

Delaware Sustainable Energy Utility
Meeting of the Oversight Board
Delaware Public Advocate's Office – 29 S. State Street, Dover, DE 19901
January 15, 2015 – 9:30 A.M.

Welcome

Board Chair Senator Harris McDowell called the meeting to order at 9:35 AM. Present were Kristopher Knight, Joseph Schorah, Trey Paradee, David Small, Charles Wagner (teleconference), Nnamdi Chukwuocha, Andrea Maucher, Sean Finnigan (teleconference), and Robert Underwood. Also present were Tony DePrima, SEU Executive Director, Frank Murphy, General Counsel, and Lisa Gardner, Office Manager.

Members Absent: Ismat Shah, David Bonar, and Pamela Bakerian.

1. Approval of Minutes

- a. Oversight Board – September 18, 2014
- b. Loan Committee – October 22, 2014
- c. Energy Programs Committee – October 24, 2014
- d. Executive Committee – December 2, 2014
- e. Energy Programs Committee – December 10, 2014

Mr. Schorah moved to approve the minutes (above), seconded by Mr. Chukwuocha and unanimously carried.

2. SEU Business

- a. **Strategic Plan –Dr. Wagner moved to approve the Strategic Plan as a temporary measure, seconded by Mr. Schorah and unanimously carried.**
- b. **2013–2014 Financial Statement and Audit** – Mr. Knight reported to the Board that the 2013–2014 Financial Statement and Audit were reviewed by the Audit and Finance Committee. Mr. Joseph Welte of Whisman, Giordano & Associates (via teleconference) indicated that the audit was successfully completed and encountered no concerns. **Mr. Knight moved to approve the revised budget, seconded by Mr. Schorah and unanimously carried.**
- c. **Measurement & Verification “Evaluation” Study Proposal** – Mr. DePrima informed members that it is beneficial for the SEU to conduct a Measurement & Verification Evaluation Study. The study would ensure all programs are meeting standard requirements for program administration in the energy field and to certify that the SEU have all measurement and verifications, protocols, benchmarks and program targets are in place. Mr. DePrima stated that legislation requires the SEU to have program goals, performance targets, and evaluation strategies for all programs. Mr. DePrima reminded members that last year a Request For Qualifications (RFQ) was conducted last year for Engineering Services and Measurement and Verification firms; from that RFQ several vendors were selected and are now in a pre-approved “pool” for the SEU to use at a time and material rate. The Cadmus Group proved to have the best experience and overall strategies for the desired results. The cost for this work is estimated at \$218,500.

Responding to Mr. Schorah, Ms. Allison Bard, Cadmus Group, stated that they have performed this type of work in the past for public and private investor owned utilities.

Responding to Senator McDowell, Mr. Murphy confirmed that the work being performed by Cadmus would not be duplication nor would it be conflict with the bond issue and offering statement.

Dr. Wagner moved to authorize the Executive Director to move forward, negotiate, and execute a final contract, not to exceed \$218,500 with Cadmus, seconded by Mr. Schorah and unanimously carried.

d. Staffing Plan Proposal – Mr. DePrima stated that due to the amount and various types of work involved at the SEU, it has become necessary to seek two (2) additional full time positions with a possible third position at a later time. The first position would be titled Program Manager/Deputy Director. The second position being requested is a Marketing/Public Relations position. Mr. DePrima reviewed both job descriptions and job duties with the members. He indicated salary ranges were developed by using the State of Delaware's Environmental Program Administrators range. Other items to consider would be the need to obtain larger office space and some type of health care benefits.

Representative Paradee questioned the possibility of accessing benefits through the State of Delaware. Mr. DePrima explained that unless done through legislation, he doesn't believe using State benefits is an option.

Mr. Knight recommended that staff work on developing a cost analysis including, office space, insurance, etc.

Dr. Wagner moved to approve the Executive Director to begin the process of the hiring two (2) additional staff members, final selections are to be brought before the Executive Committee for final approval. The motion was seconded by Mr. Knight.

e. 2015 Meeting Schedule for the SEU Oversight Board – Senator McDowell requested that this item be deferred to the March meeting.

f. Travel Expense – Mr. DePrima reviewed the criteria for a proposed travel policy. For transparency reasons, Mr. Paradee recommended clarifying details such as per-diem, lodging, hotel selection and transportation. A proposed Travel Policy will be presented to the Board during the March meeting.

g. Committee Assignments – W. Charles (Trey) Paradee – The revised Committee Assignments reflects Representative Paradee being a part of the Energy Program and Finance and Audit Committees (replaces Dennis Williams).

Mr. Schorah motioned to approve the Committee Assignments, seconded by Mr. Wagner and unanimously carried.

h. Consideration of Statements – A motion was made by Mr. Schorah to process the following statements, seconded by Mr. Knight and unanimously carried.

- i. Murphy & Landon – June/July (\$2,635), August (\$3,865.74), September (\$6,559.84), and October (\$3,566.06) 2014
- ii. NW Financial Group, LLC – July (\$4,965), August (\$2,958.75), and October (\$1,252.50) 2014

Mr. Murphy credited Mr. DePrima's ability for significantly lowering the monthly fees for general counsel.

i. Letter of Intent and Request for Reservation of Funds

i. Christina School District – Christina School District is requesting \$3 million dollars for a traditional energy contract to conduct an Investment Grade Audits for Glasgow High School and Gauger-Cobbs Middle School.

ii. DEMEC – Mr. DePrima stated that the SEU had previously reserved \$1 million in financing for DEMEC, however, they are now requesting \$2 million because their \$ 1 million dollar USDA loan had not move forward quickly enough. The \$2 million dollar loan would fund an LED Street Light Replacement Program in all eight (8) DEMEC municipalities.

Funding public energy efficiency improvements is one of the core functions of the SEU. Mr. DePrima stated that the funds would be reserved for 12 months and that these two projects could be folded into a future bond issue. If approved, the reservations would show up as line items in the budget.

Mr. Schorah motioned to approve the Letters of Intent for reservation of funds (for 12 months) for DEMEC, in the amount of \$2 million dollars and Christina School District, in the amount of \$3 million dollars, seconded by Mr. Chukwuocha and unanimously carried.

3. Reports - Executive Director's Reports – Mr. DePrima reviewed the following reports:

- a. **Budget Report - December, 2014**
- b. **Activity Report – September - December 2014**
- c. **Low Moderate Income Committee**

4. New Business/Old Business – None

5. Public Comment

6. Governance Committee – Salary Review and Recommendation – Discussion to take place in Executive Session – Due to time constraints, this item was deferred to March's agenda.

7. Adjourn

A motion to adjourn was passed unanimously at 12:10 PM.