

Delaware Sustainable Energy Utility
Meeting of the Oversight Board
DNREC – 391 Lukens Drive – New Castle, DE 19720
November 21, 2013 – 9:30 A.M.

1. Welcome

Board Chair Senator Harris McDowell called the meeting to order at 9:30 AM. Present were Pam Bakerian (teleconference), Ismat Shah (teleconference), Secretary Collin O’Mara, Sean Finnigan, Joseph Schorah, David Bonar. Also present were Tony DePrima, SEU Executive Director, Frank Murphy, Robert Underwood, and Lisa Gardner.

A motion was made and unanimously carried to remove item 3.e. Election of Vice Chairperson from the agenda. Senator McDowell indicated that will matter will be addressed at January’s 2014 Board Meeting.

2. Approval of Minutes - September 19, 2013 – Oversight Board – Secretary O’Mara suggested additional language be added to the minutes to reflect the importance of Delmarva’s involvement with the Home Performance with Energy Star program.

Mr. Bonar made motion to adopt the minutes for September 19, 2013, as amended, seconded by Secretary O’Mara and unanimously carried.

3. SEU Business

a. Revised Budget for New Fiscal Year 2013 -2014 – Mr. DePrima reviewed the newly formatted and revised fiscal year budget for 2013 – 2014. Senator McDowell requested that salary and vehicle expenses be excluded from the adoption of the budget and be discussed at a later time.

Mr. Bonar moved to adopt the revised budget for new fiscal year 2013 – 2014, seconded by Mr. Finnigan and unanimously carried.

b. Investment Strategy and Reserve Policy – Mr. DePrima reviewed the Investment Strategy and Reserve Policy that was previously distributed to members. Mr. DePrima suggested that the SEU use the below five (5) accounts to support the Investment Strategy and Reserve Policy:

- 1) Long Term – Purpose – Holds 1 year operating funds in reserve and funds yet to be budgeted or allocated. Investment Range - \$8,500,000.
- 2) Intermediate – Purpose – Holds 1-3 months of budgeted funds for transfer to Short Term as needed. Investment Range - \$1-3 Million.
- 3) Short Term – Purpose – Paying Expenses. Investment Range - \$100,000 – 300,000.
- 4) SREC Auction – Purpose – Managing SREC Auction related funds. Investment Range – N/A.
- 5) Bond Proceeds – Purpose – Holding of Bond Proceeds prior to drawn down. Investment Range – N/A.

Secretary O’Mara moved to adopt the Investment Strategy and Reserve Policy as presented, seconded by Mr. Bonar and unanimously carried.

c. Strategic Plan Proposal - Senator McDowell reminded members that one of the recommendations from the Sunset Committee Hearing was for the SEU to develop a 3-5 year Strategic Plan. In accordance to the Procurement Policy, quotes can be requested for services if they total less than \$25,000. A scope of work was

developed and sent to five strategic planners. Four proposals were received ranging from \$11,170 to \$25,000. Mr. DePrima selected the lowest proposal, which was received from Georgeanna Windley of Organizational & Business Development Services. We anticipate that Ms. Windley will request independent structured interviews with each of the board members. Two public sessions will be held as well.

Responding to Dr. Shah, Mr. DePrima stated that once the draft Strategic Plan is complete, it will be presented to the board during a regular board meeting for discussion.

Mr. Bonar stated that he is familiar with Ms. Windley's work and commended her work ethics and professionalism.

d. Proposed Investment Grade Audit Program for State Agencies and School Districts – Preliminary Design – Members were reminded that at the last board meeting, the Board reserved \$1,000,000 for the purpose of creating a program to financially assist state agencies and school districts with upfront expenses of having an Investment Grade Audit (IGA) performed for their buildings. Obtaining an IGA is a requirement for entering into an Energy Saving Performance Contract.

After presenting the board with further information, Mr. DePrima recommended that this item be reviewed by the Energy Program Committee for a more detailed review.

Secretary O'Mara moved to adopt the preliminary review and refer it to the Energy Program Committee, seconded by Mr. Schorah and unanimously carried.

f. Proposed 2014 Meeting Schedule – The below 2014 Meeting Schedule was approved and unanimously carried by the Board.

January 16, 2014 – Dover – Richardson & Robbins Building, 89 Kings Highway - 9:30 a.m.

March 20, 2014 – New Castle, Lukens Drive - 9:30 a.m.

May 15, 2014 – Dover Richardson & Robbins Building, 89 Kings Highway - 9:30 a.m.

July 17, 2014 – New Castle, Lukens Drive - 9:30 a.m.

September 18, 2014 – Dover Richardson & Robbins Building, 89 Kings Highway - 9:30 a.m.

November 20, 2014 – New Castle, Lukens Drive - 9:30 a.m.

g. Consideration of Statements – A motion was made by Mr. Bonar to pay the following statements, seconded by Dr. Wagner and unanimously carried.

- i. Faw Casson – September 2013 in the amount of \$1,200 and October 2013 in the amount of \$1,442.**
- ii. NW Financial Group, LLC – September 2013 in the amount of \$4,855.**
- iii. F. Murphy Legal Services – October 2013 in the amount of \$3,282.50**

4. Reports

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

- i. Budget**
- ii. Balance Sheet**
- iii. Activity – September and October 2013**

Mr. DePrima introduced Mr. John White from ICF and asked him to brief members on the upcoming launch of the Home Performance with Energy Star Program.

Mr. White updated the board on the measures being taken to prepare for a mid-January launch. Responding to Mr. Schorah, Mr. White stated that to assure the level of contractor expertise, ICF has increased the level of certification the contractor must obtain. Additionally, a survey will be sent to the customer for feedback. Mr. White thanked the members for the opportunity to administer the Home Performance with Energy Star Program.

5. New Business/Old Business

Secretary O'Mara informed members that the Renewable Energy Task Force has been working on an idea for a new program that will increase residential solar construction while at the same time reduce the number of stranded SREC's. He stated that the concept is currently called the Enhanced Green Energy Grant Program and would involve the SEU using its RGGI funds to purchase SREC's from new residential solar projects in conjunction with the current Green Energy Program. Mr. DePrima and Mr. Underwood briefly described how the concept would work. Due to timing of approvals necessary from the Public Service Commission, he suggested that the Executive Committee move forward with the proposal once it is presented in detail. The motion was made by Mr. Finnigan, seconded by Mr. Schorah and unanimously carried.

Referring to the vehicle that was placed in the 2014 Budget, Secretary O'Mara indicated that the Executive Director could use a vehicle from the State's fleet.

Referring to the salary increases placed in the 2014 Budget, Senator McDowell reminded member that the SEU staff receives no benefits other than a contribution to an IRA. Mr. Bonar moved to approve a 3% increase for the SEU staff, seconded by Mr. Schorah and unanimously carried.

6. Public Comment

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

7. Adjourn

A motion to adjourn was passed unanimously at 11:50 AM.