

**Delaware Sustainable Energy Utility**  
Meeting of the Oversight Board  
Dover Modern Maturity Center, 1121 Forrest Avenue, Dover, DE 19904  
RETREAT  
July 21, 2016 - 9:00 A.M.

**Welcome**

Senator McDowell called the meeting to order at 9:00 AM. Members present were Secretary David Small, Joseph Schorah (teleconference), Pamela Bakerian, Robert Underwood, Ismat Shah, and Kristopher Knight (teleconference). Also present were Frank Murphy, SEU General Counsel, Robert Underwood, Anthony DePrima, Suzanne Sebastian, and Lisa Gardner.

Members Absent: Nnamdi Chukwuocha, Dave Bonar, Sean Finnigan, Trey Paradee, and Charles Wagner.

**SEU BUSINESS**

**1. Approval of Minutes**

**a. Oversight Board – May 19, 2016 – Ms. Bakerian moved for approval, seconded by Mr. Underwood and unanimously carried.**

**b. Loan Committee – June 2, 2016 – Tabled – There was not a quorum of the Loan Committee.**

**2. Proposals**

**a. Revolving Loan Program – Process Evaluation – Tina Poole Johnson, Community Development and Finance Consultant** - Mr. DePrima stated that the proposal being presented would be used to evaluate how the SEU's existing Revolving Loan Program is currently being ran. Mr. DePrima informed the board that loan tracking software would also be a part of the recommendation; currently all loans are being tracked on an Excel spreadsheet.

Secretary Small expressed his support in the evaluation and suggested that it be expanded to explore investigating supplementing/coordination of EEIF funds.

Responding to Senator McDowell, Mr. Murphy indicated that a confidentiality document would be required in order to protect portfolio management report information.

**Mr. Shah moved to execute the proposal, seconded by Mr. Underwood and unanimously carried.**

**b. Net Zero Energy Manufactured Housing Down Payment Assistance** – Mr. DePrima reminded members that during the May Oversight Board Meeting the board requested additional information on the proposed down payment assistance portion of the program. At that time there were two (2) concerns, first, should the DESEU get involved with lending that would be outstanding for a long period of time. Secondly, did the staff have the capacity to manage documentation and tracking for this type of lending. Several members of the Board thought it would be cleaner to simply give the funds out as a grant.

The below table depicts staff's recommendations:

<b>Down Payment Assistance Program Recommendations</b>
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<b>Administration</b>	<p style="text-align: center;"><u>Milford Housing</u></p> <p>Milford sets up administration and legal documents necessary to administer program. When homebuyers close on ZNE MH unit, Milford disburses funding. Homebuyer is not required to make monthly payments on this loan, and interest will not be charged. The loan will be returned to the revolving loan fund when the home is sold.</p> <p>Milford Housing manages a similar loan program for the City of Dover and recaptures money in a revolving loan fund as properties are sold. As pilot program manager, Milford is uniquely positioned to manage this fund with low fees maximizing benefits.</p>
<b>Interest rate</b>	<p style="text-align: center;"><u>Zero Percent</u></p> <p>A zero percent loan is the easiest to administer as it sits dormant while homebuyer is in property.</p>
<b>Loan Payback</b>	<p style="text-align: center;"><u>Deferred Payback</u></p> <p>Recapturing the money when the home is sold is the most administratively complex but provides the most benefits. When a home is sold, that original grant is returned to the revolving loan fund, and made available to another homeowner. If next homebuyer qualifies, a new down payment loan would be calculated to make home affordable for that family.</p>
<b>Funding</b>	<p style="text-align: center;"><u>DESEU</u></p> <p>DESEU provides funding for a revolving loan program administered by Milford Housing of \$625,000. This is equal to \$25,000 for 25 homes. The payments will be structured annually according to the estimated number of pilot program units, or as homebuyers enroll and purchase units with payments one by one. Actual assistance maybe less than \$25,000 per home. The revolving loan fund will be used by Milford Housing for the pilot program. If pilot program is terminated, funding will be returned to DESEU or granted to Milford to use for other affordable energy efficient or renewable energy housing programs.</p>

After a lengthy discussion and review of the Board’s action taken during the May meeting, members requested that quarterly funding and progress reports from Milford Housing be provided to the Executive Director, which would then be shared with Board members.

**Mr. Schorah moved to move forward with the recommended down payment assistance portion of this project, which would include quarterly funding and progress reports, seconded by Mr. Shah and unanimously carried.**

**3. Consideration of Statements - A motion was made by Ms. Bakerian to approve the following statements, seconded by Secretary Small and unanimously carried.**

- i. Murphy & Landon – April and May 2016 (\$1,220.16)
- ii. NW Financial Group, LLC – May (\$477.50)

**BREAK – Tour of Solar Thermal System – Grant Presentation to Modern Maturity Center (MMC) – Board members presented Ms. Caroline Fredricks, President/CEO of the MMC with a solar thermal grant in the amount of \$44,681.**

## **SEU Retreat ~ Celebrating Success ~ The Next Level and Beyond**

Mr. DePrima, Ms. Sebastian and Ms. Gardner presented a Power Point presentation to provide an overview of the following programs and engage the Board in discussions to brainstorm future programs and direction for the SEU:

### **Established Programs**

- 2011 Performance Bond - Update
- 2016 Performance Bond
- Low Interest Loan
- SREC Procurement Program Management
- Green for Green
- Home Performance with Energy Star
- Non Profit Energy Assessment
- Pathway to Green Schools
- Upfront SREC Purchase

### **Pilot Programs**

- EEIF for Non-Profits & Local Governments
- Pre-weatherization
- Solar Resiliency
- Net Zero Energy Modular Housing

### **Emerging Programs**

- Energize Delaware Farm Program
- Community Energy Centers

### **Potential New Programs**

- Pace/Green Bank
- Solar – Low Mod Income
- Clean Vehicle
- Multi-Family Buildings

### **Cadmus Study Recommendations – Complete Items**

- Adopt the Pilot Program Evaluation Tool
- Added more “direct install” measures to audit programs to capture savings
- Correct various anomalies found in Home Performance saving reports

### **Cadmus Study Recommendations – In Progress**

- Transform the Green for Green Program
- Hire marketing agency to develop a professional strategy and plan
- Hire professional firm to evaluate programs
- Purchase data tracking software tool
- Expand database to include measures for impact evaluation and cost effectiveness

### **Discussion**

- Secretary Small discussed expanding and integrating programs appropriately with State and other programs
- Senator McDowell expressed his interest in the SEU being the champion for green policies and sustainability

**A motion to adjourn was passed unanimously at 11:45 AM.**