

PHILADELPHIA ENERGY AUTHORITY

Minutes of the Meeting of the Board of Directors of The Philadelphia Energy Authority

October 4, 2012

A meeting (the "Meeting") of the Board of Directors (the "Board") of The Philadelphia Energy Authority (the "Authority") was held on October 4, 2012, beginning at 4:30 pm, in the Municipal Services Building, 1401 JFK Blvd., Room 1450, Philadelphia, Pennsylvania.

The following members, constituting a quorum of the members of the Authority, were present at the Meeting:

Barbara Adams
Christopher A. Lewis
Kenneth Ogawa
Emily Schiller

E. Mitchell Swann was unable to attend. Present at the meeting by invitation of the Authority were Andrew Stober, Chief of Staff of the Mayor's Office of Transportation and Utilities, J. Barry Davis, Chief Deputy City Solicitor, Sam Robinson of the City Solicitor's Office, Jocelyn Hill of the City Solicitor's Office, Al Childs, Executive Director of the Philadelphia Municipal Authority, Austin McGreal, General Counsel for the Philadelphia Municipal Authority, and Melanie Carter of Blank Rome LLP.

Also present at the Meeting were Calvin Davenger, Deputy Director of Aviation and Planning at the Philadelphia International Airport, and Danielle Bower, Airport Planner at the City of Philadelphia Division of Aviation.

No members of the public were in attendance at the meeting.

Call to Order

Mr. Lewis called the Meeting to order and asked Ms. Carter to serve as the secretary of the Meeting for the purpose of taking the minutes of the Meeting. Mr. Lewis determined that a quorum was present and that the Meeting was ready to transact business.

Approval of Minutes of the July 12, 2012 Meeting

As the first order of business, Mr. Lewis made a motion that the Authority approve the minutes of the July 12, 2012 meeting, which minutes were provided to the members in advance of the Meeting. Prior to approval, Mr. Childs noted an addition to the second page of the July 12, 2012 minutes to ensure that the page referred to "The Philadelphia Municipal Authority legal counsel . . ." The addition was noted and Mr. Lewis again made a motion that the Authority approve the July 12, 2012 minutes as corrected by the addition. Upon motion duly made and

seconded; the minutes from the July 12, 2012 meeting, as corrected, were approved by the Board.

Treasurer's Report (waived)

As the next order of business, Mr. Lewis noted that the Treasurer's Report was waived for the October 4, 2012 meeting.

Public Comment

Mr. Lewis asked for public comments. It was clarified that Ms. Hill was a representative of the City Solicitor's Office and not a member of the public. Because there were no members of the public present at the October 4, 2012 meeting, no public comments were made.

Unfinished Business

As the next order of business, Mr. Lewis invited the Board to discuss the unfinished business items on the agenda. The Board's discussion began with comments on the Audit/Annual Report of Municipal Authorities and the draft Budget of the Authority.

Audit/Annual Report of Municipal Authorities

Mr. Childs reported to the Board that he filed the annual report on September 30 as inactive. The Board briefly discussed that the Authority is fiscally inactive until a budget is approved.

Budget

As the next order of business, Mr. Lewis invited Mr. Stober to provide to the Board an overview of the budget approval process. Mr. Stober did so, reporting that the Mayor's office would seek \$75,000 for the Authority, through a transfer ordinance, for the remainder of the fiscal year through June 2013, and that the City was contemplating transferring the funds to the Authority via an intergovernmental agreement.

Mr. Lewis commented that the Board needed to reconcile the relationship with the Philadelphia Municipal Authority and the flow of funds for the remainder of the fiscal year. Mr. Ogawa noted that the budget was an estimate. Because of this, the Board discussed the need to have a meeting in December to finalize the budget. The Board also discussed whether a formal meeting would be needed to approve matters concerning the Philadelphia International Airport Guaranteed Energy Savings Project. Mr. Lewis proposed that, in order to determine how many meetings were required, the Board distinguish the tasks. It was determined that the Board needed to (1) approve the contract with the City, (2) finalize a memorandum of understanding ("MOU") with the Philadelphia Municipal Authority, and (3) decide whether to approve the proposed airport project. Ms. Adams proposed grouping some of the tasks together at a meeting. The Board discussed the possibility of having a meeting in December.

Mr. Lewis proposed that Mr. Ogawa review the full-year budget and prepare a pro-rated budget based on the \$75,000 in available funds, and Mr. Ogawa agreed to do so. Ms. Adams asked whether the Board needed act on anything regarding the audit. Mr. Childs responded that no audit action items were necessary through the Authority's activities through June 30, 2012.

Mr. Ogawa added another item to the task list for the Board, stating that the Board needed to review the contracts for the airport project and that legal reviews needed to be started and in place before documents were signed.

At this point in the Meeting, Mr. McGreal introduced himself to describe how he could provide legal assistance to the Board for the airport project. Mr. Davis explained his experience with Mr. McGreal in the past. The Board discussed how Mr. McGreal would be compensated for providing legal support to the Board. Mr. Childs explained that Mr. McGreal could be compensated through the issuance of the bond for the airport project.

This led to a discussion concerning the Memorandum of Understanding with the Philadelphia Municipal Authority.

MOU with Philadelphia Municipal Authority

As the next order of business, the Board discussed the MOU with the Philadelphia Municipal Authority. Ms. Adams inquired whether the need for legal services could be entered into the MOU with the Philadelphia Municipal Authority. The Board discussed whether legal services would be needed before Thanksgiving. The Board agreed to determine at a future time whether to incorporate legal services into the MOU with the Philadelphia Municipal Authority.

Philadelphia International Airport Guaranteed Energy Savings Project

As the next order of business, Mr. Lewis invited Mr. Davenger and Ms. Bower to present to the Board an update regarding the Philadelphia International Airport Guaranteed Energy Savings Project. Mr. Davenger and Ms. Bower provided to the Board a description of the selection of energy conservation measures (ECMs) for the airport project, and the administrative elements of the airport project.

Philadelphia Museum of Art RFP for CHP

As the next order of business, Mr. Lewis invited Mr. Ogawa to update the Board on the status of the Philadelphia Museum of Art RFP for CHP. The Board discussed the proposals received by the Art Museum for the project and the role the Authority should play in assisting the Art Museum.

Website for the Philadelphia Energy Authority

As the next order of business, Mr. Lewis invited Ms. Schiller to update the Board regarding the website for the Energy Authority. Ms. Schiller noted that the website is in the

process of getting finalized, and she requested biographical statements and headshots of the members of the Board and asked the Board to review the language on the website.

New Business

As the next order of business, Mr. Lewis invited the members of the Board to discuss new business items. Mr. Ogawa noted a need to determine the involvement of the EEB Hub. The Board also discussed the need to consider the Green Build 2013.

Adjournment

There being no further business to come before the Board, on motion duly made and seconded, the Meeting adjourned until the next meeting of the Board tentatively scheduled for December 2012.

Respectfully submitted,

Secretary to the Board of Directors