



Setting the Standards for  
Home Energy Efficiency



# Minutes

## RESNET Board of Directors Fall 2016 Meeting

November 3 & 4, 2016  
Hyatt Regency Hotel, Lexington, Kentucky

### **Members Present**

Ben Adams  
David Beam (For Thursday Only)  
Dave Bell  
Steve Byers  
Brett Dillon  
Philip Fairey  
Matt Gingrich  
David Goldstein  
Andy Gordon  
Roy Honican  
Cardice Howard  
Mark Jansen  
Lee O'Neal  
Nancy St. Hilaire  
Kelly Stephens (For Friday Only)  
Daran Wastchak  
Barb Yankie

### **Members Absent**

Jacob Atalla—Excused  
Frank O'Brien-Bernini  
Jim Petersen

### **Staff Present**

Steve Baden  
Laurel Elam  
Kathy Spigarelli

Thursday, November 3, 2016

## **Call to Order**

The meeting was called to order by RESNET Board President Roy Honican at 9:05 a.m. Eastern Time.

## **Roll Call**

The roll was called and a quorum was present. Dave Bell made a motion to give Jacob Atalla an excused absence for medical reasons. Andy Gordon seconded the motion. Motion approved by voice vote.

## **Approve Agenda**

Daran Wastchack made a motion to approve the draft agenda. Andy Gordon seconded the motion.

Nancy St. Hilaire requested to move her presentation "Update on Incorporation of New HERS Index Consistency Test Suite and Board Policies on HERS Software Consistency into Accreditation Process" to Friday.

Steve Baden suggested moving the presentation on worst case ratings to Thursday. Daran Wastchack and Dave Bell agreed to the change in the agenda.

Daran Wastchack requested an update on the conference under new business

Andy Gordon requested another item be added under new business.

Brett Dillon made a motion that there be a 30-minute executive session after draft minutes are approved for the board to discuss what the roles and responsibilities of the RESNET Board of Directors. Barb Yankie seconded the motion. Motion was approved by voice vote with Philip Fairey voting no and two abstaining.

Daran and Andy agreed to the changes as a friendly amendment.

The amended motion was approved by voice vote.

## **RESNET Anti-Trust Policy**

Kathy Spigarelli distributed the RESNET Anti-Trust and Conflict of Interest Policy. The policies were given to all members in board packet via email and also presented on the screen. No needed changes were noted.

## **Welcome to Lexington**

Alex "Cash" Olszowy III of the City of Lexington, Kentucky's Division of Building Inspection and the International Code Council (ICC) Board President Board Immediate Past President welcomed the board to Lexington. Mr. Olszowy commented on how valuable the partnership

between ICC and RESNET was. He also informed the board of the priority that ICC has placed on encouraging the emerging leadership to their organization.

### **Approve Draft RESNET Board Meeting Minutes**

Lee O'Neal made a motion to approve the minutes of the October 7, 2016 RESNET Board Meeting. Andy Gordon seconded the motion. The motion was approved by voice vote. Ben Adams abstained.

### **Executive Session**

Brett Dillon distributed a document with information about board governance issues. Brett went on to discuss that the Board need to understand what its role was – that is governance as opposed to management of the organization.

Brett reminded everyone that RESNET is a California non-profit organization subject to California law. R990 says that none of the Board of Directors can have contracts with RESNET. David Goldstein suggested that the board should have an attorney and a review committee look at the bylaws and compare them to California law.

Darran Wastchak said that a pro bono attorney helped review the updated by laws in 2012. Brett noted that there should be an attorney, working for the board, who should review the by-laws again because the corporation is now in California.

Ben Adams recalled that California was chosen because it was expedient and a good idea (moved the corporation from Arkansas).

Brett expressed concern that the board does not get enough time to deliberate on board action issues.

Steve Byers discussed the role of board of management versus governance. The board is transitioning from management to governance, and we're not there yet. But Steve further said that governance was the boards role, and that to move away from the management of the organization was appropriate.

Ben expressed concern about the new role of Executive Committee. He suggested that policy related decisions should go to the full board.

Barb Yankee expressed concern about the by-laws being in compliance with California law. There was a general consensus that the by-laws needed to be reviewed to ensure compliance with California law and that the board needed to be knowledgeable about what it's role was in the governance of the organization.

Daran Wastchak made a motion "The Board of Directors will form a Governance Subcommittee. An attorney will be selected by the Governance Subcommittee and approved by the full board to assist the Subcommittee. The Governance Subcommittee's task is to review and consider updates to the by-laws and make recommendations regarding board governance matters."

Initially the committee shall be made up of Daran Wastchak, Brett Dillon, Steve Byers, Barb Yankee and Lee O'Neal.

Cardice seconded the motion. Motion approved by voice vote.

### **Consideration of Recommendations of RESNET Board Mission and Vision Task Force**

Steve Byers presented the mission and vision statements developed by the task force.

Mission: To make the energy use of all homes transparent, thereby driving residential sector energy use toward net zero.

Vision: A net zero energy residential sector by 2040.

Daran Waschak made a motion to approve the RESNET organization vision statement "A net zero energy residential sector by 2040" and to amend the mission statement to read, "To make the energy use of all homes transparent, thereby driving residential sector energy use toward net zero." Ben Adams seconded the motion. The motion was approved unanimously by voice vote.

### **RESNET Board President's Report**

Roy Honican, RESNET Board President, gave his report and highlighted the accomplishments of the board this year and discussed items that would be worked on in the coming year.

### **Report on QA Genie Quality Assurance Tool**

Steve Byers with EnergyLogic presented on the QA Genie quality assurance analysis tool. Mr. Byers reviewed the development, capabilities and current status.

### **Report on Enhanced Quality Assurance Activities Supported with FY 2016 Rating Surcharge**

Laurel Elam, RESNET Quality Assurance Manager, gave the report on the 2016 enhanced quality assurance activities. Ms. Elam reported that there is improvement in the quality assurance reviews and that enhancements to the RESNET Registry and QA Genie will further improve the quality of HERS ratings.

Board requested a report on the tax credit issues by the end of the year; a policy statement may need to be created about this issue.

### **Status of Development of RESNET Water Efficiency Rating (WER) Index**

Jonah Schein, EPA WaterSense, Co-Chairman of RESNET WER Index Task Force, gave an update on the WER Index including goals, structure and next steps.

Mr. Schein reported that the policies guiding the development of the WER Index are:

- The near term goal is to create a water efficiency rating index that the HERS infrastructure can readily and timely adopt
  - Modeled on HERS Index
  - Must be cost effective to inspect and test
  - Be pragmatic
  - In near term built on existing RESNET HERS Rater infrastructure
- The WER Index Reference Home should track with the reference home of the HERS Index (the water use applications that represent standard new home construction in 2006)
- Modeling will produce a WER Index. The reference home will be assigned a WER Index Score of 100. The relative departure of the rated home from the Reference Home will be either added or subtracted from the 100 score. The more efficient the rated home, the lower its score.
- The WER Index score will be based on calculations of potable water use.

The charge from the board of directors was to create an index that:

1. Leverages the advances made in the HERS standard (ICC-301-2014)
  - Calculates hot and cold water for all principle fixtures and appliances, requires additional outdoor uses
  - Has compelling technical support
2. Is inline with the general HERS methodology
  - Generates a score by comparing the rated home to a reference
  - Reference home is representative of new construction circa 2006
3. Provides a low bar for participation
  - Can be added to a HERS rating for a reasonable incremental cost and effort

Jonah reported that he felt that the incremental effect for a HERS Rater to produce a WER Index were:

At a minimum:

- What is the average flush volume of toilets installed in the house (mandatory product information in the U.S.)
- What is the average flow rate of showerheads and faucets?
- What is the landscaped area?
- Is there an irrigation system?
- Is there a pool?

Mr. Schein reported that the WER Index development was meeting the RESNET Board's intent as follows:

1. Leverages HERS?
  - Yes!
  - Only minor changes and additions had to be made.
2. Follows HERS methodology/uses a 2006 reference?
  - Yes!
  - In the absence of an IECC equivalent, the draft represents average construction in 2006 well.
3. Allows for easy participation?

– Yes!

Mr. Schein asked the board if the direction of the work on the WER Index is consistent with the board's mandate. It was the sense of the board that it is.

### **Relationship between the RESNET Board, the RESNET Standards Management Board (SMB) and Standard Development Committees (SDC)**

Roy Honican, RESNET Board President, presented on the relationship between the RESNET Board, the SMB and the SDCs. Roy informed the board that since he became president he has received concerns in the following areas regarding RESNET standard development process:

- Accountability
- Transparency
- Integrity

After a board discussion, Mr. Honican informed the board that he has asked the SMB to come up with recommendations to address the issues and present it to the board at the annual meeting in Scottsdale.

Mark Jansen made a motion that a person shall not be able to serve on both the chair of a SDC and be a member of the SMB. Andy Gordon seconded the motion. The motion was approved with David Goldstein opposing and Brett Dillon and Philip Fairey abstaining.

### **RESNET Board Policy on Worse Case HERS Ratings and the RESNET National Registry**

Dave Bell and Daran Wastchak presented the need for a board policy on threshold or worse case HERS Rating and the RESNET Registry.

Philip Fairey, Steve Byers, Daran Wastchak and Dave Bell will work on this issue and develop policy to bring back to the board.

The RESNET Registry is under the control of the board so this can be solved by a board policy and is not an ANSI standard issue.

### **Report on RESNET Board HERS Index Portal Interface (HIPI) Task Force –**

Nancy St. Hilaire, Task Force Chair, provided a report on the HERS Index Portal project.

Mark Jansen made a motion that RESNET shall not proceed with the HIPI proposal at this time. Barb Yankie seconded the motion. Motion was approved by voice vote with Brett Dillon and Philip Fairey abstaining.

Dave Bell made a motion to recess at 4:48 p.m. Eastern Time.

Friday, November 4, 2016

Meeting called back to order at 8:00 a.m. Eastern.

## **Consideration of RESNET Executive Committee 2017 RESNET Budget Request**

RESNET Board President RESNET Board President presented the RESNET Executive Committees approach to the RESNET 2017 operating budget. He stated that there would not be a vote on adopting a budget but rather a discussion on what activities RESNET would fund in 2017. The vote on the budget will happen at later time.

Roy explained to the board that he had challenged the RESNET Executive Committee and RENET staff on what RESNET would need in 2017 that supports the growing demands of our industry. He stated that the basic choice would be whether RESNET maintain a reactive budget or move to a proactive budget.

Mr. Honican reported that the essential activities of RESNET were:

- 1. Standard Development**

All business models of the HERS industry are built on our standards. Our allies expect the development process to be as golden as the standard

- 2. The National Registry**

The data contained in the registry is invaluable for analysis, RESNET billings, reporting to policy makers and for the real estate industry to find rated homes. It is also RESNET's gateway to the appraisal industry.

- 3. Quality Assurance**

Gives our industry credibility

- 4. The RESNET Web Site**

RESNET's web site is the face of RESNET. It is a vital touch point for our industry. It is also a source for education and information for allies

- 5. Marketing and Advocacy**

If we don't tell our story someone else will

- 6. Annual RESNET Conference**

Personal interaction between the RESNET Board and allies

- 7. RESNET Water Efficiency Rating Index**

Added value to the industry

- 8. Administration and Management**

Let's make sure they have the proper tools to do their jobs

The RESNET Executive Committee had recommended to the RESNET Board that resources be invested for each of the essential organization activities

A straw poll was taken and there was an agreement to pursue the activities recommended by the RESNET Executive Committee. The RESNET Executive Committee would propose a detailed budget request and present it to board members for action.

The board also requested that RESNET staff create an organizational flow chart for management of employees proposed in the budget.

## **Report on Home Builders Association of Lexington Energy Smart Builders Program**

Todd Johnson, the Executive Director of the Lexington Home Builders Association presented about the association's Energy Smart Builder Program. Mr. Johnson reviewed the relationship

between RESNET and Lexington HBA, the value of the Energy Smart Builder Program and gave board members a packet with promotional materials about the program including a magazine that highlighted the HERS Index in the parade of homes.

### **Consideration of RESNET Executive Committee's Proposed 2017 RESNET Priorities**

Roy Honican presented the RESNET Executive Committee's proposed 2017 goals and priorities.

#### 2017 RESNET Goals-

By 2020:

- Through Education, Marketing and Market Demand, 80% of all new Homes Are HERS Rated Annually
- Through Education, Marketing and Market Demand, the Average HERS Index Score on New Homes Will Meet the Target Energy Rating Index Scores of the 2015 IECC
- Through Education, Marketing and Market Demand, 20% of All HERS Rated Homes Are Water Efficiency Index Rated Annually

#### 2017 RESNET Priorities -

1. Ensure the National Consistency of HERS Index Scores
2. Work with the Building Industry, Code Advocates, Rating Industry and Local Code Jurisdictions to Adopt and Implement Energy Rating Index Option of the International Conservation Code
3. Through Dynamic Partnerships with the Housing Industry; Product Suppliers; Utilities; Code Officials and Strategic Partners, Increase the Penetration of the RESNET HERS Index in the Housing Market and Reduce HERS Index Scores
4. Implement Partnership with the Appraisal Institute to Undertake Campaign to Give Residential Real Estate Appraisers the Tools to Consider the Energy Performance of a Home in the Market Appraisal
5. Develop ANSI/RESNET/ICC Water Efficiency Rating Index for Homes Standard
6. Advocate for Policy and Legislation to Foster the Financing of the Improved Energy Performance of Homes
7. Expand RESNET's Services to Rural America

Brett Dillon requested that transparency of the process under national consistency of ratings be added under activities in the priorities narrative.

Brett Dillon requested to add an additional bullet under Dynamic Partnerships "develop a plan and value proposition for competing against free ERI software tools"

Brett Dillon requested that that the priorities be numbered.

Mark Jansen made a motion to approve the following amended RESNET Executive Committee's Proposed 2017 RESNET Goals and Priorities:

#### 2017 RESNET Goals-

By 2020:



- Through Education, Marketing and Market Demand, 50% of all new Homes Are HERS Rated
- Through Education, Marketing and Market Demand, the Average HERS Index Score on New Homes Will Meet the Target Energy Rating Index Scores of the 2015 IECC
- Through Education, Marketing and Market Demand, 25% of All HERS Rated Homes Are WER Rated

#### 2017 NET Priorities -

1. Ensure the National Consistency of HERS Index Scores
2. Work with the Building Industry, Code Advocates, Rating Industry and Local Code Jurisdictions to Adopt and Implement Energy Rating Index Option of the International Conservation Code
3. Through Dynamic Partnerships with the Housing Industry; Product Suppliers; Utilities; Code Officials and Strategic Partners, Increase the Penetration of the RESNET HERS Index in the Housing Market and Reduce HERS Index Scores
4. Implement Partnership with the Appraisal Institute to Undertake Campaign to Give Residential Real Estate Appraisers the Tools to Consider the Energy Performance of a Home in the Market Appraisal
5. Develop ANSI/RESNET/ICC Water Efficiency Rating Index for Homes Standard
6. Advocate for Policy and Legislation to Foster the Financing of the Improved Energy Performance of Homes
7. Expand RESNET's Services to Rural America

Lee O'Neal seconded the motion. The motion was approved by voice vote with Brett Dillon voting against the motion.

#### **Update on Incorporation of New HERS Index Consistency Test Suite and Board Policies on HERS Software Consistency into Accreditation Process**

Nancy St. Hilaire presented on the RESNET Task Force HERS Software Consistency Task Force.

Ms. St. Hilaire will develop a budget within 2 weeks and the board will have an electronic ballot for funding for the task force and the remaining funds from the HIPI will be refunded to providers.

Brett Dillon made a motion to authorize the task group to develop a revised software accreditation process and to present at the Fall 2017 meeting and submit a proposed budget to accomplish this task in two weeks. Kelly Stephens seconded. Philip Fairey abstained. Motion approved by voice vote.

#### **Formation of RESNET Emerging Leadership Council**

Matt Gingrich presented on the proposed RESNET Emerging Leadership Council Steering Committee charter. Mr. Gingrich reported on the responsibilities, features and next steps of the council.

Matt identified the following as the features of the council:

- Open to any RESNET member interested in contributing, with a focus on the new generation of leadership
- The council will have an ex officio representative on the RESNET Board
- Designated correspondence members will participate with RESNET Standard Development Committees, however, they shall have no standard development authority
- Hosting an event at the annual RESNET conference
- RESNET hosting social media outlets for networking and relevant exchange of ideas among members
- Conduct survey of priorities for council members once membership is established
- Develop mobile friendly content for RESNET's website

There was general agreement with the presentation.

### **Status of Quality Assurance Amendment to Implement RESNET Board Policy on Quality Assurance**

Andy Gordon, Chairman of RESNET Standard Development Committee 900 presented on the status of the quality assurance amendment to implement the RESNET Board policy on quality assurance. Mr. Gordon gave an update of the progress of the comment review task group and that they are now meeting bi-weekly to complete the review.

Philip Fairey requested to discuss the board's previous decision on hybrid providers. No changes were made to the board's determination on hybrid providers.

### **Report on 2016 RESNET Financial Audit**

Lee O'Neal, RESNET Board Treasurer, gave a report on the financial audit committee. Mr. O'Neal reported that three firms have applied to conduct the audit and the audit would start in May 2017.

### **New Business**

Andy Gordon resigned from the RESNET Board of Directors since he is no longer employed with an accredited Provider.

There was general expression of appreciation to Andy and Mark Jansen and Ben Adams for the service they have provided while on the board.

Kathy Spigarelli gave an update on the 2017 RESNET Conference

Mark Jansen requested the board to consider term limits in the revised by-laws. Discussion took place but no action taken.

Mark Jansen made a motion to adjourn at 11:43 a.m. Eastern Time.