

**Propane Education & Research Council**  
**November 8-9, 2018**  
**Savannah, Ga.**

**MINUTES**

Chairman Robert Chalmers called the meeting to order at 1:03 Eastern Standard Time.

Mr. Chalmers, Meritum Energy Holdings (San Antonio), welcomed the Council members in attendance:

Kasib Abdullah, BP (Houston) — *Vice Chairman, Producers*  
Gene Bissell (Gladwyne, Pa.)  
Steve Breckon, Lone Star NGL (Houston)  
Drew Combs, CHS (Inver Grove Heights, Minn.)  
Casey Cramton, Dead River Co. (South Portland, Maine)  
Daniel Dixon, AmeriGas (Florence, Ala.) — *Secretary*  
Mark Donahue, MarkWest Energy (Denver, Colo.)  
Randy Doyle (Ocean Springs, Miss.) — *Treasurer*  
Phil Farris, Plains Marketing (Denver, N.C.)  
Gary France, France Propane Service (Schofield, Wis.)  
Robert Freeman, Freeman Gas (Spartanburg, S.C.) — *Vice Chairman, Marketers*  
Bruce Leonard, Targa (Houston)  
Joe Rose (Loudon, N.H.)  
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)  
David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.)

Mr. Chalmers welcomed a new councilor, Mark Zimora, Energy Distribution Partners (Greencastle, Pa.), who joined by telephone.

Mr. Chalmers announced that Mr. Doyle, who retired from Blossman Gas, by rule gave up the marketer seat he formerly held. The National Propane Gas Association then appointed Mr. Doyle as a public member, replacing Bob Barry.

He noted that NPGA has appointed Stuart Weidie, Blossman Gas (Swannanoa, N.C.), to fill the marketer vacancy left by Mr. Doyle and that Mr. Zimora will take the marketer seat formerly held by Scott Brockelmeyer.

Mr. Chalmers called on Daniel Dixon to open the meeting with a prayer and lead the Pledge of Allegiance.

**Chairman's Report**

**Approval of Minutes.** Mr. Chalmers directed councilors' attention to the minutes of the July 2018 Council meeting. Upon a motion duly made and seconded, the Council approved the minutes.

**Executive Committee.** Mr. Chalmers noted that PERC's Executive Committee met jointly with NPGA's Executive Committee on October 2 in Houston and discussed the industry growth agenda, CETP training and certification funding, the NPGA enhanced

state engagement initiative, a comprehensive workforce development program, winter supply planning, and more.

He said the Executive Committee had met the morning of November 8 and had talked about the transition to a new accounting system and firm, the annual propane sales survey, the work of the Autogas Adoption Task Force, the fulfillment warehouse, staffing, and other topics.

#### **Audit Committee Report**

Mr. Bissell reported that the committee met the morning of November 8 and approved PERC's IRS Form 990 for filing and approved the renewal of the Council's auditor for 2019. He noted that with the ongoing change of accounting firms and the adoption of a new accounting system, the audited financial statements will be available for committee review somewhat later than usual in 2019.

Upon a motion duly made and seconded, the Council accepted the Audit Committee's report.

#### **Industry Outreach Committee Report**

Mr. Williams reviewed the committee's work to improve coordination between the Council and state and regional propane councils and foundations.

#### **Portfolio Subcommittee Report**

Mr. France reviewed the subcommittee's evaluation of PERC projects.

#### **Advisory Committee Appointments**

Mr. Chalmers appointed the following propane professionals to the Advisory Committee:

*To the Market Development and Outreach Working Group:* Brian Buschur, McMahan's Bottle Gas (Dayton, Ohio), and Luke Fitzpatrick, MFA Oil Co. (Wardsville, Mo.)

*To the Research and Technology Development Working Group:* Mike Hennen, Westmor Industries (Morris, Minn.)

*To the Safety and Technical Training Working Group:* Lee Patrick, Sharp Energy (Georgetown, Del.)

#### **Advisory Committee Report**

Kenton Sonnenburg, chairman of the Research and Technology Development Working Group, offered a report on the most recent meeting of the Advisory Committee.

#### **GPA Midstream Report**

GPA Midstream Association Executive Director Mark Sutton reviewed the ongoing coordination between the association and the Council.

#### **Chairman Comments**

Mr. Chalmers offered comments on Council priorities and progress.

#### **Treasurer's Report**

Mr. Doyle reviewed actual financials through July 2018 and how they compare with the budget.

Upon a motion duly made and seconded, the Council accepted the treasurer's report, including de-obligations as follows:

**Docket: 19135 (Autogas) \$500,000**  
**Project:** Autogas Aftermarket Support Strategy  
**Action:** De-obligates the remaining balance of \$124,876 and returns these funds to the general treasury

**Docket: 20492 (Autogas) \$500,000**  
**Project:** Low-Emission Autogas Refueling Equipment Replacement Pilot Program  
**Action:** De-obligates the remaining balance of \$161,703 and returns these funds to the general treasury

**Docket: 20969 (Autogas) \$1,303,000**  
**Project:** Propane Autogas Market Outreach  
**Action:** De-obligates the remaining balance of \$2,536 and returns these funds to the general treasury

**Docket: 21037 (Program Support) \$186,080**  
**Project:** 2016 API Survey and Report  
**Action:** De-obligates the remaining balance of \$5,004 and returns these funds to the general treasury

**Docket: 21038 (Program Support) \$344,580**  
**Project:** 2017 Propane Market Research Initiative  
**Action:** De-obligates the remaining balance of \$48,580 and returns these funds to the general treasury

**Docket: 20632 (Propane Industry) \$1,800,000**  
**Project:** 2016 Partnership with States  
**Action:** De-obligates the remaining balance of \$51,106 and returns these funds to the general treasury

**Docket: 20995 (Residential Consumer) \$8,240,000**  
**Project:** 2017 Consumer Education Program  
**Action:** De-obligates the remaining balance of \$574,377 and returns these funds to the general treasury

Mr. Doyle invited PERC Senior Vice President Michael Eason to review our upgrades to information technology, including a new accounting system, and our transition to a new accounting firm.

#### **Chief Executive Officer's Report**

PERC President and CEO Tucker Perkins offered a report on the Council's achievements in the last year, its relationship with partners like GPA Midstream, its awareness of the industry's need for drivers and technicians, its recognition of threats posed by zero-emissions goals, and thought leadership.

#### **Propane Market Outlook**

Eric Lundin and Ashley Petersen of Stratias Advisors offered a report on their forecast for propane supply and demand.

### **Commercial Water Heating**

Frank Windsor, chief operating officer of Rinnai America, offered remarks on the market for propane-fueled water heating.

### **Industry Relations Report**

PERC Senior Vice President Bridget Kidd reviewed industry training and recruitment programs for 2019.

Ms. Kidd introduced **Docket 21547**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21547  
**Principal Contractor:** Propane Education & Research Council  
**Title:** 2019 Workforce Recruitment  
**Amount Requested:** \$500,000  
**Action:** Approved

Mr. Farris introduced **Docket 21792**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21792  
**Principal Contractor:** North Carolina Propane Education and Research Foundation  
**Title:** North Carolina Training and Education Center  
**Amount Requested:** \$250,000  
**Action:** Approved

Ms. Kidd introduced **Docket 21723**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21723  
**Principal Contractor:** PERC  
**Title:** 2019 Industry Engagement  
**Amount Requested:** \$505,500  
**Action:** Approved

Ms. Kidd introduced **Docket 21725**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21725  
**Principal Contractor:** PERC  
**Title:** 2019 Partnership with States  
**Amount Requested:** \$1,000,000  
**Action:** Approved

### **Public Comment**

Mr. Chalmers invited members of the public to comment on matters before the Council. There were no comments.

The Council recessed at 5:21 p.m. EST.

Proceedings of November 9

Mr. Chalmers called the meeting to order at 8:39 a.m. EST.

### **NPGA Report**

Randy Thompson, NPGA chairman-elect, offered remarks on the state of the industry.

Mike Calderera, NPGA vice president of regulatory and technical services, offered a report on the ongoing partnership between NPGA and PERC.

### **Partnerships with Industry Organizations**

Mr. Perkins introduced **Docket 21814**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

<b>Docket:</b>	<b>21814</b>
<b>Principal Contractor:</b>	National Propane Gas Association and GPA Midstream Association
<b>Title:</b>	2019 Partnerships with Industry Organizations
<b>Amount Requested:</b>	<b>\$1,269,500</b>
<b>Action:</b>	<b>Approved</b>

### **Budget and Finance Report**

Mr. Eason reviewed the budget plan for 2019.

Upon a motion duly made and seconded, the Council approved the 2019 budget.

### **Consent Calendar**

Mr. Chalmers directed councilors' attention to the consent calendar. Upon a motion duly made and seconded, the Council approved the funding requests on the consent calendar (as follows).

<b>Docket:</b>	<b>21385</b>
<b>Principal Contractor:</b>	eLogic Learning
<b>Title:</b>	Learning Management System
<b>Amount Requested:</b>	<b>\$157,409</b>
<b>Action:</b>	<b>Approved</b>

<b>Docket:</b>	<b>21644</b>
<b>Principal Contractor:</b>	Industrial-Irrigation Services
<b>Title:</b>	Reliable Horsepower Engine Line Launch with PG+ Fuel System
<b>Amount Requested:</b>	<b>\$250,000</b>
<b>Action:</b>	<b>Approved</b>

<b>Docket:</b>	<b>21779</b>
<b>Principal Contractor:</b>	PERC
<b>Title:</b>	2019 Professional and Support Services
<b>Amount Requested:</b>	<b>\$400,000</b>
<b>Action:</b>	<b>Approved</b>

**Docket:** 21783  
**Principal Contractor:** Dashe & Thomson  
**Title:** 2019 CETP Support  
**Amount Requested:** \$140,095  
**Action:** Approved

**Docket:** 21801  
**Principal Contractor:** ICF  
**Title:** 2018 US Sales of Odorized Propane Survey & Report  
**Amount Requested:** \$212,696  
**Action:** Approved

**Docket:** 21802  
**Principal Contractor:** PERC  
**Title:** 2019 Propane Market Analysis and Assessment Program  
**Amount Requested:** \$105,000  
**Action:** Approved

**Docket:** 21815  
**Principal Contractor:** PERC  
**Title:** 2019 Advisory Committee and Program Support  
**Amount Requested:** \$490,000  
**Action:** Approved

**Docket:** 21817  
**Principal Contractor:** Southwest Research Institute  
**Title:** Fuel Sampling & Troubleshooting Program  
**Amount Requested:** \$50,000  
**Action:** Approved

#### **Customer Safety Awareness**

Mr. Freeman introduced **Docket 21710**. He recommended adding a digital version of the booklet, exploring alternative delivery methods for the scented element, and seeking other opportunities to bring production costs down.

Upon a motion duly made and seconded, the funding request was approved as amended (as follows).

**Docket:** 21710  
**Principal Contractor:** Swanson Russell  
**Title:** Customer Safety Awareness Materials for Industrial & Commercial Markets  
**Amount Requested:** \$212,910  
**Action:** Approved

#### **Business Development Report**

Jesse Marcus, PERC director, residential and commercial business development, offered a report on residential and commercial construction programs.

Mr. Marcus introduced **Docket 21769**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21769  
**Principal Contractor:** Waypoint Construction Services  
**Title:** National Builder Incentive Program  
**Amount Requested:** \$1,200,000  
**Action:** Approved

PERC Senior Vice President Cinch Munson offered a report on business development activities.

Mr. Munson introduced **Docket 21768**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21768  
**Principal Contractor:** Swanson Russell  
**Title:** 2019 Agriculture Market Outreach  
**Amount Requested:** \$950,000  
**Action:** Approved

Mr. Munson introduced **Docket 21765**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21765  
**Principal Contractor:** Swanson Russell  
**Title:** 2019 Autogas Market Outreach  
**Amount Requested:** \$1,200,000  
**Action:** Approved

Mr. Munson introduced **Docket 21763**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21763  
**Principal Contractor:** Swanson Russell  
**Title:** 2019 Material Handling Market Outreach  
**Amount Requested:** \$980,000  
**Action:** Approved

Mr. Munson introduced **Docket 21764**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21764  
**Principal Contractor:** Swanson Russell  
**Title:** 2019 Outdoor Power Equipment Market Outreach  
**Amount Requested:** \$1,200,000  
**Action:** Approved

Mr. Munson introduced **Docket 21770**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21770  
**Principal Contractor:** Swanson Russell

**Title:** 2019 Residential & Commercial Market Outreach  
**Amount Requested:** \$2,820,000  
**Action:** Approved

Mr. Munson introduced **Docket 21663**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21663  
**Principal Contractor:** Rinnai  
**Title:** Residential Gas Heat Pump Water Heater  
**Amount Requested:** \$200,000  
**Action:** Approved

Mr. Munson introduced **Docket 21761**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21761  
**Principal Contractor:** Power Propane Systems  
**Title:** Briggs & Stratton/PPS Propane EFI Engine Development Program  
**Amount Requested:** \$90,000  
**Action:** Approved

Mr. Munson introduced **Docket 21670**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21670  
**Principal Contractor:** PERC  
**Title:** 2019 Mower Incentive Program  
**Amount Requested:** \$375,000  
**Action:** Approved

Mr. Munson introduced **Docket 21752**. Upon a motion duly made and seconded, the funding request was approved (as follows).

**Docket:** 21752  
**Principal Contractor:** Lehr Holdings LLC  
**Title:** John Deere Gator TX Propane Development  
**Amount Requested:** \$90,000  
**Action:** Approved

#### **Public Comment**

Mr. Chalmers invited members of the public to comment on matters before the Council. There were no comments.

#### **Old Business**

Upon a motion duly made and seconded, the Council voted to amend the name of **Docket 21792** to North Carolina Training and Education Center Pilot Project.



**New Business**

Mr. Chalmers announced that the next Council meeting would take place by conference call February 13, 2019.

By unanimous consent, the Council adjourned at 11:12 EST.

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