

Delaware Sustainable Energy Utility  
Finance and Audit Committee & Loan Committee

DE Sustainable Energy Utility Office  
500 W. Loockerman Street, Suite 400, Dover, DE 19904

June 17, 2015 – 9:30 a.m.

Members present were: Kristopher Knight, Trey Paradee, Andrea Maucher (proxy for Dave Bonar), Anthony J. DePrima, Doug Bacher, NW Financial Group, LLC, Brent Shaffer, Young Conaway Stargatt & Taylor, LLP, and Lisa Gardner.

### **Finance and Audit Committee**

**1. 2015 – 2016 Proposed Budget** – During the May 21, 2015 Oversight Board meeting, final approval of the 2015 -2016 proposed budget was delegated to the Audit and Finance Committee. Staff was asked to revise the budget to better reflect project savings and to remove unallocated expenses and other reserves that are not likely to be drawn down. Mr. DePrima presented the following changes:

- Revised the starting cash balance simply because I had more current year spending and revenue data. This estimated starting cash balance should be more accurate.
- Line item “unallocated RGGI funds” was eliminated altogether. This increased the ending cash balance to \$22.7 million.
- The DEMEC LED loan was removed, it appears this will be a much smaller amount and could be covered in the Commercial Loan Fund appropriation.
- Reduced the IGA Audit assistance to \$100,000 this reflects possibility of one user. However, the board obligated \$1,000,000. If we have more applicants and users we will need to fund it.
- Added the new Pre-weatherization program and the Faith Efficiency programs into the budget now that we have a better estimate of costs.

The Christina School District has approved their ESCO contract and the projected construction draws all the funds next fiscal year, so I kept that expense in the budget.

**Mr. Paradee moved to approve the proposed 2015 – 2016 budget as presented, seconded by Ms. Maucher and unanimously carried.**

### **Loan Committee**

**1. Review Loan Application – Christina School District** - Mr. DePrima advised members that the Christina School District has applied for a \$5,310,179 direct loan for purposes of funding Energy Conservation Measures (ECM's) in two of the districts buildings, the Gauger Cobbs

Middle School and the Glasgow High School. The application is the first application from a public, local government entity for a direct loan.

Mr. Doug Bacher of NW Financial Group, LLC stated that the District requested a \$5,310,179 loan to have a 20 year maturity with a 2% interest rate. The annual loan payments will come from the projected annual savings as realized through the installation of the ECM's. The savings are greater than the annual loan principal and interest payments. The GESA provides additional security by guarantying that the District receive the annual savings identified. He indicated that the state provides annual Division II funding for purposes of paying energy costs.

Responding to Mr. Knight, Mr. DePrima stated that he would contact Mr. Robert Silber and Kelli Racca to have OMB verify if any additional approvals are needed from the state.

Mr. Paradee motioned to approve the Christina School District loan, in the amount of \$5,310,179, with a 2% interest rate, contingent upon receiving the necessary approvals from the State of Delaware. The motion was seconded by Ms. Maucher and unanimously carried.

New/Old Business – Mr. Knight requested a Green Bank update from Mr. DePrima. He stated that Phases 1 and 2 have been completed and a final report is being developed. Mr. Knight requested that it be a re-occurring item on the agenda. Mr. DePrima stated that he is attending a White House Round Table on Green Banks and Clean Energy Financing.

**4. Adjourn** - A motion to adjourn was passed unanimously at 11:15 AM.