

To: Members of Greenbelt Community Solar

From: Robert Kessel

CC:

Date: December 5, 2016

Subject: Minutes and Actions for the December 1, 2016 GCS meeting

Attendance: Shalom Fisher, Frank Gervasi, John Mason, Cathie Meetre, Jerry Bonnell, Lore Rosenthal (convener), and Bob Kessel

Minutes

1. Minutes from the June 30th board meeting were accepted.
2. Cathie Meetre and Jerry Bonnell have both been in touch with our insurance broker in an effort to find a lower cost policy. It appears that GCS is in the lowest possible band with less than \$300,000 in revenue and fewer than 20 employees. (Yes, we make both requirements with a lot of margin.) While Cathie was told during an initial call that we might be able to reduce the premium by about \$200, this didn't pan out and we're still at \$882.50 per year for liability. If a less expensive policy becomes available in 2017, we'll clearly switch to it. For the present, the sense of the board without objection is to have Jerry pay the \$882.50 premium for 2017 via one of his credit cards and then refund the cost from the GCS checking account via Pay Pal. (Jerry -- Did I get the payment mechanics correct?)
3. Treasurer's Report: Jerry Bonnell reported income of \$3,892.00 for electricity purchased by Greenbelt Baptist Church (GBC) and \$3,162.50 from SREC sales. Excluding a rather unlikely late-year additional SREC sale, this is GCS's 2016 income. We now have a cash balance at M&T of \$9,754.24.
4. After some discussion concerning the appropriate size of cash reserves, the board decided without objection on the 2016 total distribution to the members of (electricity sales + SREC sales) - 2016 expenses, or about \$4800. This is to be distributed in proportion to each member's interest. In terms of the timing of the distribution, if Rich Simonen can get the checks sent before December 31st as a separate mailing from the K-1, the board decided without objection this would be preferred. If a separate mailing isn't possible, then the distribution checks should go out in 2017 with the K-1s. Independent of when the distribution checks are sent, Rich should include the reminder that the distribution is 2016 income from a tax prospective.
5. John Mason reported that Direct Energy Solar had no expectation for further sales of GCS's SRECs in 2016. Steve Hess of Direct Energy Solar was also somewhat annoyed by questions about deferring the sales. It was the sense of the board that John should request a renewal of our SREC brokerage agreement with Direct Energy Solar on the current terms in early January.
On the broader topic of SRECs both Shalom Fisher and me have reported on the collapse of the SREC market (see my email of 11/30/16 at 12:18 with an analysis showing approximately 60% over-supply of SRECs). The immediate consequence is our future SREC income is likely to be meager, maybe \$20/SREC. Lore Rosenthal will be lobbying the Maryland House and Senate to overturn Governor Hogan's veto of a bill to increase the RPS. The other members of the board wish her brilliant success in this effort. [Subsequent to the meeting, I

heard from Dave Brosch of University Park Community Solar. He will also be heading to Annapolis to lobby on the issue, so it may be helpful for Lore to get in touch Dave and jointly make the lobbying rounds in Annapolis. Dave also recommended a position paper on the Maryland SREC market by Fred Ugast (<http://timberrockes.com/pdfs/USPV-MDsolar-crossroads-1016.pdf>)]

6. Discussion of sale of the system to GBC was the longest discussion of the meeting. The basic reason for the sale is that with the collapse the SREC market, GCS will be spending most of our income on accounting, insurance, and the State of Maryland's annual LLC fee. The church would have neither accounting nor LLC fee costs and a much lower insurance cost. Some specific points raised during the discussion:
 - a. John Mason hasn't had a chance to contact GBC governing board, so their position is unknown. Glade Goodenough (sp?) has effectively retired as governing board chair, so John also needs to find out who is taking on the responsibilities.
 - b. Cathie Meetre pointed out a potential flaw in GCS providing self-financing for the purchase. The LLC would need to continue in existence until the note was paid which would mean some level of accounting cost and the annual LLC fee. This would make self-financing more expensive for GBC than a simple loan.
 - c. At Cathie Meetre's suggestion, a quick check Bankrate.com's on-line amort tool yielded that a \$30,000 loan for ten years at 4.5% would cost GBC a total of \$36,877.51 with annual payment total of \$3,687.72, or less than their 2016 current electricity bill. While their bill to GCS will not raise as fast as PEPCO's charges, it does have an inflator clause, so the Church is better off with the loan to buy rather than with the PPA. (Hardly unexpected, as it is almost always true that if you can afford the capital outlay, owning a solar system is better than a PPA.) The \$30,000 price on the system is approximately remaining equity of the members. This suggest there is a sweet spot for GBC purchase that is in their best interests and also recovers the members full contributions plus a small profit.
 - d. As she can find time, Cathie Meetre will assemble a presentation for the GBC on the purchase. John Mason will broach the topic with GBC.
7. Lore Rosenthal bought up that the Greenbelt City Council will be holding a work session with the Solar Circle of the Greenbelt Green Team led by Steve Skolnik. Frank Gervasi, John Mason, Lore Rosenthal, and Bob Kessel agreed to attend the meeting at 8pm, December 19th, at the Greenbelt Municipal Building. [Subsequent to the meeting, I heard from Dave Brosch of University Park Community Solar. Dave invited the GCS board to the opening celebration for the Franklin's solar hot water system on January 22nd from 3:00 to 4:30 at the Hyattsville City Hall followed by a gathering at Franklin's for micro-brews. Basically this is a chance to hear politicians praise solar systems followed by drinking beer.]
8. Discussion of the Maryland Solar program that Frank Gervasi found briefly on the web. It may have been one of the Community Solar projects such as the Neighborhood Sun group that Lore Rosenthal is working for. While the GCS board needs to remain neutral on outside

projects, any board member is free to suggest to individuals without a good solar site that Neighborhood Sun provides an option for owning renewable electricity production than can offset part of the current bill.

9. Another question on solar systems has come into the GCS email address. John Mason will skim it and then forward it to Bob Kessel assuming it is another “how to” class question.
10. Cathie Meetre offered a proposal for the next meeting to change the operating agreement so that unanimous consent of all member to dissolve the LLC (paragraph 8.2(a) of Operating Agreement) is replaced with lower percentage of the members. Paragraph 6.2 allows changes in the Operating Agreement by majority vote of the members, so the unanimous consent is an inconsistent requirement. However, after looking at the Operating Agreement, paragraph 8.2(c) allows for dissolution after “sale of all or substantially all of the Company Assets.” I think selling the array which is the LLC’s only asset would trigger paragraph 8.2(c).
11. The sense of the board without objection is that the next management committee meeting will also be our annual membership meeting. The tentative date and location are of February 26, 2017 at Cathie Meetre’s home.

Actions

1. Jerry Bonnell to pay the 2017 insurance premium and reimburse himself.
2. Jerry Bonnell to let Rich Simonen know the board’s decision on the 2016 distribution to the members, request the checks be sent prior to the K-1 statements (if possible), and to include the reminder that the distribution is 2016 income.
3. John Mason to request contract renewal status with Steve Hess of Direct Energy Solar in early January.
4. Cathie Meetre to assemble a presentation for the GBC on the purchase.
5. John Mason to broach the topic of the sale of the system with GBC.
6. Frank Gervasi, John Mason, Lore Rosenthal, and Bob Kessel to attend the Greenbelt City Council work session at 8pm, December 19th, at the Greenbelt Municipal Building.
7. John Mason to forward the question received on the GCS email account to Bob Kessel.
8. Request a change in the By-laws to allow dissolution of the LLC with a xx% vote . . . or was that xx% of the value remaining?
9. Cathie Meetre will host our Annual Meeting on Feb 26 (what time?)
10. Cathie and Jerry will prepare the Annual Report.