



Distributed Electronically

DES Environmental Leadership Initiative  
 Encouraging Superior Environmental Performance Through Management Systems,  
 Recognition, and Rewards.

**Minutes of Stakeholder Meeting**

Monday, April 30, 2007

12:30 – 2:30 PM

29 Hazen Drive, Concord, NH

Room 112

- Meeting Purpose:**
- a) Introduce a new DES program to use new tools to address shared environmental priorities
  - b) Request expert assistance on specific tasks to develop environmental leadership initiatives focused on NH's environmental priorities

**Attendees:**

Michael Bruss	Assoc. Builders & Contractors
Kurt Blomquist	City of Keene
Melissa Hoffer	Conservation Law Foundation
Michael Cimis	Dartmouth College
Beverly Fischer	Henkel Corporation
D. Dickinson Henry	Jordan Institute
Chris Rawnsley	NH Ball Bearings
Patti Carrier	NH Ball Bearings
Michael Giaimo	NH Business & Industry Assoc.
Thomas Burack	NH DES
Sharon Yergeau	NH DES
Vince Perelli	NH DES
Bob Minicucci	NH DES
Alice Chamberlin	NH Governor's Office
Amy Ignatius	NH OEP
Andrea O'Brien	NH Small Business Development Center
Mary Collins	NH Small Business Development Center
Dennis Sasseville	Prizim Consulting
Linda Landis	Public Service of NH
Josh Secunda	US EPA Reg. 1

The table below shows people who were invited and want to be involved, but were not able to attend this particular meeting. We have provided this list to let everyone know who has expressed an interest in being involved with this initiative.

Justin Bielagus	Grubb & Ellis Coldstream Realty
Kendall Buck	Home Builders & Remodelers of NH
Jasen Stock	NH Timberland Owners Association
Will Abbott	Soc. For the Preservation of NH Forests
Betsy Blaisdell	Timberland Corporation
Tom Kelley	UNH Sustainability office
Ira Leighton	US EPA Region 1
Jean Holbrook	US EPA Region 1
Susan Studlien	US EPA Region 1

**Record of the meeting:**

After introductions, DES Commissioner Tom Burack made some opening comments. His main points were:

- Thank you to EPA for the “State Innovation Grant” funds to kick off this Environmental Leadership Initiative
- The purpose of the grant is to get the regulated community to go beyond compliance and the standard way of doing business.
- A healthy environment and a healthy economy go hand in hand - you can't have one without the other.
- We're promoting a new paradigm that says “compliance” isn't sufficient; we should be working toward sustainability.
- What are the best management practices that will help companies go beyond compliance and to achieve sustainable business operations?
- DES's hope is to find certain sectors willing to work with us to build the Environmental Leadership Initiative and to promote environmental leadership in NH.
- We need to identify things that companies can do to cause them to be leaders and for others to be willing to follow in their footsteps – mentoring.
- We are looking for a commitment from our stakeholders to be involved in our steering committee, to help get sectors interested in working with us, and to develop sector work plans.

Josh Secunda of EPA Region 1 spoke on behalf of Deputy Regional Administrator Ira Leighton, who had been called to another meeting. His main points:

- This project and the grant that is funding it is an especially important one for EPA and DES.
- He is interested to see how NHDES will take this vaporous concept of beyond compliance behavior and turn it into a real program in NH.
- He wants to see how NH will tailor this “outside the box” thinking type of program.
- EPA nationally is asking Region I “What are you doing?” and "What are you accomplishing?" We have metrics and we have numbers and can prove that these alternative, beyond compliance approaches do make sense, are effective, and produce results.
- EPA is watching the project carefully. The states are the testing grounds.

Mr. Burack added that NH is largely comprised of small businesses. This is what defines our business landscape. The main question here is how do we develop a program that is doable for the small shops - we need to make sure that we tailor aspects of the program to these small businesses.

Bob Minicucci, DES project manager for the Environmental Leadership Initiative, gave a PowerPoint presentation (copy attached), describing what DES hopes to accomplish and how they

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hope to do it. Of special note were some slides illustrating environmental accomplishments by NH's Performance Track<sup>1</sup> members. It was noted that around 20 states have environmental leadership programs like EPA's Performance Track. The presentation was followed by some discussion:

- Were these accomplishments a result of Performance Track membership, or are they things the company would have done anyway?
- Environmental Leadership programs (like Performance Track and others) can be focused on real issues. For New Hampshire, we intend to tailor/focus the project to make positive change in the areas of: 1) Climate change and energy/Greenhouse gases; and 2) Land use development/Sprawl.
- Has DES looked into what other states have done in this regard? Yes, and that is reflected in our initial proposal (to be handed out later in this meeting). Maine, Virginia, Michigan, North Carolina, South Carolina and Georgia were mentioned. Vermont is doing some things with the hospitality sector. There have been successes and failures: Oregon had a program removed when a new commissioner came in.
- Compliance with laws and regulations is necessary and important but not sufficient to reach sustainability. If DES can't *force* people to go beyond the compliance level, how do we achieve that? Perhaps through recognition and rewards – the carrot, not the stick.
- New Hampshire's business community is heavily weighed to small businesses. Experience has shown that teaching *environmental* management to a shop that does not practice organized management is futile. Therefore, under the hypothesis that well-managed companies behave better in general, part of DES's project is to find a way to improve management skills in NH's small businesses.
- Much of the environmental leadership behavior we see in Performance Track members and others is driven by the use of business/management tools, especially environmental management systems. Under this grant, DES wants to provide training on environmental management tools, and work with business schools in the state to get sustainability/green business topics into their curriculums. Antioch of New England (in Keene) was noted as already doing that.

Beverly Fischer of Henkel Corporation gave a presentation (attached) on how their management system approach to doing business and managing their environmental affairs and their participation in EPA's Performance Track Program and OSHA's similar VPP<sup>2</sup> program has made a difference in many areas (including the bottom line) and has really produced results. Some points from Beverly's talk:

- She has done EMS implementation in organizations from 18 employees to 100.
- Participation in such programs as Performance Track offer the following opportunities:
  - Sharing best practices with peers;
  - Networking opportunities; and
  - Access to resources and tools that wouldn't be there otherwise.
- Two significant reasons to participate in Environmental Leadership Programs are the incentives offered and (not to be underestimated), improved relationships with the "regulators."
- Improvements to the "bottom line" shouldn't be overlooked.
- Their corporate culture focuses on business sustainability within the context of environmental sustainability. This is a core value of the corporation.
- Supply chains provided significant leverage to smaller companies. Leveraging your supply chain is a powerful tool that should be explored. Customers are an important place to gain information to help to green a product line or come up with other improvements. She offered an example of working with Gallo to bring less toxic label-adhesive to wine bottles.

DES's initial proposal for the design of an Environmental Leadership recognition and reward program was handed out and briefly described. This document is also attached to these minutes. The lower tier 1, "Aspiring Leaders" may be our focus, working on a sector-specific basis.

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<sup>1</sup> See <http://www.epa.gov/performance-track>

<sup>2</sup> See <http://www.osha.gov/dcs/vpp/index.html>

The meeting went to open discussion at this time. Notes from that discussion follow, roughly grouped by topic:

- Supply chains, including both suppliers and customers, are places where influence and change can be exerted.
- Figure out why companies do the things that they do.
- Need to avoid green washing -- Need standards for how things are reported
- Some challenges were noted in organizations (such as older academic institutions) which have much older infrastructure and facilities and, therefore, have a harder time with some of the improvements that newer facilities can undertake - energy efficiency for instance.
- In the building trades, they are seeing more and more conscious decisions to construct more energy-efficient buildings and use different materials.
- Just meeting bare minimum standards is definitely not good enough. A contractor noted that meeting building code means just missing breaking the law; his company builds buildings that are 50% better than what the codes require - they are already going beyond compliance (with building codes).
- It's a long effort to educate customers about the choices/opportunities out there for new buildings. But as a result, customers are now coming to them.
- Bringing financial institutions on board is key. They are the weak link and a barrier in many instances. An example was given of a high-density "Eco-village" where they had a hard time with the bank financing the deal. The point about engaging the financial sector was repeated several times.
- The banking industry and regulators need to be receptive to new ways and approaches.
- Smaller banks seem to be more receptive to new ideas, more so than the larger banks which don't seem to want to "hear it." They don't seem to "get it."
- We need to consider the financial tools and resources companies/municipalities/others need to move forward. The Jordan Institute is already talking to banks on this subject and will work with us.
- We need to get decision makers to stop only thinking of the 2-year return on investment and start taking the longer view of things.
- Access to "Green Capital" is critical.
- There are many financial and other resources currently available that are just not being utilized by eligible companies and individuals.
- The group could explore the creation of a large Revolving Fund to help break the upfront financial barriers present in many projects. If they could just get over the initial hurdles....
- Bring in the sectors that want to work with DES and others on the development of the NH Environmental Leadership Initiative.
- Through some contact with the NH Timberland Owners Association, there is interest in discussing best practices for land management.
- We need integrated design processes upfront in the planning processes. All parties need to talk more upfront in the planning processes to discuss options and to avoid problems and higher costs down the road.
- Municipalities have unique and difficult challenges -- they usually have to take the lowest bids and have to convince elected officials and rate-payers to pay more (upfront) for lower operating costs or some other benefit. It is a very hard sell and a big hurdle.
- Much more mentoring and information sharing is needed in the system.
- We need to work on educating the small & medium-sized enterprises ("SMEs") on better and systematic management skills.
- We need to work with colleges and universities to bring them into the discussions and to integrate sustainability and environmental issues into their business curriculums.
- In San Francisco, LEED building permit applications go to the front of the line.
- Michigan's Clean Corporate Citizen Program was mentioned as one of the best in the country that we could learn from. Virginia's VEEP program was also noted.
- New Hampshire is in an excellent position to learn from all the other similar Environmental Leadership Programs operating around the country, and intends to do just that.
- There is a great opportunity via an "on-ramp" recognition tier in the Environmental Leadership Program to work with those companies just below and at the minimum compliance line. There is lots of opportunity for positive gain there.

- The on-ramp tier will get the most number of companies and be the largest component of the program and may include self-certification components like MA's Environmental Results Program or NH's Green Yards (for auto salvage yards).
- Who is the customer for DES's program? Our focus at this time is the organization that is mainly in compliance and wants to go beyond that and more toward sustainability. DES has other assistance programs that would work in partnership with this proposed program to get organizations up to that point.
- Focusing on organizations that are already meeting the compliance standard will help program credibility. It is also wise to avoid "club" behavior, in which once a person or organization earns a given status, then they let their standards slip because they're "in."
- The program proposal is relationship-based. Organizations can earn their way into a better relationship with DES. This was reported by Performance Track participants as the number one reason they were in Performance Track.
- Organizations tend to value recognition by the environmental agency very highly.
- We need to be thinking ahead for when this grant runs out. How do we keep this thing going?
- We need folks to sign up now to help DES with the development of this program. The partnership aspect is key to the success of this program.
- The Governor is apparently keenly interested in this concept.
- We don't know how many companies are above or below the compliance line. However, if we develop a good program, we'll "pull" more companies (that whole group below the line) to a higher level.
- We need to have solid metrics to measure progress. We need baselines so that we can figure out where we were and what we have achieved.
- While we need sound metrics, we should NOT wait and report nothing because it is not "perfect."
- Metrics are critical - both programmatic ones, as well as environmental/outcome-based measures -- \$ saved, environmental results achieved (gallons of water saved, toxics reduced, KW Hrs. reduced, etc), # of companies participating, etc.
- We need to transform the marketplace.
- We need to explore and expand the role for state agencies to begin using the great leverage they already have in the marketplace.
- We need to create working groups on industry sectors within the next 30 days to keep up our momentum.
- Construction trades should be part of this program.
- We need to involve the industrial/manufacturing sectors.
- Schools need to participate as well.
- Most businesses, especially the small ones, are NOT trying to do the wrong thing and get themselves in trouble. Many of them really don't know what they don't know.

### **Next Steps:**

Steering Committee membership: The group that convened on April 30, along with the other interested parties that could not make that particular meeting, will be considered the overall stakeholder group for this project. We expect that detailed work will be done by smaller groups, with the overall group meeting every three or four months for review of progress and discussion.

Regarding work groups, DES would like people to work with us on the following topics:

1. Crafting details of a recognition and reward program, building off the draft distributed here. This work group will have sub-committees for sectors; at this time we see building/construction, municipalities, colleges and universities or other schools, industrial/manufacturing, and landowners/land managers five as sectors to address.
2. Developing a strategy to improve small business management skills.
3. Working with college business departments on incorporating sustainability into the curriculum.
4. Addressing financial sector issues.

This will involve periodic subcommittee meetings and work via email. If you're interested in a particular subcommittee, please respond by May 31. Please indicate what area(s) you would like to work on. All members of all work groups will be informed of progress by all other groups. Although you may sign on for one group, we want you to know what the others are doing and give you the opportunity to contribute to other groups as well. E-mail is wonderful for doing that. We want to be very sure to welcome and value your comments and interest on everything we are doing in the Environmental Leadership Initiative.

I'm working on reserving meeting rooms during the week of June 4, when I hope to hold initial meetings. I hope these work groups can meet monthly and have tangible results by the Fall of 2007.

With summer vacation around the corner, it may be best to hold the next Steering Committee meeting in early September. At that point, we should be discussing tangible products, at least as draft, from each of the work groups.

**Conclusion:**

Thank you all very much for your time and interest. I look forward to working with you. We can come and speak to your group if you think that would be useful. If you have any comments or questions, please do not hesitate to contact me at 603-271-2941 or at [RMINICUCCI@DES.STATE.NH.US](mailto:RMINICUCCI@DES.STATE.NH.US).

Sincerely,



Robert P. Minicucci II, PE  
Special Projects Manager  
Department of Environmental Services

Atts: 1) DES PowerPoint presentation  
2) Henkel Corp. PowerPoint presentation  
3) Draft program design document