Minutes
April 30, 2014, 12 p.m. Eastern Time
Conference call number: 855-212-0212; Meeting id: 374-542-301

I. Introductions

Mr. Edward Noonan called the meeting to order at 12:08 am EST and directed Mr. John Huber to call the roll. Mr. Huber called the roll and the following members of the Board were Present.

Ed Scott
Bruce Harris
Greg Anderson
Steve Schooley
Al Breda
Dan Donovan
Daniel Singer
Mark Fitz
Michael Januario
Peter Aziz
Carla Romita
Charles Stafford
Chris Daly
David Neil
Thomas Butcher
Ed Noonan
Eric Degesero
Mark Petrunis
Mike Neish
Nancy Kister
Steve McCracken
Sam Bell
Robert Boltz
Steve Clark
Sean Cota
Tom Flaherty
Allison Heaney
Jeff Jenkins
Barry Knox
Quincy Longacre
Roger Marran

After calling roll, Mr. Huber indicated a quorum was present.

II. Minutes

A motion was made to approve the minutes of the meeting held on October 16, 2013. The motion was moved by Mr. Sean Cota duly seconded by Mr. Mike Neish and approved by voice.

III. Year End Financials 2013 and State Reports

Mr. John Maniscalco, Treasurer, presented NORA's financial statements for the calendar year ending December 31, 2013. In regard to the Statement of Activities Mr. Maniscalco noted that Total Grants and State Rebates amounted to $348,382, with Total Operating Expenses to date totaling $428,406. After factoring in Total Other Income of $863,248 NORA ended 2013 with an Increase in Net Assets of $86,460.

Addressing the Statement of Financial Position; NORA has $1,911,871 in Total Assets offset by Total Current Liabilities of $1,162,523, with the overall majority of that liability being $1,212,134 in State Rebate Obligations. NORA ended the year with Total Net Assets of $749,348 allowing NORA to continue its present rate of activity through 2014 as NORA awaits 2nd, 3rd and 4th quarter receipts from the collection of assessments.

A motion to accept this report was made by Mr. Barry Knox, and duly seconded by Ms. Allison Heaney. After discussion, the motion was adopted.

IV. Review of Statute

Mr. John Huber discussed the NORA statute and the changes that resulted from reauthorization. In 2009 there was a GAO audit and in response to that, the NORA statute was modified to respond to the audit and review. One of the changes that he discussed is how members are now appointed to the Board of Directors. Previously, NAORE nominated people to sit on the board for a term not to exceed three years. Under the new statute; states will nominate candidates, those nominations are then submitted to the Department of Energy (DOE). At that time DOE, has 60 days to comment and if they do not comment, those nominees are then accepted to the Board of Directors as an active member in good standing.

Three main categories of NORA are Consumer Education, Education and Training and Research and Development. Under the new law, NORA is required to use 30 percent of the budget to enhance Research and Development efforts. NORA is working to have a physical lab and make Research and Development one of the core elements within the organization.

Under the new statute NORA will now have biennial budgets (every two years). Once the budget is created it will be placed online for 30 days to allow for public comment. After that time passes it will be sent to DOE for a period of 90 days. NORA is working to have a new budget by July 1, 2014. The new budget will take effect in the fall.

For states receiving NORA funds, NORA will pay vendors directly under the new statue. Mr. John Huber explained that NORA will not disburse funds to states to allow them to make payments moving forward; this will allow NORA to keep track within the accounting system to make sure that monies are being spent appropriately on NORA projects.

Mr. Huber discussed the heating oil efficiency and a new upgrade program. NORA will work with the states to develop the program. There are several different options. Mr. Huber discussed the different states and the challenges that will arise. NORA is looking for dealers to assist with this effort and there are several different options for this on a regional level. This is not a low income based program.

Education and Training as well as Consumer Education is capped at 30 percent of the budget.

Mr. John Huber discussed compliance and the role that it plays within the new statute. There is a lobbying restriction and the definition is much more defined then it was previously. NORA can give comments and answer questions asked from legislative bodies.

The auditor will be required to verify states activities and the administrative review. If we are not in compliance that will go on the website and NORA can be audited. There was general discussion about the review and Mr. Sean Cota asked, "Who will be responsible for paying for that?" Mr. Huber stated that it will come out of the central budget.

Mr. Ed Noonan stated that under the new statue it is a lot stricter and NORA is responsible for being in compliance with the new regulations.

Mr. Sean Cota asked general questions about the statute. Mr. Huber discussed the central office and how the money would be spent at that level.

Mr. John Huber wants the Board of Directors and the Executive Committee to come up with approved expenses and programs for Education and Training. Mr. John Huber stated that a code book can be put together and the state would fill out a form that states what code they needed to use and for what program. This would allow for compliance assurance.

Mr. John Huber discussed proposed section 10.10.4 which state that NORA states that haven't used their grant funds within two years, NORA would then create a program on behalf of that state. At that point, NORA would ensure that states have up-to-date education efforts that are and moving forward. He also made it clear that state funds cannot be used for other states, just the state in which the funds were allocated.

Mr. Neish asked about the cap that was on state grants previously and how those funds may be used. Mr. Huber discussed that currently things will be done according to new statute in order to have quality control and accountability for state funds. However, there are no percentage limits on existing funds.

Research & Development will still be done centrally at NORA and it will come out of the central budget.

Motion to approve the new regulations was made by Mr. Eric DeGesero, seconded by Mr. Robert Boltz and duly approved by voice.

V. Statute and Budgetary Items

Mr. Huber discussed the Research and Development projects that NORA plans to lead under the new statute. He stated that a top priority for NORA is working on transitioning projects to new technology, new energy efficient equipment and safety in the home. NORA will help facilitate that in conjunction with partners.

Mr. Huber discussed the new budgetary changes and examples of how the new budget is supposed to be used in regards to Consumer Education. Under the new statute Biofuel will play a bigger role in the program. Mr. Huber introduced Mr. Greg Anderson who is part of the Soybean Association. NORA will work closely with Mr. Anderson on projects related to Biofuel.

VII. State Association Activities and Budgeting

Mr. Huber discussed that the new rebate request will be available online that will allow states to file for payment, and that it would be available for everyone to review

Motion to accept the two reports was made by Ms. Allison Heaney, second Mr. Jeff Jenkins. It was approved by voice vote.

VIII. Draft Proposed Budget

"In relation to the Finance Committee's Proposed 2014 Budget; NORA's estimated Total Income for the 2nd, 3rd and 4th quarters of 2014, after Collection Costs, Sales and Other Revenue, amounts to $5,175,000.

Estimated total Program Expenses encompassing Consumer Education; Education and Training; Research Development and Demonstration; Home Energy Efficiency Programs and State Rebates amount to $4,892,000. It's estimated that $1,700,000 of that amount will be retained by NORA Central for nationwide, state participant expenditures. The anticipated remaining amount $3,192,000 should be rebated back to the NORA state participants for intrastate activities in accordance with the Act.

The remaining amount of $283,000 will be utilized for Office Unallocated and Other Expenses.

The same financial formula by like percentage, unless altered by the Board, will be implemented for the full calendar year of 2015.

The floor was opened up for comments and discussion and Ms. Allison Heaney stated that she wants the Board of Directors to have some of the activities described as consumer education would be better characterized as a central budget expenseThe Board of Directors agreed and a made an amendment to review Ms. Allison Heaney's proposed change about things being developed on a central level.

There was a general discussion about the proposed budget and Mr. Huber stated that by July 1st the Executive Committee plans to have the budget completed and posted by July 1st, sent to DOE for review by August 1st.

Motion to approve the proposed budget with Ms. Allison Heaney's amendment, motion made Mr. Robert Boltz and seconded by Mr. Eric DeGesero approved by voice.

A motion to accept this report was made by Mr. Sean Cota, and duly seconded by Mr. Roger Marran. After discussion, the motion was adopted."

IX. Research and Development

Mr. John Huber discussed the new Research & Development efforts that NORA will be undertaking under the new statue. The reauthorization of NORA presents a rare opportunity to create a new liquid fuel R&D program that can help the industry maintain a competitive position far into the future. It is critical, however, that the topics and research investments be well planned. NORA will be hosting a workshop at Brookhaven National Lab on June 3 and 4, 2014 where the details of the new NORA program, industry market state, and preliminary ideas for R&D themes, as well as thoughts about the management of NORA R&D projects will be discussed. Attendees will be asked to actively participate in steering the R&D topics, priorities, and research management plans.

Mr. Huber stated that there has been difficulty in the past regarding Research & Development topics/ideas and that moving forward under the new statue he would like to have a Research & Development agenda. He stated that all the projects that are currently underway are close to completion and NORA wants to plan where monies will be used on future projects.

New projects will be based on current (#2) and future (ULSD) fuel quality, renewable fuels research, controls, heating systems, deployment, resiliency, combustion and future concepts. Mr. Cota stated that he would like to see Research & Development efforts go towards testing the

level of biofuels for environmental impact. Dr. Butcher discussed that biofuels field samples are currently being tested.

X. Education and Training

Mr. Huber discussed that the NORA Silver book will be reviewed for any updates and changes that need to be made to correlate with changing technologies.

Mr. Huber also discussed the reevaluation of the NORA Gold program. NORA is currently working with the Organization for Energy Service Professionals (OESP) to revamp its Gold Program to better reflect the needs of the advanced service professionals in the industry and to ensure that our training was relevant to the oilheating companies and serviced the needs of oilheat consumers.

The initial meeting of NORA/OESP representatives was held on January 30th in Baltimore, Maryland. At that meeting it was decided that the new gold program will include six different topics and a silver certified service technician will need to successfully complete four of the six topics to advance to become a gold certified service technician. The new topics include: advanced control, air distribution and warm air heating, energy conservation, hydronics, steam and venting.

The goal is to make sure the new Gold program focuses on a variety technical skills of service professionals. NORA hopes to introduce the new program in spring 2015.

VII. Old Business

NONE

VIII. New Business

Mr. Huber indicated that October 15th is the tentative date for the next board meeting.

IX. Adjournment

Mr. Edward Noonan called for the meeting to be adjourned at 1:41 p.m. EST.