

Propane Education & Research Council
July 11-12, 2018
Minneapolis

MINUTES

Outgoing Chairman Drew Combs called the meeting to order at 1:05 Central Daylight Time.

Mr. Combs, CHS (Inver Grove Heights, Minn.), welcomed the Council members in attendance:

Kasib Abdullah, BP (Houston) — *Vice Chairman, Producers*
Gene Bissell (Gladwyne, Pa.)
Robert Chalmers, Meritum Energy Holdings (San Antonio) — *Chairman*
Libby Cloos, Enterprise Products Operating (Houston)
Casey Cramton, Dead River Co. (South Portland, Maine)
Daniel Dixon, AmeriGas (Florence, Ala.) — *Secretary*
Mark Donahue, MarkWest Energy (Denver, Colo.)
Randy Doyle, Blossman Gas (Ocean Springs, Miss.) — *Treasurer*
Phil Farris, Plains Marketing (Denver, N.C.)
Gary France, France Propane Service Inc. (Schofield, Wis.)
Robert Freeman, Freeman Gas (Spartanburg, S.C.) — *Vice Chairman, Marketers*
Robert Hemsworth, DCP Midstream (Houston)
Bruce Leonard, Targa (Southlake, Texas)
Joe Rose (Loudon, N.H.)
Richard Williams, Suburban Propane Partners LP (Whippany, N.J.)
David Wiseman, Williams Energy Resources LLC (Tulsa, Okla.)

Mr. Combs called on Mr. Freeman to open the meeting with a prayer and the Pledge of Allegiance.

Mr. Combs announced that the GPA Midstream Association had appointed Troy Randall, Aux Sable (Morris, Ill.), to the Council.

Mr. Combs, who steps down after a year as chairman, handed the gavel to the new chairman, Mr. Chalmers.

Chairman's Report

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

Executive Committee. Mr. Chalmers noted that the Executive Committee had met the morning of July 11 and had talked about 2019 budget planning and other topics.

Audit Committee Report

Mr. Bissell reported that the external auditor reviewed the financial statements with the committee and issued a clean opinion. The statements were then approved by the

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

Industry Outreach Committee Report

Mr. Williams reviewed the committee's charter, objectives, and activities.

Portfolio Subcommittee Report

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

Advisory Committee Leadership Approvals

Mr. Chalmers introduced the nominees for chairmen and vice chairmen of each of the working groups on the PERC Advisory Committee. Upon a motion duly made and seconded, the Council appointed the full slate of nominees (as follows):

Market Development and Outreach Working Group: Harris Baker, HBH Gas Systems (Austin, Texas), chairman; and Emily Willis, Blossman Gas (Swannanoa, N.C.), vice chairwoman.

Research and Technology Development Working Group: Kenton Sonnenburg, CHS (Inver Grove Heights, Minn.), chairman; and Chuck Strawn, Red Seal Measurement (Greenwood, S.C.), vice chairman.

Safety and Technical Training Working Group: Jay Hilliard, Revere Gas (Hartfield, Va.), chairman; and Jeff Shaffer, Shaffer's Bottled Gas (Hooversville, Pa.), vice chairman.

Advisory Committee Appointments

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

To the Market Development and Outreach Working Group: Chairman Harris Baker, HBH Gas Systems (Texas); Vice Chairman Emily Willis, Blossman Gas (North Carolina); Steve Ahrens, Missouri Propane Education and Research Council (Missouri); Zach Baugher, Growmark (Illinois); Scott Brockelmeyer, Ferrellgas (Kansas); Jay Christie, New Century FS (Iowa); Kevin Cobb, Suburban Propane (Idaho); Derek Dalling, Michigan Propane Gas Association (Michigan); Bill DeClerk, DeClerk LP Gas (Arkansas); Teresa Dorroh, RegO Products (Kentucky); Marc Foerster, Crystal Flash (Michigan); Sam Fox, McCraw Propane (Texas); Michael Gioffre, Paraco South (North Carolina); Deb Grooms, Iowa Propane Gas Association (Iowa); Laurie Irish Jones, Irish Companies (New York); John Jessup, North Carolina Propane Gas Association (North Carolina); Brilynn Johnson, AmeriGas (California); Christopher Kowalski, E. Osterman (Massachusetts); John Kraft, Plains Marketing LP (South Dakota); Bruce Leonard, Targa Liquids Marketing & Trade (Texas); Brian Mater, Ferrellgas (Kansas); Jenni McKeen, Georgia Propane Gas Association (Georgia); Bill Moore, Conger Gas (Georgia); Raymond Murray, Ray Murray Inc. (Massachusetts); Derek Rimko, Superior Energy Systems Ltd. (Ohio); Charles Robertson, Twin Feathers Consulting (Kansas); Joanna Sams, Sams LP Gas (Florida); Nandini Sankara, Suburban Propane (New Jersey); Scott Seibert, Aux Sable Liquid Products (Illinois); Josh Simpson, Kamps Propane (California); Kent Smith, Tri Gas & Oil Co. (Maryland); Dennis St. Aubin, CHS (Minnesota); Matt Thompson, AmeriGas (Pennsylvania); Joe Trefethen, Palmer Gas/Ermer Oil (New Hampshire); Jim Van Uden, R H Foster Energy (Maine); Ted West, Liberty Propane (Pennsylvania); Mark Zimora, Energy Distribution Partners (Pennsylvania).

To the Research and Technology Development Working Group: Chairman Kenton Sonnenburg, CHS (Minnesota); Vice Chairman Chuck Strawn, Red Seal Measurement Co. (South Carolina); Robert Barry, Bergquist (Ohio); Dave Bertelsen, Matheson Trigas (Ohio); David Biggs, IPS Equipment (Michigan); Austin Cox, Sharp Energy (Maryland); Gordon Cunningham, Georgia Gas Distributors (Georgia); Aaron DeWeese, Illinois Propane Gas Association (Illinois); Nathan Ediger, Ferrellgas (Kansas); Darren Engle, Blue Star Gas (Oregon); Marty Erne, GPA Midstream Association (Oklahoma); Donald Fernald, Superior Energy Systems (Ohio); Ken Green, Green's Oklahoma Liquefied Gas (Oklahoma); Roger Gruwell, AmeriGas (Iowa); Julie Johnson, Ted Johnson Propane (California); David Kennedy, Alliance AutoGas (North Carolina); Steve Moore, Expo Propane (California); Bill Platz, Delta Liquid Energy (California); David Reynolds, Blossman Gas (Mississippi); Vince Rooney, Suburban Propane LP (New Jersey); Kirk Saunders, White Mountain Oil & Propane (New Hampshire); Michael Sheehan, Sheehan's Gas Co. (Minnesota); Lynn Sheets, Key Cooperative (Iowa); Bill Stewart, Blue Star Gas (California); Bruce Swiecicki, National Propane Gas Association (Illinois); Don Tomiello, Targa Resources (Texas); Bill Van Hoy, Texas Propane Gas Association (Texas); Erich Wolf, Cavagna North America (Ohio); Jim Zuck, Marshall Excelsior Company (Michigan).

To the Safety and Technical Training Working Group: Chairman Jay Hilliard, Revere Gas & Appliance (Virginia); Vice Chairman Jeff Shaffer, Shaffer's Bottled Gas (Pennsylvania); Leslie Anderson, Propane Gas Association of New England (New Hampshire); Mark Anderson, Dead River Co. (Maine); Doug Auxier, Auxier Gas Service (Ohio); John Barnett, U-Haul International (Arizona); Dan Binning, Colorado and New Mexico Propane Gas Associations (Colorado); Byron Breda, Propane Gas Association of New England (New Hampshire); Mike Caldarera, National Propane Gas Association (Washington, D.C.); Steve Clayton, Gas Equipment Co. (Missouri); Don Crowder, Corken (Oklahoma); David Grothoff, MFA Oil Co. (Missouri); Keith Hanchett, PERS (Utah); Tim Holmes, Suburban Propane (Michigan); William Holmes, Blackmer-PSG (Illinois); John Kamps, Kamps Propane (California); Ray Kazakewich, RegO Products (North Carolina); Ken Kraft, North Dakota Propane Gas Association (North Dakota); Eric Kuster, National Propane Gas Association (Maryland); Paula Laney, Oklahoma LP Gas Research, Marketing, and Safety Commission (Oklahoma); Dave Latourell, Paraco Gas (New York); Bruce Montroy, Bergquist (Michigan); Ken Mueller, Nationwide AgriBusiness Insurance (Illinois); Tom Mullaney, Rockhill Insurance Group (Arkansas); Tim Myers, IPS Equipment (Michigan); Barry Oden, MFA Oil (Missouri); Scott Pearson, CHS (Minnesota); Thomas Procter, MFA Oil (Missouri); Earl Slacum, Tri Gas & Oil Co. (Maryland); Matt Terry, JP Energy Partners LP (Texas); Christopher Wagner, AmeriGas (Pennsylvania); Mike Walters, Superior Energy (Ohio); Randy Warner, C3H8 Consulting (Missouri); Zoe Williams, Hawaii Gas (Hawaii).

Advisory Committee Report

Mr. Hilliard offered a report on the most recent meeting of the Advisory Committee and noted that the leaders of the three working groups have begun meeting to improve coordination and collaboration.

NPGA Report

NPGA Chairman-Elect Randy Thompson offered a report on the ongoing coordination between PERC and NPGA.

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.

Financial Report

Mr. Doyle invited PERC Senior Vice President Michael Eason to review actual financials through April 2018 and how they compare with the budget. Upon a motion duly made and seconded, the Council accepted the treasurer's report.

Mr. Doyle reviewed challenges confronting PERC's finance department, and Mr. Eason offered a summary of the two-phase plan to overcome them.

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).

Docket: 21630
Principal Contractor: Logica3
Title: Safety & Training Materials Compliance Update Review
Amount Requested: \$42,250
Action: Approved

Docket: 21600
Principal Contractor: Enviro Power
Title: Light Commercial/Residential DG-Enabled SmartWatt Boiler
Amount Requested: \$45,000
Action: Approved

Docket: 21658
Principal Contractor: PERC
Title: 2019 Propane Industry Trainers' Conference
Amount Requested: \$47,800
Action: Approved

Docket: 21635
Principal Contractor: Gas Technology Institute
Title: Carbon Management Information Center Consortium 2018
Amount Requested: \$50,000
Action: Approved

Docket: 20876
Principal Contractor: National Propane Gas Association
Title: Change Order: Establishing Service Life for ACME Transfer Hose Couplings
Amount Requested: \$20,700
Action: Approved

Chief Executive Officer's Report

PERC President and CEO Tucker Perkins offered a report on the Council's achievements in the last year.

Integrated Marketing Communications

PERC Director of External Communications Gregg Walker reviewed the plan for corporate communications and introduced **Docket 21634**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 21634
Principal Contractor: Swanson Russell
Title: 2018 Corporate Communications
Amount Requested: \$950,000
Action: Approved

PERC Director of Market Communications Ingrid Bechard offered a report on progress toward a new website and introduced **Docket 21631**. Upon a motion duly made and seconded, the Council approved the docket (as follows).

Docket: 21631
Principal Contractor: Swanson Russell
Title: 2018 Website Consolidation and Redesign.
Amount Requested: \$475,000
Action: Approved

Ms. Bechard reviewed progress toward new market outreach programs, including a campaign aimed at homeowners. She introduced **Docket 21633**. Upon a motion duly made and seconded, the Council approved the docket (as follows):.

Docket: 21633
Principal Contractor: Swanson Russell
Title: 2018 Integrated Marketing Communications
Amount Requested: \$3,100,000
Action: Approved

Industry Relations Report

PERC Senior Vice President Bridget Kidd reviewed industry training and recruitment programs for 2018 and beyond.

Ms. Kidd introduced **Docket 21638**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 21638
Principal Contractor: GP Strategies
Title: Marketer Sales Training Program Development
Amount Requested: \$450,000
Action: Approved

Mr. Rose offered a report on the Partnership with States Program.

Ms. Kidd introduced **Docket 21740**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 21740
Principal Contractor: Propane Education & Research Council
Title: 2018 Workforce Recruitment
Amount Requested: \$250,000
Action: Approved

Business Development Report

PERC Senior Vice President Cinch Munson offered a report on business development activities and plans in the material handling market.

Mr. Munson introduced **Docket 21344**. Upon a motion duly made and seconded, the funding request was approved (as follows).

Docket: 21344
Principal Contractor: Swanson Russell
Title: 2018 Material Handling Outreach and Marketing
Amount Requested: \$300,000
Action: Approved

Mr. Munson introduced **Docket 21663**. Upon a motion duly made and seconded, the Council voted to return the funding request to the Advisory Committee for review and revision (as follows).

Docket: 21663
Principal Contractor: Rinnai
Title: Residential Gas Heat Pump Water Heater
Amount Requested: \$250,000
Action: Returned to the Advisory Committee

Public Comment

Mr. Chalmers invited members of the public to comment on matters before the Council.

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

Proceedings of July 12

Mr. Chalmers called the meeting to order at 8:37 a.m. CDT.

Budget for 2019

Mr. Doyle reviewed the process used by the Budget and Finance Committee to develop a budget plan for 2019.

Mr. Eason went over the assumptions, goals, and strategic thinking that are reflected in the budget plan.

Mr. Munson summarized the business development and market outreach programs in the budget plan.

Ms. Kidd reviewed the 2019 budget plan for industry programs.

Upon a motion duly made and seconded, the Council authorized the publication of the 2019 budget plan for public comment.

Old Business

There was no old business.

New Business

Mr. Chalmers directed councilors' attention to the 2019 proposed Council and Advisory Committee meeting dates and locations:

February 13: Council conference call

April 12: Council meeting in Atlanta

May 9–10: Advisory Committee meeting in San Antonio, Texas

July 17–18: Council meeting in Lake Tahoe, Calif.

October 2–3: Advisory Committee meeting in Indianapolis

November 12–13: Council meeting in Naples, Fla.

Mr. Chalmers announced that the next Council meeting would take place November 8 and 9 in Savannah, Ga.

By unanimous consent, the Council adjourned at 10:54 CDT.

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