funds to the general treasury

Docket: **18271 (Safety & Training) \$375,000**
Project: 2013 Safety Communication
Action: De-obligates the remaining balance of \$5,477 and returns these funds to the general treasury

Docket: **19016 (Safety & Training) \$35,400**
Project: Development of Safety meetings Materials for Propane Marketers
Action: De-obligates the remaining balance of \$4,734 and returns these funds to the general treasury

Docket: **19170 (Safety & Training) \$127,600**
Project: Dispensing Propane Safely Campaign
Action: De-obligates the remaining balance of \$71,499 and returns these funds to the general treasury

Docket: **19075 (Safety & Training) \$98,000**
Project: 2013 Propane Emergencies Program Activities
Action: De-obligates the remaining balance of \$8,421 and returns these funds to the general treasury

Docket: **19192 (Agriculture) \$725,000**
Project: 2014 Agricultural Market Outreach Program
Action: De-obligates the remaining balance of \$24,230 and returns these funds to the general treasury

Consent Calendar

Ms. Wilson asked the councilors to turn their attention to the consent calendar in the briefing materials.

Upon a motion duly made and seconded, the Council approved the funding requests and change orders that appear on the consent calendar (as follows).

Docket: **20007**

Principal Contractor: Blossman Services Inc. (BSI)
Title: BSI Diesel Displacement
Amount Requested: \$285,000
Action: **Approved**

Docket: **20078**
Principal Contractor: Blossman Services Inc (BSI)
Title: Autogas Direct Injection Research & EPA Certification
Amount: \$300,000
Action: **Approved**

Docket: **19351**
Principal Contractor: Parafour Inc.
Title: Development of NFPA Chapter 12
Amount Requested: \$71,300
Action: **Approved**

Docket: **20206**
Principal Contractor: Not applicable
Title: Marketer Technology and Sales Training
Amount Requested: \$324,550 (corrected by CFO after Council approval to \$321,424 in accordance with the funding documentation.)
Action: **Approved**

Docket: **20520**
Principal Contractor: Not applicable
Title: Propane MaRC Maintenance and Support
Amount Requested: \$264,000
Action: **Approved**

President's Report

Mr. Willis discussed the expected lifting of the restriction on Council activities and reviewed the results of the Council's investments in research and technology development. He also presented preliminary findings of an ongoing survey of propane marketers and the talked about the outlook for propane markets in 2015 and beyond.

Mr. Willis had approved two presidential grant requests since his last report to the Council (as follows):

Docket: **20495**
Principal Contractor: National Propane Gas Association
Title: CETP Certification Outreach
Approved Amount: \$50,000

Docket: **20517**
Principal Contractor: Industrial Training Services
Title: CETP E-Learning Online State Pilot Program
Approved Amount: \$15,000

He approved no-cost, time extension change orders for two dockets:

Docket: 18213 (No-cost change order)
Principal Contractor: Southwest Research Institute
Title: Fuel Sampling and Troubleshooting Program
Approved Amount: \$0

Docket: 18262
Principal Contractor: Swanson Russell
Title: Propane Total Solution Program with the National Park System
Approved Amount: \$0

Chief Business Development Officer's Report

PERC Chief Business Development Officer Tucker Perkins provided an update on several active PERC projects designed to drive new demand in many of the markets propane serves, including residential, commercial, landscape, fleet, and agriculture markets

Forklift Market Report

PERC Deputy Director of Business Development Jeremy Wishart made a report on the propane forklift market and introduced **Docket 20201**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 20201
Principal Contractor: Swanson Russell
Title: 2015 Material Handling Market Research and Outreach
Amount Requested: \$255,000
Action: Approved

Mr. Wishart introduced **Docket 20465**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 20465
Principal Contractor: Power Solutions International
Title: 3 to 6 ton Forklift Engine Development
Amount Requested: \$2,000,000
Action: Approved

Audit Committee Report

Mr. Simcox gave a report on the 2014 audit. Upon a motion duly made and seconded, the 2014 audit report was approved.

Chief Information Officer's Report

PERC Chief Information Officer Kay Howell offered a report about engagement tactics, including Marketer Technology & Sales Training sessions, social media, publications, presentations, industry events, exhibitions and trade shows, Propane MaRC online catalog, advertising, incentive programs, and how to maximize the value proposition for marketers.

Corporate Communications Report

Director of Communications Gregg Walker presented a year-in-review video provided by Swanson Russell and summarized corporate communications and outreach initiatives, including the rebranding of propane, the Consumer Safety Preparedness Campaign, the Leave It to a Pro anti-DIY campaign, Grilling for Heroes, testimonial videos, and the educational differentiation between the industry roles of PERC and NPGA.

Industry and Public Comments

Paula Wilson declared that no public comments were received, and none were presented to the Council.

Old Business

Mr. Willis announced the officer nominees for the 2015-2016 term:

<i>For chairman:</i>	Mr. Van Buren
<i>For vice chairman, marketers:</i>	Mr. Combs
<i>For vice chairman, producers:</i>	Mr. Leonard
<i>For treasurer:</i>	Mr. Freeman and Mr. Chalmers
<i>For secretary:</i>	Mr. Barry

Councilors will vote by mail before the July Council meeting.

New Business

Mr. Willis discussed the need to plan and prepare for the public education function in the event that the restriction is lifted. More reporting will be done at the July meeting.

Mr. Barry presented the investment portfolio as it relates to the Council's future financial obligations.

Ms. Wilson concluded her final Council meeting by offering thanks for the rewarding experience of serving as the first chairwoman of the Propane Education & Research Council.

Mr. Willis recognized Mr. Misel and Mr. Barnes, both attending their final Council meeting, and thanked them for their service.

Ms. Wilson announced that the Council would next meet July 14 and 15 in Park City, Utah.

By unanimous consent the meeting was adjourned at 1:50 p.m.