



Setting the Standards for  
Home Energy Efficiency

## **Results of RESNET Board Electronic Ballot on the Determination that the Agreement with the Florida Solar Energy Center was in RESNET's Best Interest; that it was Entered Into for its Own Benefit; and that it was Fair and Reasonable**

August 14, 2017

In his conflict of interest disclosure Philip Fairey disclosed that beginning in 2012 RESNET entered into a contract with the Florida Solar Energy for research, analysis and technical support services. Philip disclosed that the contract was entered into while he served on the RESNET Board. Philip Fairey's disclosure was distributed to the RESNET Board.

The agreement, subsequent modifications and contract deliverables were sent to the RESNET Board members for their evaluation.

The Florida Solar Energy Center is a public research institution within the University of Central Florida.

Philip Fairey is an employee of the Florida Solar Energy Center. 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 the Florida Solar Energy Center was directed by RESNET staff and not promoted by Philip Fairey.

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 the Florida Solar Energy Center. After the review of the agreements and deliverables the consultant determined that:

***Based on the modifications and extensions the continued work engagement over time is reasonable and fair has been invaluable to RESNET.***

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 transaction with Florida Solar Energy Center was advantageous to RESNET. Since the agreement has already been entered into, the RESNET Board needed to make an after the fact determination whether the arrangement is in RESNET's best interest; that it was entered into for its own benefit; and whether it is 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.

Philip Fairey 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 agreement with Florida Solar Energy Center was in RESNET’s best interest; that it was entered into for its own benefit; and that it is fair and reasonable?***

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

Phillip Fairey and David Goldstein recused from voting. David recused himself because “NRDC was involved in some of this work”.

The motion was adopted.

Respectfully submitted  
 Matt Gingrich, RESNET Board Secretary