

Delaware Sustainable Energy Utility Meeting of the Oversight Board
DNREC Lukens Drive Office
391 Lukens Drive
New Castle, DE 19720
November 3, 2011 at 2 PM

Present: Senator Harris McDowell, Sean Finnigan, Dr. Charles Wagner, Randy Day, Roger Jones, Dr. Carolyn Snyder, Representative Dennis Williams, Secretary Collin O'Mara, John Byrne, Tony DePrima, and Frank Murphy.

I. Welcome

Senator Harris McDowell called the meeting to order. Starting time 2:09 PM

II. Agenda Additions or Deletions

There were no additions or deletions to the agenda.

III. Introduction of new Executive Director Anthony J. DePrima

The Board welcomed Tony DePrima as the SEU's first Executive Director and heard remarks from him.

IV. Renewable Energy Task Force and SREC Market Update; Consideration of recommendations of SEU Executive Committee from report of SEU Consulting Team (Becker Capital, Drinker Biddle, and BDO)

Dr. John Byrne made a presentation on the status of the SREC Auction Market program. The Executive Committee approved a form of RFP for the auctioneer, which has been issued. The Executive Committee will make a recommendation to the Board about the bidders for the auctioneer, and the Board will make the decision about which bid to accept. The RFP is being circulated broadly and is on the Energize Delaware website. Dr. Byrne indicated that PSC approval is needed for the SREC Auction Pilot Program and there may be changes to the program.

V. Action Items

a. Consideration of minutes of Board Meetings by the Board

The Board approved the minutes of the September 22, 2011, August 19, 2011, and July 14, 2011 Board meetings, with one addition that the September 22, 2011 minutes reflect a start time of 4:11 PM.

b. Consideration of statements for F. Murphy Professional Services

The Board approved a motion to pay F. Murphy's statements for professional services, which were circulated in advance of the Board meeting.

c. Approval of Contract for Professional Accounting Services for preparation and Filing of IRS Form 990 - BDO

IRS 990 Form, BDO submitted a scope of work to prepare the IRS Form 990 for the SEU. The proposal was explained by Executive Director Tony DePrima. BDO proposed a capped fee limit of \$4,500. Tony DePrima indicated that Board members have to provide information about time spent on SEU matters and compensation from any related agency, if any exists. SEU Counsel Frank Murphy was asked to make a record about why completion of the IRS 990 may involve a fee as high as the maximum of \$4,500. Mr. Murphy indicated that a. the SEU is a related organization to the State of Delaware, b, BDO needs to compile IRS 1099s issued by the SEU and there is a very substantial number in light of the SEU's programs, c. the SEU is a unique organization in many respects, and d. a substantial amount of data mining is being done by BDO in order to complete the IRS Form 990. Given the complexity of the work involved, Frank Murphy indicated that the \$4,500 cap is very reasonable in his view and SEU may be getting a bargain. The Board approved a motion to authorize Tony DePrima the SEU Executive Director engage BDO at a capped fee of \$4,500 to complete IRS 990.

d. Approval of an Interim salary and administration budget

Executive Director asked for approval of his proposed budget. There was discussion about the items in the proposed budget and the job description for the SEU employee in the budget. The Board voted to approve the Executive Director's proposed budget with the Executive Director to come back with a job description for the new position. As part of the motion, the Board agreed that the Executive Director can switch funds among budgeted items provided that he receives the approval of a Board co-chair as reflected in a footnote to the proposed budget.

The Board approved a motion to allow the Executive Director to have check writing authority up to \$10,000 for administrative matters.

e. Renewal of Directors & Officers/Business Managers Insurance

The Executive Director reported that the Directors & Officers/Business Managers insurance policy has been renewed.

VI. Items for Consideration and Discussion

a. Discussion regarding status of SEU Financial Reports, Fiscal Agent, SEU Contract Administrator

b. Report on Energize Delaware Program Portfolio – Carolyn Snyder

VI. a and b. Carolyn Snyder reported that DNREC is in the process of winding down its relationship with the SEU fiscal agent. Regarding the SEU contract administrator Applied Energy Group, DNREC has been working to close out ARRA programs. The contract with AEG had already been substantially reduced. DNREC now has direct contractual relationships with implementation contractors. Carolyn Snyder reported on the further winding down of DNREC's relationship with AEG and the implementation contractors.

c. Proposed November\December Workshop to Discuss Future Programs

Deferred

VII. New Business/Old Business

None reported

VIII. Adjourn

Before the meeting adjourned, there Board received public comments and questions raised by various members of the public were answered. Thereafter, the Board approved a motion to adjourn.