

**Duke Settlement Board Meeting Minutes**  
**February 24, 8:00 a.m. – 12:00 p.m.**  
**Location: Randy Freking, Myers & Reul**  
**525 Vine St., 6th Floor Cincinnati, OH 45202**

**Board Members:** Debbie Brooks, Kathy Merchant, Brewster Rhoads, Mark Shanahan

**Attorneys:** Paul DeMarco, Ariane S. Johnson (by phone), Bill Markovits, Randy Freking

**Staff:** Megan Kennedy

**Additions to Agenda:**

- guidelines for reporting
- CBF blueprint

**Update from Bill on Claims filed to date:**

- Claims are running at a higher rate than initially projected (5-10%)
- 11% - over 130,000 people have answered the claims
- Deadline for filing claims: April 13

**Review of Documents**

1. Review of Draft Meeting Minutes of February 1, 2016
  - Correction: date of Fairness Hearing- April 18, not 19
  - Accept Kevin Bright's additions
  - Minutes Approved with above additions and edits
  
2. Review Bylaws of the Class Benefit Board of Trustees
  - Purpose of document- operating framework for the board
  - The Board will use a quorum vote to make decisions
  - Brewster Rhoads was appointed Chairman of the Board
  - Secretary from the Board does not need to be appointed, because Megan is filling this role
    - a. Contracts, Grants, and Loans (Article 4, Section 2)
      - I. This section should be more specific about whether or not these require court approval
      - II. Anything unclear or indirect can be addressed to the judge for clarification or approval
    - b. Books and Records (Section 5)
      - I. Lawyers and Freking, Reul & Myers office will keep the books and records
      - II. Make this more clear in the Bylaws document

- III. The Judge will determine a schedule for open court to check-in about progress of the Board's initiatives and status of programs
    - c. "Authorized equipment" replace with "Board authorized Equipment"
      - I. Example: if the board decides to conduct a meeting by phone or email
    - d. Once Bill and Paul incorporate the feedback, they will circulate it back to the Board members through email and have the Board give unanimous written consent by email
- 3. Conflict of Interest Policy Disclosure Form
  - a. Add exception "Preliminarily approved" changed
  - b. Form approved with edits
- 4. Conflict of Interest Policy
  - a. "Financial interest" definition (article 2, b)
    - I. Clarify with the addition of "other than court approved compensation"
  - b. Approved with edits
- 5. Grant making Criteria and Priorities (Kathy's document)
  - Kathy reviewed her latest draft noting that the document ensures that the board has looked at all possibilities for grant funding
  - It was noted that IF we allocate grant money for education, outreach, and marketing the Board must find ways to track benefits to class members and get measurable results
  - Board decided to 1) be agnostic on proportions of funds allocated to different classes, 2) ensure that all classes receive a reasonable benefit regardless of their location in the Duke service area, and 3) develop Guiding Principles that will be used by the Board in making decisions about grants or loans.

### **Ideas/Conversations about Grant Programs and Opportunities**

- Programs/ideas that address compliance issues
- Loans and matching grants: opportunities to leverage additional resources
- Recognize the positive ancillary benefits of energy efficiency upgrades in homes (health, education attainment, etc.)
- Pay for Performance: Could this work? Research needs to be done
- Turn-key packages: In commercial buildings someone does the entire energy retrofitting and then turns it back to the building owner
- Training contractors on energy efficiency technology, existing assistance programs, etc
- Recognizing the national trend of net-zero building construction and retrofitting – how can we help local architects and contractors become leaders in this emerging field
  - a. South Cummingsville pilot
  - b. All new construction in California
- Before March 9, put 3-4 ideas of examples of programs on the website
  - c. People can give their feedback
  - d. Board can send out an email blast or notify presumptive class members on the website to weigh in
  - e. Programs can be direct, indirect, residential, and non-residential

## Discussion of Types of Class Members

- Two Types: (Residential and non-residential)
- Different treatments for different class members
- Industrial and commercial- training, benchmarking rewarding for good practices, leveraging funds so that it can be self-sufficient
- Change the system by changing the bar of energy efficiency expectations
- Low income class members are least likely to file a claim
- Board will be agnostic on the proportions of funds to allocate to the different types of class members

## Guiding Principle

- Benefitting those who are least likely to file a claim
- Preference for projects that have a proven track record of success (how do they get measured in the lifespan of the board's lifetime?)
  - a. Multiyear grants are more effective than 1 year
  - b. Reporting the effectiveness of the programs: how many homes have been upgraded? How many contractors trained? This is different from the overall long term impacts, so how do you measure the longer term benefit?
- Mark's summary of the Guiding Principle: We will prioritize programs that target members of the classes that will be least likely to file claims and those who are in the highest need for energy efficiency assistance. While the Board places a priority on this group of class members, they are also committed to supporting programs that assist all class members.

## Example of Tracking and Benchmarking for Energy Efficiency for Commercial Buildings in Charlotte, NC

- Duke was part of starting up this initiative
- Created transparency and competition between downtown building owners to upgrade their buildings to be more energy efficient
- A similar project was attempted in Columbus, but it isn't as effective because the benchmarking and tracking are not required
- This type of project could be a potential program idea for the Board, but it must only benefit class members

## Activity: Each Board member and attorneys individually identified 4 program ideas in the categories of direct-residential, direct-nonresidential, indirect-residential, indirect-nonresidential

1. Mark Shanahan:
  - i. Direct-residential and nonresidential: revolving loan fund
  - ii. Residential: Programs targeting those just above the low income mark
  - iii. Nonresidential: Programs targeting smaller industrial

- iv. Indirect- residential: energy efficiency education provided through existing validators
  - v. Nonresidential: Charlotte project example
- 2. Debbie Brooks:
  - i. Direct-residential: PWC
  - ii. Direct-residential: Programs targeting landlords with renters
  - iii. Indirect- residential: Programs targeting those just above the low income mark
  - iv. Indirect- nonresidential: Charlotte project example
- 3. Brewster Rhoads:
  - i. Direct- residential: PWC
  - ii. Direct- nonresidential: refinancing/revolving loan fund
  - iii. Indirect- residential Programs that address uptake, already validators (energy efficiency/HVAC contractors) that can be promoting available programs
  - iv. Indirect-nonresidential: Promoting PACE financing tools
- 4. Randy
  - i. Proposal of a competition (like in Charlotte) with landlords that own low income housing
- 5. Kathy Merchant
  - i. Direct- residential: PWC
  - ii. Indirect- residential: outreach to presumptive class members
  - iii. Direct- nonresidential: revolving loans
  - iv. Indirect non-residential: Training of contractors (Cincinnati State at the table)
- 6. Ariane
  - i. Direct/indirect- nonresidential: incentivize energy efficiency projects, like upgrading community centers, schools
- 7. Paul Demarco:
  - i. Indirect- residential and nonresidential: programs to improve low uptake (covering both residential and nonresidential),
  - ii. Direct- residential and nonresidential: revolving loan fund
- 8. Bill Markovits:
  - i. Direct- residential: PWC
  - ii. Indirect- residential: revolving loan fund
  - iii. Direct- residential: Programs for landlords for low income tenants
  - iv. Indirect- nonresidential- Charlotte Pilot program example

## Other Key Players

- Board authorized Brewster to talk to officials with the Cincinnati Building Owners and Managers Association and the Cincinnati Chapter of Energy First, the association of energy efficiency contractors and the Greater Cincinnati Northern Kentucky Apartment Owners Association

## Administrative

- Board members should make track changes in one document in Dropbox, so it is not confusing
- Mark's matrix can be addressed once the Board has a more concrete idea of programs
- When it comes time for the Board to send out RFP for program proposals, the Board should ask for a letter of intent
- Board members should submit timelogs to Beth monthly; Beth will provide detailed guidance
- Brewster will be chairman for next meeting
- Next meeting: March 9, 8 am-noon instead of 9 am-1pm
- April 18 hearing- 10a.m. – judge Barrett's courtroom- 1<sup>st</sup> floor (where the post office used to be)
- Courtroom has all of the electronic devices to display
- Protocol for media inquiries- refer everyone to Paul Demarco (513) 470-0369

## Next Steps and To Dos:

1. CBF Blueprint- Megan will get edits from Kathy and send to Bill to finalize for Board approval
  - a. Document will be put on the website
  - b. Deadline before March 9
2. Megan will send Bill finalized version of February 1 meeting minutes to be put on the website
3. Megan will get January 14 meeting minutes from Kathy, Debbie, and Kevin and send them to Bill
  - a. Board will adopt these meeting minutes by email and Bill will post to website
4. Bill will revise conference call notes from December 21 meeting
5. Bill will make edits to Bylaws document, Conflict of Interest documents
6. Megan will make sure that Ariane gets all documents in Dropbox
7. Megan will create an "email folder" for documents that the Board will vote on by email and retain copies of the emails sent by Board members to record their votes
8. Bill will edit Kathy's bio and put all bios and headshots on the website
9. Brewster will contact BOMA, Efficiency First, and Greater Cincinnati Northern Kentucky Apartment Owners Association
10. Bill will get an idea of how organizations can prove that their programs will benefit the class members

Minutes Recorded by Megan Kennedy

February 25, 2016