

Delaware Sustainable Energy Utility
Meeting of the Oversight Board
Delaware Public Advocate's Office – 29 S. State Street, Dover, DE 19901
September 18, 2014 – 9:30 A.M.

Welcome

Board Chair Senator Harris McDowell called the meeting to order at 9:45 AM. Present were Pamela Bakerian, Kristopher Knight (teleconference), Joseph Schorah (teleconference), Ismat Shah (teleconference), Robert Underwood, Dennis Williams (teleconference), and David Bonar. Also present were Tony DePrima, SEU Executive Director, Frank Murphy, General Counsel, Chu Chu (Intern from University of Delaware, Alyssa Bruner (Intern from University of Delaware, and Lisa Gardner, Office Manager.

Members Absent: Charles Wagner (vacation), Nnamdi Chukwuocha, and Sean Finnigan.

1. Approval of Minutes

- a. Energy Programs Committee – June 18, 2014**
- b. Oversight Board – July 17, 2014**
- c. Loan Committee – August 6, 2014 (Executive Session)**
- d. Finance & Audit Committee – August 6, 2014**
- e. Executive Committee – August 28, 2014 (Executive Session)**

Referring to the Executive Committee minutes of August 28, 2014, Senator McDowell requested that the second to the last paragraph be deleted. Mr. Bonar moved to approve the minutes, as amended, seconded by Mr. Schorah and unanimously carried.

2. SEU Business

a. Strategic Plan – Review of Comments – As a result of a request for public response was advertised for the SEU's Strategic Plan, several pieces of correspondence were received (which were provided to all members of the board). It was recommended that members review the comments received and its contents. The Strategic Study will be placed on the next agenda for final approval.

b. Revised Budget – Mr. DePrima reviewed the revised budget with members of the board. Mr. Schorah moved to approve the revised budget, seconded by Mr. Bonar and unanimously carried.

c. Direct Lending Policy Amendment – During a recent Loan Committee meeting, two suggestions were made in order to clarify the current lending policy.

i. \$1M Cap – The first amendment is intended to make it clear that closely related corporations are considered one borrower under the \$1M cap; however, by adding the below language to Section 3.2 Minimum Standards (2) would allow for some maneuverability when conditions may warrant a waiver. *“For borrowers that are business entities, “borrower” means the borrower and any other corporation, limited liability company, partnership, trust or other entity in which more than 50% of the ownership or equity interests are held directly or indirectly by borrower or those persons or entities holding more than 50% of the ownership or equity interests in borrower. However, this may be waived when there is a finding that there are significant distinctions between related business entities and there are sufficient independent sources of collateral”.*

ii. Construction –vs- Post Construction – The second amendment indicates that the SEU's primary desire for loan money is to incent new construction and retrofits and not intended to provide permanent financing for projects that have already been constructed. The Loan Committee suggested that the word *“proposed”* be added to Section 2.2 Eligible Activities. If approved Section 2.2 would read as follows: Direct loans shall be available

to eligible applicants for *proposed* improvements installed by a qualified contractor that are designed to reduce the net energy requirements and/or increase the on-site renewable energy capacity and/or greenhouse gas emissions reduction in or at properties or sites located in the State of Delaware.

Mr. Bonar moved to approve the two (2) amendments to the Direct Lending Policy, seconded by Mr. Schorah and unanimously carried.

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

- i. Gabel Associates – Consulting – In the amount of \$3,208.75.
- ii. NW Financial Group, LLC – June 2014 in the amount of \$1,331.25.
- iii. Celtic Energy – Consulting – In the amount of \$3,000.
- iv. Young Conaway Stargatt & Taylor, LLP – Consulting – Thru September 10, 2014, in the amount of \$478.00

e. Proposed Vehicle Usage Policy – Ms. Gardner reviewed the Proposed Vehicle Usage Policy with board members. Mr. Bonar approved the policy as presented, seconded by Ms. Bakerian and unanimously carried.

3.a. Presentation - Green Bank – Mr. Jeffery Schub, VP, Coalition for Green Capital presented a PowerPoint presentation of the benefits of partnering with “Green Banks”. He discussed direct debt, wholesale debt, subordinated debt, loan loss reserve, warehousing, securitization, standardization, and data collection.

4. Reports - Executive Director’s Reports – Mr. DePrima reviewed the following reports:

- a. Budget Report**
 - i. End of Fiscal Year – June 30, 2014**
 - ii. August 2014 Budget Report**
- b. Activity Report – May-August 2014**

5. New Business/Old Business – None – Senator McDowell suggested that a budget be established that would allow board members to attend conferences once a year. Mr. Murphy will research if there are any restrictions. The matter will be placed on the next SEU agenda.

6. Public Comment

The Board received public comments by various members of the public.

7. Adjourn

A motion to adjourn was passed unanimously at 11:52 AM.