2007 TNI Board of Directors Meeting

April 2 and 3, 2007
San Antonio, Texas

1. Call to order

Co-chairs David Spies and Judy Duncan called the meeting to order. All attendees (staff, board members) were invited to introduce themselves.
- Jerry Parr, Executive Director
- Judy Duncan
- David Speis
- Alfredo Sotomayor
- Tom McAninch
- Joe Aiello
- Steve Arms
- Aurora Shields
- Judy Morgan
- Sharon Mertens
- Jack Farrell
- Bob Wyeth
- Ken Olson
- Brooke Connor
- Carol Batterton, Program Administrator
- Jane Wilson, Program Administrator
- Susan Johns, Program Administrator

Note: Carl Kircher was present in the meeting as a guest and Ken Jackson arrived around 3:30 and participated in the afternoon discussions.

2. Report from the Nominating Committee on Board Liaisons

Nominating Committee Chair Aurora Shields provided the report on ex officio board members. The Bylaws set a requirement for balance. The newly elected TNI board does not have any representatives from the federal government. The nominating committee decided to recommend appointment of ex-officio (federal) members
- US Geological Survey
    - Brooke Connor
- Department of Energy
    - George Detsis. He is requesting a letter from the board with the invitation, to include roles and responsibilities, time commitment, and costs.
- Department of Defense
    - Kevin Coats and Edward Hartzog are both interested
    - The nominating committee recommends the board select one of the two for membership on the board

- EPA can participate as a liaison member.
  - o The nominating committee recommends that TNI request EPA's Forum on Environmental Measurements (FEM) to provide one or more names for the nominating committee to consider
  - o We may want to provide EPA with the "characteristics" of the individual we are looking for. Since we are going to write a letter to the Department of Energy, we could do a similar thing for EPA.

Discussion: There are 3 interest groups: those that accredit (states), those that are accredited (labs), and others. Currently, there are 7 states, 5 labs and 2 others.

Motion: To include four ex-officio members on the board. Motion carried with one no vote.

Motion: To invite George Detsis, Edward Hartzog, Brooke Connor and an EPA member (as put forth by FEM) to participate as ex-officio members of the board. Motion carried.

Discussion: Each board member should be informed about what their duties will be.

Motion: Offer these individuals one year terms and have the nominating committee draft the letter of invitation. Motion carried. The board directed the Executive Director to send the letter.

Jerry Parr will seek clarification about amending our bylaws on the issue of ex officio and liaison board members from a Parliamentarian. The issues to seek clarification include: voting/non-voting participation, effect on the quorum, the maximum number of board members, and term of office.

3. **Election of Officers**
   - Judy Duncan was elected Chair.
   - Dave Speis was elected Vice-chair.
   - Steve Arms was elected Secretary.
   - Sharon Mertens was elected Treasurer.
   - Aurora Sheilds agreed to serve as Past Chair

4. **Approval of Minutes**

The minutes from the March 14 teleconference were approved as provided.

5. **Staff reports**
   a. Jerry Parr provided a review of the TNI Bylaws
   b. Status report from Executive Director (See Attachment 1)
      - The ANSI re-application has been sent and the process is moving forward.
      - Jerry Parr has invited NELAC members to join TNI. Some who have not accepted the offer are serving on committees. Jerry was instructed to call and ask them (the committee members) if they will accept the offer. If they do not accept, Jerry will bring those names back to the TNI Board for additional action. The free offer will expire May 2007.

- Jerry announced the he has identified an individual to provide administrative assistance.
- Jerry reviewed the financial information provided in the handout materials.
- Jerry reviewed the materials which were provided to the IRS in support of TNI's continuance as a non-profit.
- Jerry reported that there are still some functions being performed under the INELA name: cooperative agreements, IRS, a bank account, etc. There is a list of what changes were needed that was provided in the handouts.
- There is an on-line notification of membership dues. It works for individuals. We need a new approach for organizational members. Jerry will bring specific recommendations forward soon.
- Jerry proposed Aurora and he represent (i.e., be the delegates) for TNI at the EPA meetings in April. There were no objections.
- Jerry has committed to three presentations for TNI:
    - May 2 in Austin at the TCEQ trade fair (Lara Autry will also be presenting).
    - May 25 in Florida at the FSEA meeting
    - June in Florida at the APHL meeting. Since Steve Arms and Judy Duncan will be attending that meeting they will take care of this presentation.
  c. Status report from Program Administrators
    - Jane reported:
        - The ballot on 4 standards is underway. She provided an overview of the voting process, including the timeline.
        - There were additional activities from the PT committee and the ad hoc committees.
    - Carol had nothing new to report
    - Susan had nothing to report.

7. Board training

Susan Johns presented a Power Point presentation (Attachment 2) on the role of the board. The board also briefly discussed a draft code of conduct that was included in the handout for the meeting.

8. Future Board meetings

- Board meetings are scheduled for the 2nd Wednesday each month, from 12:00 pm (noon) to 1:30 pm Central. Jerry will send out a reminder.

9. Scalability of Standards Discussion

Question: How does TNI get smaller labs (represented by organizations such as AWWA and WEF) involved in the program?

Ken Jackson provided background on small laboratory accreditation activity in New York. Smaller labs need support getting through the process. Can the accreditation standard be

rewritten to be easier to understand by smaller laboratories and to identify requirements that don't apply to smaller labs? The idea is to maintain the same quality system, but scale the standard to small labs.

The Board discussed the impact of having two standards, and there was consensus to maintain a single accreditation standard. If the perception is that the standard is too rigid or too complex, it needs to be reviewed for all labs, not just small ones. Historically the feedback has been the complexity of the standard, the cost of performing two proficiency test samples per year, and the administrative burden required by the standard. The logistics of two standards would be difficult to manage at the state level, and also at the federal level if EPA and other agencies mandate accreditation beyond the Federal SDWA in the future. The feasibility of a "scalable" standard, with sufficient flexibility to allow it to be more easily applied to laboratories of varying scope and complexity, was discussed. Details of this brainstorming session may be found in Attachment 3 to these minutes.

Summary points agreed to by the Board:

- Consensus not to have multiple standards – same QS system for all
- Documentation appropriate to scope of lab rather than one size fits all
- Management requirements appropriate to the scope of the lab
- Look at scope/function/complexity of the lab rather than size
- Bring laboratory stakeholder groups to the table – need to talk about in detail

Next steps:

- Advocacy Committee has been contacting other organizations. Has good response from EPA. Labs represented by AWWA have given some feedback. WEF and NACWA reps want to come to table to discuss further in April. Perhaps need a focus group (lab/technical people) over a couple day meeting to review requirements – it will help the education process if we can get these people in the room (being discussed for summer meeting). Do these organizations want a national program? At high level there is general support for a national program, but not by all laboratories.
- TNI has been an open process, but these other groups haven't been involved – need direct engagement in the process. Need to help support these people if possible (e.g. travel support). These organizations have the power to change policy in their communities.
- Lack of understanding – identify how to make it less intimidating, what tools can be provided, etc.
- Need to also work from bottom up – assessors can have a big influence with positive feedback to labs. Ask for their help on some of these issues.
- Need to transmit this back to others in TNI who are dealing with related issues.

The Advocacy Committee has been charged with developing a proposal for the Board.

Executive Director's Report

April 2, 2007

Activities completed since March 14:

- Submitted application to ANSI
- Sent membership announcement to NELAC members
- Hired part-time clerical support person (Phyllis Thornton)
- Completed accounting for FY 2006, including NEMC and EPA cooperative agreement accounting
- Submitted Form 8734 to the IRS
- Discussions with ClubExpress on member database and organizational memberships
- Completed worksheets for strategic planning meeting
- Discussed IRS notification with attorney
- Established registration fees for summer meeting
- Participated in Texas microbiology workshops
- Planning Texas quality systems workshop for May 3 and 4
- Provided new Directors background information on TNI
- Discussed April 24 meeting with the FEM with Lara Autry
- Changes to TNI website: Links, PT tables

Upcoming activities

- Revise Program descriptions and post on website
- Complete tasks on Asset Migration table
- Continue work on summer meeting
- Develop new approach for organizational memberships
- Merge NEMC and TNI databases
- Finalize strategic plan
- Publish newsletter
- Additional changes to website
- Meet with Mike Shapiro and the FEM on April 24
- TCEQ Trade Fair: May 1-2
- FSEA May 24-26
- APHL June 3-5

Organization update

Last month: 524 Active members
This month: 533 Active members

Status of Asset Migration

Asset	Recommended Approach	Date
1. Foundational Organizational Documents		
a) Texas Articles of Incorporation	Change name	Done
b) IRS recognition as a non-profit	Send letter to IRS	
c) State of Texas recognition as a non-profit	Send letter to Texas	Done
2. Contracts and Grants		
a) EPA Cooperative Agreement for standards development	Prepare special report	
b) EPA Cooperative Agreement for NEMC	Prepare special report	
c) Texas grant for training workshops	Send letter	
d) Personnel contracts	Modify contracts	Done
e) Agreements with subcontractors	Modify contracts	Done
f) Hotel contracts	Modify contracts	Done
3. Banking		
a) Bank account number	Establish new bank account	Done
b) Checks	Change name when appropriate	Done
c) Merchant account (Visa, etc.)	Change to TNI account	
d) ACH (Automated Clearing House: a system the federal government uses for direct deposits)	Change to TNI account	
e) Direct deposits from state governments	Change to TNI account	
4. Other Government Issues		
a) CCR (Central Contractor Registration)	Change to TNI account	
b) State contractor registrations	Change to TNI account	
c) Dun and Bradstreet number	Change to TNI account	
d) Indirect cost rate with the Department of Interior	Jerry notify Elena Chan	
5. Other		
a) ANSI accreditation	Provide information to ANSI	Done
b) Insurance	Need help from NFSTC or others	
c) Vendor agreements	Jerry to make modifications	Done
d) FedEx account number	No change needed	Done
e) Recognition of A2LA as a PTOB	Sign MOU with A2LA	

Attachment 2

The NELAC Institute
2007 Board of Directors Orientation
April 2, 2007

Objectives
❑ Provide overview of not-for-profit boards
❑ Provide information about Roberts Rules
❑ Provide expectations for TNI Board members

The Not-For-Profit Difference
❑ For-Profit
  ▪ Distributes profits (dividends) to owners and stockholders

❑ Not-for-Profit
  ▪ Formed for purpose other than generating profit (usually for a mission or service delivery)
  ▪ Can generate a profit
    • Does not distribute profits
    • Uses profits to advance programs

Requirements
❑ Articles of Incorporation
  ▪ State the purpose of the organization
❑ Bylaws
❑ Operational Elements
  ▪ Directors
  ▪ Registered Agent
  ▪ Keep good corporate records
  ▪ Hold Directors' Meetings and prepare minutes
  ▪ Maintain a separate bank account

Governance and Management
❑ Governance
  ▪ Board of Directors
  ▪ Responsible for overall strategic direction, guidance and controls
❑ Management
  ▪ Administration (Staff)
  ▪ Responsible for day-to-day functions

Essential Obligations

❑ Obligations for both Board and Staff
- Enhance the value of the organization
- Oversee activities and performance
- Develop long term interests and funding
- Responsibly address the concerns of all constituencies

Roberts Rules

❑ A tool
- Written rules for organizations to conduct business
- Best method to arrive at the general will

❑ Makes us free to do what we want
❑ Provides protection
- For organization
- For members

Use

❑ Enhances effective leadership
❑ Allows organization to control itself
❑ Provides a process/structure
❑ Protect rights
- Of the majority
- Of the minority (especially one greater than 1/3)
- Of individuals
- Of absentees
- Entire group

❑ Protects against instability
- Normalized attendance variations
- Harder to change previous decisions

Principles

❑ One subject at a time
❑ Alternate opposing points
❑ Chair calls for a negative (as well as positive vote
❑ Manners
❑ Division of a question

- ❏ Basic portion
  - ▪ Like the rules of baseball
  - ▪ More than just common sense
  - ▪ Know where to find the answer
- ❏ Additional sections
  - ▪ Used for unusual circumstances

Deliberative Assembly

- ❏ Society requires rules
  - ▪ To establish its basic structure
  - ▪ To establish manner of operation
- ❏ Some rules should be harder to change or suspend
- ❏ Types
  - ▪ Charter
  - ▪ Bylaws
  - ▪ Rules of Order
  - ▪ Standing rules

Charter

- ❏ Articles of Incorporation
- ❏ Legal instrument to establish
  - ▪ Name
  - ▪ Meet legal requirements (specific for state)
- ❏ Drafted by attorney
- ❏ Supersedes all other rules
- ❏ Nothing can be suspended/changed by the organization (unless specified in the charter
- ❏ Leave as much as possible to Bylaws or other rules

Bylaws

- ❏ Contains TNI specific rules as an organization (how TNI functions)
  - ▪ Contains things that cannot be changed without prior notice
  - ▪ Contains things that cannot be suspended unless there are special conditions met
- ❏ Sections
  - ▪ Name
  - ▪ Objective
  - ▪ Members
  - ▪ Officers
  - ▪ Meetings

- Executive Board
- Committees
- Parliamentary Authority

Standing Rule

❑ Related to the details of the society, e.g.
  - When meetings start
  - Guests have to sign in

❑ Can be adopted or changed more easily
  - Majority vote
  - No prior notice

Basic Provisions

❑ Quorum
❑ Officers
❑ Order of Business
❑ Motions

Order of Business

❑ Call to order
❑ Order of business
  - Read and approve minutes
  - Reports from Officers, committees
  - Old business
  - New business

Motions

❑ Brings business before the society
  - Proposes an action

❑ Procedure
  - Made by a member (Requires recognition by the chair)
  - Another member seconds the motion
  - Chair states the motion
  - Members debate
  - Chair puts the question to a vote
  - Chair announces the result

❑ Unanimous or general consent
  - Can adopt a motion without an actual vote
  - Chair states "If there is no objection…"

Meetings

- ❑ Regular
  - ▪ On a regular schedule
- ❑ Special
  - ▪ Called at a different time
  - ▪ Usually to consider business specified at the time the meeting is called
- ❑ Annual
  - ▪ Involves entire membership
  - ▪ Conduct business legally required and/or specified by Bylaws
  - ▪ Public meeting
- ❑ Executive Session
  - ▪ Any portion of a meeting at which the proceedings are secret
  - ▪ Usually to consider executive business
    - • Personnel, discipline
  - ▪ Board and committee meetings are customarily held in executive session
    - • Non-members may be invited but are not entitled to attend
- ❑ Public Session
  - ▪ Opposite of executive sessions
  - ▪ Public and semipublic bodies are governed by sunshine law (must be open to the public)
    - • Usually do not apply to private, non-governmental bodies

Electronic Meetings

- ❑ If authorized by bylaws
- ❑ Meeting must allow all persons participating to hear each other at the same time.
- ❑ May want to adopt standing rules specifically for teleconferences
  - ▪ e.g., how to seek recognition to speak

Board Responsibilities

- ❑ Self Management
- ❑ Hold Meetings to conduct routine business
  - ▪ Review performance reports and updates
  - ▪ Resolve immediate issues
  - ▪ Information is distributed prior to meeting
  - ▪ Organization will maintain complete and accurate minutes of meetings

Board Responsibilities

❑ Review and monitor finances
❑ Review and monitor programs
❑ Assess risks
❑ Create a structure that supports good governance
  ▪ Policies
  ▪ Procedures

Oversight Responsibilities

❑ Ensure the organization is well run
❑ Review effectiveness of committees, programs and activities of organization
❑ Moderate the power of the organization's management
❑ Hold the power to hire and remove the chief executive

Fiduciary Responsibility

❑ Highest standard of care
❑ Avoid/fully disclose conflict of interests
  ▪ Include direct, indirect, actual, apparent, and potential
  ▪ Refrain from voting/participating
❑ Give TNI undivided loyalty
❑ Further best interests of TNI
❑ Not profit personally
❑ Will not favor own or others' interests over TNI
❑ Present favorable opportunities to
❑ Will not act without authorization
❑ Maintain confidentiality

Duty of Care

❑ Display competence
❑ Exercise reasonable care and prudence
  ▪ Attend meetings
  ▪ Be prepared to make informed decisions
  ▪ Carry out duties in a reasonable and responsible manner
  ▪ Protect the organization's assets

Duty of Loyalty

❑ Undivided allegiance when making decisions affecting the organization
❑ Disclose any conflict as soon as possible

Ethical Responsibilities

❑ Reasonable care
  ▪ Nonprofits serve the broad public good
  ▪ If Directors fail to exercise "reasonable care" in their oversight of the organization they are not living up to their public trust
❑ Conflict of interest
  ▪ A conflict of interest breaches fiduciary responsibility
  ▪ Directors can be held legally liable

Confidentiality

❑ Confidential Information
  ▪ All data
  ▪ Products and services
  ▪ Manuals
  ▪ Business plans
  ▪ Etc.
❑ Obligation
  ▪ Confidential information is proprietary
  ▪ Held in confidence

Fund-Raising

❑ The Board ensures that the organization has the money that it needs
  ▪ Assisting the organization to identify funding sources
  ▪ Serving as an advocate with a foundation, corporation, or government entity
  ▪ Organizing fundraising events
  ▪ Making personal contributions (not applicable to TNI at this time)

Representation

❑ Constituencies
  ▪ Individual Directors bring experience and perspectives of particular groups or segments of the organization's constituency
  ▪ Provide an opportunity for groups and members of the community to have a voice
❑ Directors are expected to vote with TNI's best interest in mind

Board Size

❑ Factors to consider
  ▪ Organizational Structure
  ▪ Needs
  ▪ Sufficient range of expertise to accomplish mission
  ▪ Work to be accomplished
    • Board too small – members may become overworked and unproductive
    • Board too large – every member may not have the opportunity to actively participate

Board Members

❑ Should have written job descriptions detailing what these responsibilities are

Board Chair

❑ Board meetings
  ▪ Oversees board and executive committee meetings
  ▪ Remains impartial
  ▪ Calls special meetings if necessary
  ▪ Assists Chief Executive in preparing board agenda

❑ Knowledge and skills
  ▪ Develop knowledge of services and stakeholders
  ▪ Develop skills governance skills

❑ Committees
  ▪ Serves as ex-Officio member of all committees
  ▪ May appoint committee chairs
  ▪ With the Chief Executive, may recommend who serves on committees

❑ Executive Director
  ▪ Works in partnership with the Executive Director to make sure board resolutions are carried out
  ▪ Oversees searches for a new Executive Director if needed
  ▪ Coordinates Executive Director's annual performance evaluation

❑ Acts as a spokesperson for the organization

Secretary

❑ Meetings
- Provides notice of meetings of the board and/or of a committee when such notice is required
- Reviews board minutes

❑ Records
- Maintains all board records and ensures their accuracy and safety

❑ Other
- Assumes responsibilities of the Chair in the absence of the Board Chair, Chair-elect, and Vice Chair
- Serves on the Executive Committee

Treasurer

❑ Serves as financial officer of the organization
- Understands financial accounting for nonprofit organizations
- Works with the Executive Director to provide timely financial reports

❑ Budget
- Assists the Executive Director in preparing the annual budget
- Assists the Executive Director in presenting the budget to the board for approval

❑ Audit
- Reviews the annual audit
- Answers board member's questions about the audit

❑ Finance Committee
- Serves as chairperson of the Finance Committee
- Manages, with the Finance Committee, the board's review of and action related to the board's financial responsibilities

Director Qualifications

❑ Ethics
❑ Time
❑ Ability to serve a multi-year term
❑ Commitment to organization, mission
❑ Independence

Terms for Directors

❑ There are no hard and fast rules for determining board member's tenure
- A Board profits from the experience of veteran members as well as the fresh perspective offered by new members
- Many organizations limit terms to 2 consecutive years

❑ Many organizations stagger terms of service

Directors

❑ Be present
- Attend all board meetings and other functions
    - Two (2) face-to-face meetings/year
    - Regular monthly teleconferences

❑ Be informed
- About the organization's mission, services, policies, and programs
- Review agenda and supporting materials prior to board and committee meetings

❑ Work
- Serve on committees or task forces
- Offer to take on special assignments
- Assist the board in carrying out its fiduciary responsibilities
    - Reviewing annual financial statements

❑ Advocate
- Inform others about the organization

❑ Other Responsibilities
- May make personal financial contributions to the organization
- Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization
- Keep up-to-date on developments in the organization's field
- Follow conflict of interest and confidentiality policies
- Refrain from making special requests of the staff

What Should a Director Do First?

- ❑ Read
  - ▪ TNI Articles of Incorporation
  - ▪ Bylaws
  - ▪ Board meeting minutes from previous year
- ❑ Talk
  - ▪ With Executive Director
  - ▪ With Board Chair
  - ▪ With current and former directors
- ❑ Review
  - ▪ Mission
  - ▪ Vision
  - ▪ Programs
  - ▪ Website
  - ▪ Organizational chart
- ❑ Sign
  - ▪ Confidentiality agreement
  - ▪ Statement of Fiduciary Responsibility
- ❑ Set aside sufficient time!

Committees

- ❑ Work
  - ▪ Much of the work that the board does is accomplished through committees or task forces
  - ▪ Committees recommend action to the full board for discussion and action
  - ▪ The exception is the Executive Committee which acts on behalf of the board
- ❑ Most boards need only a few standing committees
  - ▪ The rest of the work can be accomplished by task forces created for specific purposes

Standing Committees

- ❑ Common standing committees
  - ▪ Governance Committee
  - ▪ Audit Committee
  - ▪ Finance Committee
  - ▪ Executive Committee

Membership

- ❑ Assignments
  - ▪ Should be based on experience, skills, interests, and available time
  - ▪ Every Director should serve on at least one committee or task force
    - • Preferably no more than two

- Committee members may be appointed by the Chairperson
❑ Size depends upon the needs of the board and the organization
❑ Each member should <u>actively</u> participate

Summary

❑ The Board
- Determines organizations' mission and purpose
- Selects the Executive Director
- Provides proper financial oversight
- Ensures adequate resources are available
- Ensures legal and ethical integrity
- Maintains accountability
- Ensures effective organizational planning
- Recruits and orients new board members and assesses board performance
- Enhances the organization's public standing
- Determines, monitors, and strengthens the organization's programs and services
- Supports the Executive Director and assess his/her performance

Attachment 3

Details of Brainstorming Session on Scalability of the TNI Standard

- Assessors may have a role in scalability, as they may be able to determine whether certain requirements are applicable to a given laboratory operation, but this can be subjective.
- Need to define what is a "small lab", or define which criteria apply to which type of labs.
- Simplify the standards that exist, and get rid of what doesn't add value. The modular approach being used for the TNI standards should help accomplish this.
- Labs without a complex corporate structure may not need all the management requirements.
- Smaller DW labs may need the most control due to immediate public risk.
- Need to define what is scalability. Do not want to compromise the standard just to increase participation.
- Can have very small labs that excel under the current standard. Labs need flexibility on documentation requirements.
- In FL, many smaller WW labs closed when the NELAC standard became mandatory, but it can be implemented.
- The existing standard can be used in a flexible manner. Issues are training, etc. so that labs can design their own quality system that complies with the standard.
- Smaller labs vary considerably in the level of expertise in their operations. They need tools that walk them through the major elements of the standard, e.g., templates that could be filled in/signed off.
- A national program can't be based on different levels of a standard. Training and education are an issue. TNI needs to offer the right tools.
- The issue has more to do with function and scope of the lab than the size. TNI needs to address misunderstanding about what the objective is – documentation vs data quality, educate labs on how the standards apply and can be implemented
- The modular approach and modeling after ISO is a step in the right direction, but some old requirements are still there and TNI has added to ISO, which may be even more daunting. There is a need to get back to basics rather than prescriptive requirements.
- It is necessary to go beyond ISO 17025 in order to make the standard auditable.
- Small labs in non-NELAP states have political influence, and may block adoption of a standard that is perceived too complex or prescriptive.
- Primary issues are administrative and management requirements. Many labs don't care about ISO compliance, and consider ISO merely adds bureaucracy.
- Need a better understanding of what is meant by scalability. May also want to look at the terms lab vs environmental measurement; i.e., the standard needs to be applicable to sampling and field measurement.
- Can't sacrifice quality for economics.
- TNI has not engaged the other parties sufficiently to know exactly what they need.