

MINUTES
Board of Directors
National Propane Gas Association
February 3, 2021
(Meeting held via webinar)

Call to Order. Chair Denis Gagne called the meeting of the NPGA Board of Directors to order at 11:30 am and welcomed all to the Winter Board of Directors meeting. Emeritus Director and DSA Chair Mr. Gary France was unable to attend the meeting at the last minute, so Chair Gagne read the invocation Mr. France had prepared. He then led attendees in the Pledge of Allegiance. Chair Gagne stated that registration for the webinar would serve as a replacement for roll call. Each NPGA officer then introduced themselves along with NPGA President & CEO, Steve Kaminski.

Chair Gagne thanked Bergquist Inc. for sponsoring the NPGA-PERC Unified Environmental Campaign Meeting, the Marketers Meeting, and the Winter Board of Directors meeting; Quality Steel for sponsoring the Winter Board of Directors meeting; and Ray Murray, Inc. for sponsoring the Governmental Affairs Committee Meeting.

He next thanked PropanePAC Administrative Fund sponsors AmeriGas Propane LP, Bergquist Inc., and the Missouri Propane Gas Association for their RED PACage sponsorships; Boehlke Bottled Gas, Kindsvatter Dalling & Associates, and the Michigan Propane Gas Association for their WHITE PACage sponsorships; and the Iowa Propane Gas Association, Otodata, and the Wisconsin Propane Gas Association for their BLUE PACage sponsorships.

Opening Remarks. Chair Gagne shared an observation that while COVID-19 has caused the association and industry to go virtual and kept the Board physically apart, it has enabled greater and more efficient communication and participation throughout NPGA and with various industry partners, including PERC and the state associations. This greater connectivity is leading to a stronger industry.

1. Approval of Minutes.

The minutes of the previous Board of Directors meeting held virtually on September 30, 2020 were:

APPROVED IN ADVANCE OF THE MEETING.

2. Announcement of New Director

Chair Gagne announced that Mr. Randy Crane of Comfort Gas, Inc. was nominated and approved as the Colorado State Director; and that he had appointed Mr. Gino Vansteenhuyse as a Director-at-Large. Ms. Sarah Reboli was nominated and elected as the NPGA Corporate Secretary; Mr. Peter Ferrell was nominated and elected as the NPGA Assistant Corporate Secretary.

3. Chair's Report.

Chair Gagne reiterated how the past year's virtual gatherings have allowed the association to be more efficient, productive, and fiscally responsible in how it conducts business and connects with its members and industry partners. The industry has many challenges to address, including environmental messaging, federal legislative and regulatory issues, a new NPGA strategic plan, and the NPGA-State partnership agreement. The adoption of new

technology demonstrates how much more active and engaging the association and industry can be.

He also gave special recognition to the members of the joint NPGA-PERC Environmental Messaging Task Force in preparing the industry to move forward with a powerful and unified campaign to protect and promote the benefits of propane. This group included Michelle Maggi, Jeff Stewart, Steve Kaminski, Lesley Garland, Sarah McLallen, Stuart Weidie, Casey Cramton, Tucker Perkins, Erin Hatcher, and Tina Wilson.

4. Executive Committee Report.

Chair-Elect, Bob Barry began by reminding marketers that applications for Executive Committee service are currently being accepted, and gave an overview of the general roles and responsibilities of committee members.

Mr. Barry then gave an overview of the proposed 2021-2023 Strategic Plan, and referred the Board to the committee's written material to view a copy. The new strategic plan was:

APPROVED IN ADVANCE OF THE MEETING.

5. PERC Selection Committee Report.

NPGA Vice Chair, Ms. Michelle Maggi referred the Board to review the selection committee's report in the materials. She explained that the committee will be considering marketer applicants for the PERC Council in April and directed those interested to submit an application via the NPGA website. The deadline for applications is March 1.

6. Treasurer's Report.

NPGA Treasurer, Mr. Jeffrey Stewart reported on the November 2020 year-to-date comparative financial statements that forecasts fiscal year-end net operating revenue at \$324k favorable to budget which is in addition to not utilizing any of the budgeted \$351k proceeds from the sale of CETP. This favorable performance is being driven by forecasted expense savings of \$363k for business travel and \$220k for meetings that went virtual.

Mr. Stewart commented that while COVID has been incredibly challenging for all of us, it should be noted that the related cost savings of travel and meetings are significant. It is difficult to quantify the initiatives that didn't advance as well as they should have, or legislative and regulatory opportunities that didn't materialize as a result of face-to-face meetings, or the lack of development of relationships amongst industry members and the negative impact in coming years of those. However, from an association perspective, having a different balance of virtual and in person meetings in the future is a significant financial lever for the fiscal health of the association. This is a topic of consideration for the association as we move forward in the post COVID world in how we all conduct business.

Mr. Stewart reported on the NPGA investment portfolios as of December 31, 2020 noting that NPGA's investment portfolios have rebounded from the market drop due to the coronavirus pandemic driven by a significant rebound from the equity allocation. The year-end long term account's gross return is at 12.28% compared to the portfolio benchmark return of 14.58% and since inception, the long-term account's gross return is 7.89% compared to the portfolio benchmark return of 8.48%.

Mr. Stewart presented the FY 2022 Proposed Budget which utilizes \$300k from the sale of CETP and \$200k of reserve funds for the targeted environmental campaign. He detailed the

funding sources for the \$435k targeted environmental campaign and noted the material changes from the Draft 1 Budget including an anticipated 18% reduction in net operating revenue for the Propane EXPO due to the impacts of the pandemic and rescheduling to October 2021.

Chair Gagne then stated that the Treasurer's Report had already been approved by the Board.

7. President's Report.

NPGA President, Mr. Steve Kaminski reported on a number of recent accomplishments of the association, including: Federal appropriations, alternative fuel tax credit extension, the National Defense Authorization Act, clarification from PHMSA on cylinder requalification pamphlets, PHMSA's final rule on requalification of DOT-specification cylinders, the FERC 5-year index, engaging with new Congressional members and staff, energy code overhauls and gas bans legislation in states and localities, the unified environmental messaging campaign of NPGA and PERC, NPGA and PERC sharing office space as of 2022, modifying the NPGA 10 district structure into 8 (mimicking the 8 PERC regions), re-contracting with all applicable Southeastern Expo-related venues to move Expo from April to October 2021, launching a revamped NPGA website and rebranding NPGA Reports as the Bobtail, and developing the 2021-2023 Strategic Plan.

8. Standing Committee Reports.

- a. **Audit Committee.** Committee Chair Mr. Randy Doyle reported that the Committee met via Zoom call on Monday, January 11, 2021 to review the 2019 IRS Form 990 returns for NPGA and NPGF and the audit and tax engagement letters for fiscal year 2021. The Committee approved the 2019 IRS Form 990 returns and the audit and tax engagement letters for fiscal year 2021.
- b. **Conventions Committee.** There was no oral report, but Board members were referred to Tab G for the full, written committee report.
- c. **DSA Award Committee.** There was no oral report, but Board members were referred to Tab H for the full report.
- d. **Governmental Affairs Committee.** Committee Chair Mr. Mike Hopsicker reported on the activities of the committee's three task forces that focus on federal legislative, federal regulatory and state engagement initiatives. He noted that a major focus of each group will be to address the heightened focus of the new Biden administration on climate change and clean energy initiatives that will include positioning propane to be part of the solution to environmental concerns.
- e. **Propane Supply & Logistics Committee.** Committee Chair Mr. Stephen Kossuth reported on the current situation with propane supply, noting the extended forecast indicated the next few weeks were likely to be critical. He said the committee continues to meet monthly via conference call to receive updates from the industry.
- f. **Member Services Committee.** There was no oral report, but Board members were referred to Tab K for the full, written committee report.
- a. **Technology, Standards & Safety Committee.** Committee Vice Chair Mr. John Caldenhead reported that the committee had two proposals before the Board for approval, both of which were described in Tab L of the Board meeting materials. The

first proposal was to revise **Tdc-1891 “PVC Regulator Venting Indoors”**... The Board:

VOTED TO APPROVE THE CHANGES FOR TS&S DOCKET Tdc-1891 “PVC REGULATOR VENTING INDOORS.”

The second proposal was for docket **Tef-1893 “Forklift Cylinder Refueling Requirements in NFPA 505”**... The Board:

VOTED TO APPROVE THE PROPOSAL FOR TS&S DOCKET TEF-1893 “FORKLIFT CYLINDER REFUELING REQUIREMENTS.”

9. Other Reports

- a. **PropanePAC Steering Committee Report.** Mr. Chad Kroening provided the report of the PropanePAC Steering Committee, referring to Tab M for more specifics. He once again thanked the PAC administrative fund sponsors for their support of the PAC’s programming. He highlighted the PAC’s fundraising success of 2020 and shared a graphic which detailed contribution amounts among the various membership groups within NPGA. He noted that independent marketers made up the lion’s share of all PAC contributions and that investment was needed in order to increase participation among others.

Mr. Kroening also unveiled the PAC’s new logo as part of a larger association effort to brand propane as an energy policy solution. He concluded his report by informing the Board that the PAC will pause all political giving for 30 days in order for the political fallout surrounding the January 6 election certification opposition to subside.

- b. **PERC Report.** There was no oral report, Board members were referred to Tab N for a full, written report.
- c. **NPGF Scholarship Committee.** Chair Gagne noted that Scholarship applications were being accepted until February 15, 2021. Board members were referred to Tab O for the full, written report.
- d. **Benchmarking Council.** Chair Gagne directed the Board to the written report under Tab P.
- e. **Cylinder Exchange Council.** There was no oral report, Chair Gagne directed the Board to the written report under Tab Q.
- f. **Women in Propane Council.** Chair Gagne directed the Board to Tab R for the full, WIP report.

10. Old / New Business.

Chair Gagne requested Board members to ask a question via the Question box or email Mr. Steve Kaminski if there was any old or new business that required action.

11. Notification of Next Meeting.

Chair Gagne announced that the next Board of Directors meeting would be held on June 7, 2021 in Washington, DC, perhaps in a modified format, depending on the pandemic situation at the time.

12. Adjournment.

Chair Gagne adjourned the meeting at 12:54pm Eastern.