

## **PHILADELPHIA ENERGY AUTHORITY**

### **Minutes of the Special Meeting of the Board of Directors of The Philadelphia Energy Authority**

**April 9, 2015**

The quarterly meeting (the “Meeting”) of the Board of Directors (the “Board”) of The Philadelphia Energy Authority (the “Authority”) was held on April 9, 2015, beginning at 4:30 PM, in the Municipal Services Building, 1401 JFK Blvd., 16<sup>th</sup> Floor, Room E, Philadelphia, Pennsylvania.

The following members of the Authority were present at the meeting:

Barbara Adams  
Christopher A. Lewis  
Kenneth Ogawa  
Emily Schapira  
E. Mitchell Swann

Also, present at the Meeting were Jill Kowalski, Executive Director, Philadelphia Energy Authority, Adam Agalloco, Energy Office, Adebayo Adejare, Intern, Philadelphia Energy Authority, and Lorna Gallman for the Philadelphia Municipal Authority.

#### **Call to Order**

Mr. Lewis called the Meeting to order. Mr. Lewis determined that a quorum was present and that the Meeting was properly advertised.

#### **Approval of Minutes**

As the first order of business, Mr. Lewis made a motion that the Authority approve the minutes of the meeting of the Authority held on January 22, 2015 (the “Prior Meeting”), which minutes were provided to the members in advance of the Meeting. Ms. Schapira requested a correction to the minutes. The statement in the Chair’s report should state Mr. Lewis went to the

Council President's office requesting an increase in funding. Upon motion duly made and seconded, the minutes with the correction, were approved by the Board.

Mr. Lewis continued with the agenda.

### **Public Comment**

As the next order of business, Mr. Lewis asked for comments from the public. There were no public comments.

Mr. Lewis continued with the agenda.

### **Chair's Report**

#### **i. Budget Update**

Mr. Lewis commented that there is no update on the budget at this time. However, he has a meeting scheduled with the Budget Director, Rebecca Rynhart on April 17, 2015 to get further insight regarding the upcoming year.

#### **ii. Special Committee on Energy Opportunities for Philadelphia**

Mr. Lewis updated the Board on the special committee on energy opportunities for Philadelphia. He stated that City Council is considering whether to transfer the PGW assets to an authority. The City's energy lawyer, Scott Reuben recommended creation of a new authority. Many opportunities still remain from PGW as an asset. The committee was created to foster a discussion of the matter. It was suggested that PEA request the hearing notes from the public hearing on March 13, 2015.

The Board continued their discussion indicating that Philadelphia is an energy hub and the related political landscape. All the mayoral candidates have a different energy perspective. It was discussed that PEA needs to actively engage in the energy hub dialogue. We are minimizing our relevance by not participating. The board recognizes that this is a sensitive topic and that we need to be mindful of how we proceed and not be redundant. The conversation to date has been focused on 1) getting value out of city assets to improve financial strength of the city 2) pipeline capacity to the city 3) general environmental concerns 4) economic development opportunity.

The Board feels that the local (resident) environmental impact conversation is not occurring and is an appropriate area for PEA to lead the conversation. What resources are needed for a balanced conversation? It was decided to explore the environmental justice issues

with community group outreach. It was suggested that an Energy Salon be convened to discuss the environmental impacts on residents. Mr. Lewis and Ms. Schapira agreed to collaborate on the idea. Ms. Kowalski stated she would follow-up with Mark Alan Hughes and Chris Lewis for an update on the related Klienman Center work.

Mr. Lewis added a new item to the Chair's report to discuss the Worker's Comp insurance. He stated that he received a response from the PA Department of Labor & Industry and the PEA Board does not have to provide their social security numbers in order to apply for Worker's Compensation coverage. PEA would need to reapply for coverage. Since Mr. Childs has retired as Executive Director of PMA, Ms. Gallman informed the Board that she was named Acting Executive Director for the Municipal Authority and she would contact the insurance broker, Stephen Bradley to begin the process.

### **Executive Director's Report**

Ms. Kowalski provided the Board with a status update on the following:

i. Operations

1. Implications of Al Childs resignation from PMA (Feb. 27, 2015)

Ms. Kowalski requested Ms. Gallman to provide a brief update on PMA's search for a part time controller. Ms. Gallman informed the Board that the Municipal Authority interviewed 5 accounting firms but the Authority did not receive a positive result. The PMA Board is re-evaluating the scope of work. The current services provided to PEA were listed as an additional service in the RFP. As soon as the selection is made the Energy Authority will be notified.

ii. Work Plan

1. Salon Feedback

Ms. Kowalski commented that the Salon was well received and the Authority continues to review feedback.

2. Website Update

Ms. Kowalski informed the Board that the resource section of the website has been developed. The energy report should be on the website in a couple of weeks.

3. Municipal Energy Profile

Ms. Kowalski thanked Emily Schapira for meeting with her to review the report. Ms. Kowalski informed the Board that Stacey Graham (Councilman Jones office) recommends PEA meet with City Council staff to review the report. Also, City Council would prefer the report

printed but in a summary format to digest. The Board will receive an electronic copy of the report. Ms. Schapira inquired if a meeting has been set up with City Council to go over the report and whether PEA should meet them personally. Ms. Kowalski stated that PEA is trying to find an appropriate time as soon as possible. The Board continued their discussion on who else should receive a briefing on the report. Outreach will include utilities and Salon participants.

Ms. Schapira suggested that we explore converting the report into E-book format.

Mr. Ogawa informed the Board that PECO has filed a rate case to increase fees for infrastructure improvements. Mr. Agalloco commented that the City Law Department will submit significant comments on behalf of their own municipal interest and also the interest of the citizens. Mr. Lewis stated that he represents PECO, so he would recuse himself. Ms. Schapira suggested PEA echo the City's position but in PEA's own voice.

#### 4. Project Vetting Process

The interns have drafted a vetting process for unsolicited energy proposals based on the PENNDOT manual shared by Mr. Ogawa.

#### 5. Department of Public Property (DPP) Collaboration

Ms. Kowalski has scheduled a meeting with the Public Property Commissioner and senior department leadership to introduce PEA as an energy resource, review highlights of the report, and start a dialogue to better understand DPP's priorities and challenges.

The Board discussed that we should be looking at other cities for ideas and examples. Mr. Agalloco shared that Katherine Gajewski is chair of the Urban Sustainability Directors Forum, where cities share best practices. Each city has a unique building portfolio, governance and resources making it difficult to "plug-n-play". Directors agreed that the Authority should focus on the capital process and finding common ground within middle management.

### iii. Energy Office Update

#### 1. Quadplex Update

Mr. Agalloco informed the Board that he is working on the final invoices, bonding issue and amendment wording for the project. The invoices are in the Budget Office for their review and approval. There is also a \$50,000 reduction change order that needs to be addressed. This all needs to be resolved before pursuing the PEA assignment.

#### 2. 4601 Market Street Update

Mr. Agalloco commented that the City received the RFQ response a few weeks ago. The RFP is being drafted by consultants and the goal is to send it out next week. The RFP will be issued by PEA; however, the Energy Office will be doing all the work.

Mr. Ogawa commented that the proposals will require an extensive level of review and that it is not an insignificant task.

### 3. Data Sharing MOU Update

Mr. Agalloco informed the Board that the Energy Office is now fully staffed and it is located on the 18<sup>th</sup> Floor of the One Parkway Building. The office is currently working on backlog items to get them released between June and August 2015. Jocelyn from the Law Department is working to draft the data sharing MOU between PEA & the City.

#### iv. MOS Update

Mr. Agalloco stated that City Council approved the City's Energy Project Benchmarking be extended to multi-family residential. The Energy Efficiency Race was also launched and includes a 2-tier building operator training program. The courses are basic for non-facility specialists and advanced for the building engineers. For example, every Recreation Center does not have a facilities manager, but this training will be helpful for an employee. The City will be the owner of the curriculum.

The Board continued their discussion on the curriculum, it was stated a certificate program could be provided by the Community College of Philadelphia.

### **Treasurer's Report**

Mr. Ogawa gave an overview of the budget which was revised to reflect the decrease in the funding from the City. He hopes to hear from Andrew Stober in June regarding PEA funding. If the funding is not restored PEA will need to cut back on everything and will have no resources to support work plan implementation.

### **New Business**

- i. Resolution: Remove Al Childs as a signor on PEA accounts due to his retirement from PMA

Mr. Lewis stated the resolution to remove Al Childs as a signor on the Philadelphia Energy Authority accounts due to his retirement from the Philadelphia Municipal Authority and add Emily Schapira as a new signor on the bank accounts.

Upon motion duly made and seconded the resolution was approved by the Board.

**Adjournment**

There being no further business to come before the Board, on motion duly made and seconded the Meeting was adjourned. The next meeting of the Board is scheduled for July 9, 2015.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Elizabeth A. [unclear]", written in a cursive style.

Secretary to the Board of Directors