

Setting the Standards for Home Energy Efficiency

RESNET® Board of Directors Meeting Minutes August 29, 2023 Minneapolis, Minnesota

Table with 3 columns: Board Members Present, Board Members Absent, Staff Present. Lists names of attendees and absentees.

Call to Order

The meeting was called to order by Mark Johnson, RESNET Board President at 11:32 a.m. Eastern Time. Steve Baden and others introduced the guests present at the Board meeting.

Roll Call

Philip Fairey, RESNET Board Secretary called roll and a quorum was present.

Approve Agenda

John Hensley moved to approve the draft agenda as amended. Brian Shanks seconded the motion. Motion passed by voice vote.

RESNET® Anti-Trust Policy

Curt Rich reviewed the RESNET anti-trust policy which was included in the meeting packet.

Approval of Draft May 10th, 2023, RESNET Board Meeting Minutes

Brian Shanks made a motion to approve the draft May 10, 2023 meeting minutes that were included in the meeting packet. Cy Kilbourn seconded the motion. Motion passed by voice vote.

Presentation of RESNET 2022 Independent Financial Audit

John Hensley reviewed the results of the 2022 financial audit. The audits are conducted annually. A different audit firm is selected every 2-3 years. On July 24, 2023 a call took place with the 2022 audit firm of Krost and the RESNET Financial Audit Committee to summarize the results of the audit. Krost found that RESNET had no anomalies, and all processes were within industry regulations.

Clayton Traylor made a motion to acknowledge receipt of the 2022 Independent Financial Audit results. Jonathan Risch seconded. This motion passed by voice vote.

2024 RESNET® Budget Request

John Hensley summarized the proposed 2024 RESNET® budget that was approved by the RESNET Board Executive Committee. An Executive Committee briefing document was provided for context supporting the proposed \$1 increase necessary to achieve RESNET's initiatives, enabling the organization to hire two new staff to support the increasing staffing needs of the organization.

Steve Baden expressed a need to hire a QA Support Manager and a Programs Manager to meet staffing demands and upcoming program opportunities.

Cy Kilbourn inquired about the current processes of QA/QC measures to ensure they are productive and efficient uses of current staff's time. Steve Baden and Scott Doyle, RESNET Staff believes that the current QA/QC enforcement activities are warranted.

John Hensley made a motion to approve the RESNET Board Executive Committee's proposed 2024 Budget Request including an increase in total budget and registry fees. David Goldstein seconded the motion.

The board discussed the above motion in detail. Chris McTaggart emphasized his perception that RESNET has other opportunities to increase fees across all provider categories that would be more effective in solving the staffing and budget constraints than the proposed increase in per-home registration fees. One opportunity is to increase the application fees for Rating Providers and repayment fees for QA violations within RESNET's jurisdiction. Other board members shared similar concerns and generally

expressed an interest in investigating alternatives.

Those in support of the motion expressed that this \$1 increase will address the urgent need and maintain the credibility of RESNET programs. Postponing the budget increase for more research into alternatives and taking no action in this board meeting may be detrimental.

Abe Kruger inquired about the projected staff demands and costs if RESNET's goals are to be achieved such as more homes Rated annually. Philip Fairey suggested using historical data to find an accurate cost. Other board members agreed with the prospect of looking at data trends in current RESNET programs to proactively address increased staff demands and adjacent costs such as inflation for a more long term solution.

Steve Baden and David Goldstein suggested the board approve the motion on the table with a stipulation to the proactive actions discussed above for the 2025 budget.

The effective date of the proposed \$1 increase is January 1, 2024. New staff would not be hired until 2024. Some members of the board feel that this timeline is too aggressive and could too abruptly impact existing budgets of Providers, Raters and their clients.

Lindsey Elton inquired about how the message of this change will be delivered to the network at large ensuring that those in the field understand the context of the discussion today and the decision to increase fees in any amount.

Robert Pegues opposed significantly increasing accreditation fees since it would serve to lock new players out.

Robert proposed a friendly amendment to increase the Registry fee to \$9 per home in place of \$1 per home increase that would take place on July 1, 2024 and amend the 2024 budget accordingly. John Hensley and David Goldstein accepted this as a friendly amendment to the original motion.

After further discussion a roll call vote was taken, with the following results:

Yes (4)	No (10)	Abstain (2)
Philip Fairey	Sandy Adomatis	Brian Shanks
David Goldstein	Lindsey Elton	Clayton Traylor
John Hensley	Matt Gingrich	
Robert Pegues	Leo Jansen	
	Mark Johnson	
	Cy Kilbourn	
	Abe Kruger	
	Chris McTaggart	
	Curt Rich	
	Jonathan Risch	

The motion failed.

Emelie Glitch moved to authorize the two new positions and begin the hiring process on September 1st, 2023. The funds for the positions would come from RESNET’s reserves. Leo Jansen seconded the motion.

Steve Baden warned the Board that it could be setting a dangerous precedent by paying for increasing operating costs with reserves.

John Hensley proposed a friendly amendment to stipulate that income from any future increased fees will first replenish the reserves used for hiring the two staff members. Emelie and Leo accepted the friendly amendment.

The motion passed by voice vote.

Emelie Glitch made a motion directing RESNET staff to do a comprehensive financial analysis to determine true cost of services to deliver and maintain RESNET’s purpose and mission in the near future and a recommendation for an updated fee structure to be completed by the April 2024 RESNET Spring Board Meeting. Matt Gingrich seconded the motion.

Leo Jansen made a friendly amendment to include “multiple recommendations for an updated fee structure”. Emelie and Matt accepted the language as a friendly amendment.

The amended motion was, “RESNET staff shall complete a comprehensive financial analysis to determine the cost of services to deliver and maintain RESNET’s purpose and mission and multiple recommendations for an updated fee structure by March 2024 to be voted on at the April 2024 RESNET Spring board Meeting.

The motion passed by voice vote.

Philip Fairey moved to amend the proposed 2024 Projected Income to:

2024 Projected Income

RESNET Registry Fees	\$2,650,000	<u>\$2,320,000</u>
Reserve Funds		\$ 330,000
RESNET Conference		\$ 100,000
Testing Fees		\$ 275,000
Rater Provider Accreditation Fees		\$ 147,000
Suppliers Advisory Board Memberships		\$ 130,000
All Other Provider Fees		\$ 57,000
Membership Fees		\$ 43,000
RESNET Registry Income		\$ 20,000

Interest Income

\$ 10,000

The motion passed by voice vote.

Matt Gingrich motioned to approve the budget as amended. Leo Jansen seconded. The motion passed by voice vote.

Update on RESNET/Habitat for Humanity Collaboration

Edwin Hensley and Molly Berg of the Habitat for Humanity International (HFHI) updated the board on its collaboration with RESNET in 2019 and the initiatives since as well as a general overview of HFHI operations across the world. Some of these operations include energy efficiency and carbon measures and electrification in affordable housing.

Work towards carbon neutrality in affordable housing is progressing across the country. Over 1,000 HERS® Rated HFHI homes exist to date.

Molly Berg outlined government funding opportunities available such as rebates, tax credits, and grant programs. Edwin Hensley estimates that large amounts of capital are available for RESNET to take advantage of in workforce development. Edwin Hensley shared an interest in developing RESNET's Rater development track.

Steve Baden stated that one of RESNET's officially identified priorities is to collaborate with HFHI on these initiatives and more.

Developing RESNET Label on Net Zero Energy Homes for Homes with HERS® Index Scores of "0" or less

RESNET Deputy Director Cardice Howard reviewed the briefing paper that was included in the meeting packet. The group discussed the requirements of a home defined as Net Zero Energy. This label is separate from other RESNET and ICC programs. Some expressed a concern that this label may create confusion between programs and recommended that it be 100% in control of RESNET and accessed only through the building registry. The board discussed this further.

Brian Shanks requested logistics on how the label is provided and the explicit requirements for the label stating that this can increase the practical value of the label to homeowners and builders.

David Goldstein suggested another label for carbon neutral homes. The board discussed concerns about the value of this label when it may be parallel to existing DOE programs and labels. Leo suggested that the label include the home's building registry ID so it can be verified. The board agreed with this suggestion and that this label should be retroactively assigned to homes from 2013 to date. Ryan Meres confirmed that this is possible.

Steve Baden suggested that he and RESNET staff continue to develop the parameters of the label as well as alternative paths according to the suggestions above rather than taking a vote at this meeting. A further developed route will be brought to the board at a future meeting.

No motion was made on this matter.

Build to Rent Movement

Laurel Elam of RESNET staff gave an update on the status of the emerging build-to-rent market and RESNET's role in it. RESNET is now a member of the National Rental Home Council.

RESNET Executive Director ESG Advisory Task Force Update

Matthew Cooper chair of the RESNET Executive Director ESG Advisory Task Force shared current projects of this task force and the recent decision to separate ESG and BTR into their own working groups. The final version of an ESG infographic produced by this group was provided as a handout to the board.

There will be more requirements and guidance coming soon from organizations such as SEC and EPA which will directly affect ESG-related entities such as builders, providers and RESNET.

Another product of this group is to optimize and update the building registry to benefit all participants of the Rating process to enable all parties to take advantage of programs from Fannie Mae, Freddie Mac, and federal programs.

Brian Shanks reviewed the highlights of the scope of work of this task group and some of their key proposed changes. One example of a change to the registry is an optional field to submit a projected rating for a home to identify the home as ENERGY STAR certification eligible.

The board discussed QA concerns with these proposed changes and discussed Projected Ratings and the logistics and pitfalls of the mandatory vs. optional aspect of them.

Robert Pegues expressed concern with the need for Projected Ratings in any case and potential confusion or discrepancies for those receiving this data. The board discussed this topic further.

Recommendation of RESNET Board Voting Advisory Task Force

Leo Jansen of the RESNET Board Voting Advisory Task Force shared the following summaries of recommendations from the task force:

1. Candidates allowed to create videos introducing themselves to voters to be distributed by RESNET staff.
2. New email address to send election related correspondence to voters instead of site@resnet.us
3. RESNET staff to enforce up to date Providers information in registry.
4. Survey to Rater members to be distributed no later than the end of Q1 2024
5. Franchise all categories of Raters in voter pool excluding only terminated and suspended-disciplinary status of Raters.
6. Enforce providers to notify those on terminated and suspended-disciplinary status of their ineligibility to vote and form a plan for redress.
7. RESNET staff to work with providers to “get out the vote.”
8. Organize a 2023 RESNET Conference open house to share awareness of voting process with attendees.
9. Engage a new task force to coordinate efforts for long-term membership outreach initiatives to be supported by RESNET staff.

Chris McTaggart expressed an interest in including Raters on disciplinary status in the voting pool and reviewing how seats are allocated on the RESNET Board. Some of these changes may require a change in bylaws.

Cy Kilbourn made a motion to adopt these recommendations with the amendment that RESNET franchise all categories of Raters in voter pool excluding only those in terminated and suspended-disciplinary status. Chris McTaggart seconded the motion.

This motion passed by voice vote.

HERS® Rating Trends in 2022

Ryan Meres of RESNET shared data trends in 2022 as well as the key differences in this report compared to previous years. This year, all research was conducted in Kibana. 8 states have 50% or more homes HERS® Rated. This is a record to date.

Trade publications and other media outlets shared the 2022 data reports.

The RESNET Board investment in incorporating Kibana into the RESNET Registry has made such research easier and faster.

Result of RESNET/Texas Association of Builders Education Program on Texas HB 3215

Valerie Brigges of RESNET staff shared an update on the results of her recent campaign across Texas. An example of the newsletters was shared with the board during the meeting. RESNET was a sponsor, presenter, and exhibitor at the Sunbelt Builders Show and BOAT 2023 Conference which resulted in further exposure.

Valerie reported that 5 new Energy Smart Builder applications from Texas builders were

submitted because of this campaign. Feedback from the Texas Association of Builders (TAB) and local home builder associations was positive.

RESNET will participate in Sunbelt and BOAT annual events in 2024 to further this message and is considering other future campaigns based on the success of the Texas HB 3215 campaign.

Update on RESNET ANSI Candidate Embodied Carbon Calculation Standard Development

Steve Baden shared an update on his work and research with other organizations on carbon initiatives. An SDC has been formed to begin work on a carbon-related ANSI standard. Chris Magwood has agreed to participate, and Steve will solicit additional membership for this SDC soon. Target representation includes:

ICC
ASHRAE
CEC
EPA
Builders
Manufacturers
HERS® Rating Industry

It was also found that no organizations currently address HVAC concerns in this context. Leo Jansen suggested that AE or ACCA could be good resources for this expertise.

David Goldstein shared that ISO standards are not easy to seamlessly accommodate as many currently exist and they contradict each other in some cases.

The board discussed the details on the practical implementation of this new carbon standard.

2023 RESNET Conference Update

Cardice Howard shared an update on the status of the 2023 RESNET Conference which takes place November 15th-17th, 2023 in San Diego, CA.

The current strategy is to return RESNET to its original February time frame beginning in 2025. There will not be a 2024 RESNET Conference, but a RESNET Policy Forum and Capitol Hill Day in Washington DC in April 2024.

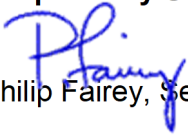
New Business

Chris McTaggart shared that the 45L certification criteria is quite varied from the the DOE Zero Energy Ready requirements for MF and SF homes. More discussion and research was determined to be necessary with the appropriate entities involved. Steve Baden stated that he would work with Chris and RESNET's Washington representative on the issue.

Adjournment

Philip Fairey made a motion to adjourn. Meeting adjourned at 5:24 Eastern.

Respectfully Submitted,


Philip Fairey, Secretary