

# PHILADELPHIA ENERGY AUTHORITY

## Minutes of the Initial Organizational Meeting of the Board of Directors of The Philadelphia Energy Authority

November 1, 2011

The initial organizational meeting (the "Meeting") of the Board of Directors (the "Board") of The Philadelphia Energy Authority (the "Authority") was held on November 1, 2011, beginning at 4:30 pm, in the One Parkway Building, 1515 Arch Street, 18<sup>th</sup> Floor, Philadelphia, Pennsylvania.

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

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

Present at the Meeting by invitation of the Authority were Rina Cutler, the Deputy Mayor for Transportation and Utilities, Andrew Stober, the Chief of Staff of the Mayor's Office of Transportation and Utilities, J. Barry Davis, the Chief Deputy City Solicitor, Sam Robinson of the City Solicitor's Office, Mark Alan Hughes of the Greater Philadelphia Innovation Cluster, and Geoffrey Schwartz of Blank Rome LLP.

Also present at the Meeting was Larry Doyle of Honeywell Energy Services.

Mr. Lewis called the Meeting to order and asked Mr. Schwartz 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.

### **Adoption of Bylaws**

As the first order of business, Mr. Lewis made a motion that the Authority adopt a set of bylaws. Upon motion duly made and seconded, the following resolutions were approved and adopted by the Board:

**RESOLVED**, that the Bylaws, in the form attached hereto, are adopted as the Bylaws of the Philadelphia Energy Authority.

**FURTHER RESOLVED**, that a copy of the Bylaws shall be filed in the minute book of The Philadelphia Energy Authority immediately following the copy of the Articles of Incorporation.

**Election of Officers**

As the next order of business, Mr. Lewis made a motion that the members of the Board be elected to the offices of the Authority. Upon motion duly made and seconded, the following resolution was approved and adopted by the Board:

**RESOLVED**, that the following members of The Philadelphia Energy Authority shall be, and are, elected to the offices opposite their names and shall hold office for one year or until their successors are appointed and qualified:

Christopher A. Lewis	Chairperson
Emily Schiller	Vice-Chairperson
E. Mitchell Swann	Secretary
Kenneth Ogawa	Treasurer
Barbara Adams	Assistant Secretary/Treasurer

**Public Comment**

As the next order of business, Mr. Lewis asked for public comments. Mr. Doyle, the sole member of the public in attendance at the Meeting, responded that he had no comments.

**Briefing on Key Legal Requirements**

As the next order of business, Mr. Lewis invited Mr. Davis and Mr. Robinson to provide an overview of key legal requirements to be considered by the members of the Authority in the performance of their duties on behalf of the Authority. Mr. Robinson first gave an overview of The Sunshine Act (65 Pa. C.S.A. Section 702) and The Right to Know Law (65 Pa. C.S.A. Section 714).

The Board members suggested that, in order to assist the Board members in their compliance with these and other requirements, they be given official e-mail accounts of the City of Philadelphia (the "City"). Mr. Stober offered to coordinate such accounts.

Mr. Robinson next discussed certain ethics requirements applicable to the Board members. He pointed out that each of the members is required to complete a Statement of Financial Information Form, which must be filed with the City on an annual basis. It was determined that the members would send their completed forms to Mr. Stober, who, in turn, would file them with the City's Records Department.

Next, Mr. Robinson discussed certain amendments to and proposed rulemakings under the Dodd-Frank Act ("Dodd-Frank"). He stated that it is the opinion of the City Solicitor's Office that the Board members do not need to register as "municipal advisors" under Dodd-Frank.

Mr. Robinson then discussed the potential liabilities of the Authority and the Board members. He stated that, while the Political Subdivisions Tort Claim Act (42 Pa. C.S.A. 8541) would generally bar liability for negligent acts, the Authority and its members could be subject to liability under one of the exceptions to such law, which allows liability for dangerous conditions of the facilities of state, sewer, water, gas or electric systems. Mr. Robinson stated that in any event the Board members would be entitled to indemnification in the event they are found liable. In response, Ms. Adams and the other Board members pointed out that such a right to indemnification would be hollow given that the Authority has not been funded. Ms. Adams suggested that, going forward, the Authority condition any transactions to which it may become a party on there being a sufficiently capitalized third party to indemnify the Board members from liability.

Finally, Mr. Robinson discussed certain audit and financial disclosures requirements of the Authority. Ms. Cutler stated that the Authority's financial reports would not be consolidated with those of the City.

### **Update on City of Philadelphia Energy Projects**

As the next order of business, Mr. Lewis asked Ms. Cutler and Mr. Stober to provide an update on current energy projects in the City. Mr. Stober described the following projects:

- Solar facility at the Baxter Water Treatment Facility. Mr. Stober stated that a request for proposals (RFP) has been issued, but that nothing has been awarded.
- Cogeneration facility at the Northeast Water Pollution Control Plant. Mr. Stober stated that this project is awaiting approval from City Council.
- Guaranteed Energy Savings project for the Quadplex. Mr. Stober stated that an agreement was submitted to City Council last week for approval. If approved, the agreement would authorize \$12.5 million over seven years to be used towards energy conservation measures. Mr. Stober also stated that the agreement may be assignable from the Philadelphia Municipal Authority to the Authority.

Following the update by Mr. Stober, a discussion took place regarding the process by which contracts will come to the Authority. Ms. Cutler stated that it is her expectation that the Authority will be invited to information meetings held by her office. The Board agreed that the Authority should reserve time at each of its meetings for Ms. Cutler or a representative of her office to provide an update regarding possible and current projects, including ones that the Authority may ultimately desire to have assigned to it. With respect to the assignment of contracts from other agencies or departments to the Authority, Mr. Lewis asked how much time the Authority would be given to decide whether to accept or reject a particular contract. Ms. Cutler responded that the Authority would not be asked to make a decision in forty-eight hours, but rather would be afforded sufficient time to make a decision.

### **Presentation Regarding GPIC**

As the next order of business, Mr. Lewis asked Mr. Hughes to give a presentation regarding the Greater Philadelphia Innovation Cluster (GPIC). Mr. Hughes cited potential opportunities for collaborations between GPIC and the Authority.

Mr. Stober gave the members an overview of what buildings are owned by the City. The Board members suggested that the City's energy procurement process be added to the agenda for the next meeting of the Authority.

Ms. Adams commented that she envisioned one of the roles of the Authority being that of a convener of various groups associated with energy-related initiatives.

### **Presentation Regarding Key Energy Initiatives at the University of Pennsylvania**

As the next order of business, Mr. Lewis asked Mr. Ogawa to give a presentation regarding energy initiatives at the University of Pennsylvania. Mr. Ogawa discussed initiatives on both the supply side and project side. He also described Energy Works, a program of the Energy Coordinating Agency and the City, which sends people to offices to teach people how to save energy at home.

### **Discussion of General Mission and Goals of the Authority**

As the next order of business, the Board discussed its mission and goals. Mr. Doyle commented that he was not clear on what the Authority plans to accomplish. The Board members discussed the following possible roles:

- Taking over a subset of the functions currently being performed by the Philadelphia Municipal Authority.
- Helping the City reduce energy usage and energy costs through policy and projects.
- Driving the process of energy reduction and other initiatives rather than serving as a passive conduit.

Ms. Schiller was tasked with drafting a mission statement for the Authority.

### **Establishment of Time and Place for Next Meetings**

As the next order of business, the Board members discussed items to be included on the agenda for the next meeting, including a briefing by Ms. Cutler's office on the City's energy procurement process and discussion regarding the Authority serving as a sponsor of a future conference on energy-related initiatives. The members agreed that the Board would aim to meet on a quarterly basis.

**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 January, 2012.

Respectfully submitted,

Secretary to the Board of Directors