



Setting the Standards for
Home Energy Efficiency

Results of RESNET Board Electronic Ballot on the Determination that the Agreements with Daran Wastchak were in RESNET's Best Interest; that they were Entered Into for its Own Benefit; and that They were Fair and Reasonable

August 22, 2017

In his conflict of interest disclosure Daran Wastchak disclosed that RESNET entered into a series of contracts with him for technical support services. Daran disclosed that the contracts were entered into while he served on the RESNET Board. Mr. Wastchak's disclosure was distributed to the RESNET Board.

The contracts were sent to the RESNET Board members for their evaluation.

The agreements were entered into prior to the RESNET staff and the RESNET Board being aware of the self-dealing transactions provisions of the State of California and IRS for non-profit corporations.

The work requested from Daran Wastchak was directed by RESNET staff and not promoted by Daran himself.

RESNET contracted with a professional vetted by our California attorney to determine whether the financial terms of the agreement were more than fair market value. This provided RESNET Board members with expert disinterested third party advice on making their decision.

RESNET's consultant reviewed the contracts and deliverables from Daran Wastchak. After the review of the agreements and deliverables the consultant determined that:

" ... it is my opinion that the scopes of work performed are both fair and competitive.."

The consultant's report was submitted to members of the RESNET Board to review.

Following RESNET's Conflict of Interest Policy, the RESNET Board reviewed the evidence and voted to make a determination whether the transactions with Daran Wastchak were advantageous to RESNET. Since the agreement was already entered into, the RESNET Board needed to make an after the fact determination whether the arrangement were in RESNET's best interest; that they were entered into for its own benefit; and whether they were fair and reasonable.

RESNET's legal counsel has advised RESNET staff verbally that both the State of California and the IRS will be lenient to RESNET if we take this issue seriously and conduct a full investigation with a reasoned determination.

Roy Honican is giving each of the affected board members the option of waiving their presentation to the board in a GotoMeeting. When a board member waives presenting to the board we will have a simple electronic ballot. Where the board member wishes to make a statement to the board, a board call will be arranged. According to the RESNET Conflict of Interest policy, a board member who is the subject of the call will need to sign off on the call after the person's presentation and cannot participate in the further board discussion.

Daran Wastchak decided to waive his right to a board meeting so RESNET Board and authorized that the RESNET Board will have an electronic ballot on its determination.

The following is the results of the electronic ballot:

After reviewing the documentation, does the RESNET Board find that the agreements with Daran Wastchak were in RESNET's best interest; that they were entered into for its own benefit; and that they were fair and reasonable?

Yes - 16	No - 0	Abstain - 1	Not Voting - 1
Jacob Atalla		Brett Dillon	David Goldstein
David Bean			
Dave Bell			
Steve Byers			
Robert Eipert			
Philip Fairey			
Matt Gingrich			
Roy Honican			
Cardice Howard			
Mark Jansen			
Cy Kilbourn			
Abe Kruger			
Curt Rich			
Nancy St.Hilaire			
Kelly Stephens			
Clayton Traylor			

Daran Wastchak recused himself from voting.

The motion was adopted.

Respectfully submitted

Matt Gingrich, RESNET Board Secretary