

Delaware Sustainable Energy Utility

Meeting of the Oversight Board

391 Lukens Drive, DNREC

New Castle, DE 19702

November 21, 2019 – 9:00 AM

Welcome

Senator Harris B. McDowell, III called the meeting to order at 9:00 AM. Members present were Richard Jones, Robert Underwood (proxy for Secretary Garvin, Department of Natural Resources and Environmental Control, Sean Finnigan, Joseph Schorah, Andrew Slater, Public Advocate (teleconference), Senator Trey Paradee (teleconference). Also present were Frank Murphy, General Counsel, Anthony DePrima, Suzanne Sebastian (teleconference), Athena Bi, Michael Williams, and Lisa Gardner.

Members Absent: Kristopher Knight and Michael Chajes

1. Approval of Minutes

a. Oversight Board Meeting - September 19, 2019 – Mr. Schorah moved for approval of the minutes, seconded by Mr. Finnigan and unanimously carried.

2. SEU Business

a. 2019/2020 Revised Budget - Copies of the Budget Notes and Budget were distributed to members (items were also included in the packet that was previously emailed to all members.

Each year after the previous year’s revenue and spending has been reconciled by the accountant; a revised budget is presented to the Board. This allows members to see the actual beginning year balance. Mr. DePrima indicated that this is an opportunity to review what was projected in May and update as necessary. Mr. DePrima presented and reviewed the revised 2019/2020 budget indicating there is a \$1.4M greater than projected, mostly due to the receipt of a larger amount of RGGI dollars received.

Mr. DePrima reviewed each line item depicted in the budget memo.

Mr. Jones moved to approve the FY 2019-2020 Revised Budget as presented, seconded by Mr. Finnigan and unanimously carried.

b. DESEU Meeting Schedule for 2020 - As in previous years, Mr. DePrima presented the 2020 DESEU Meeting Schedule/Calendar. The proposed 2019 DESEU Meeting Schedule was presented as follows:

Friday, January 17th – Retreat - Location TBD

Friday, March 20th – New Castle

Friday, May 15th – Dover

No Meeting in July

Thursday, Sept. 17th – New Castle

Thursday, Nov. 19th – Dover

c. 2011 Bond - Taxable Advance Refunding - Selection of Underwriter and Trustee - Mr. DePrima stated that due to changes (with the tax laws and a drop in interest rates) in the bond market there are new opportunities in refinancing the SEU's 2011 Bond Issue. Given the current market conditions, a taxable advanced refunding will save, on a present value basis, the State of Delaware agencies approximately \$4,132,534 in debt payments over the remaining life of the bond issue. This financing will be completed through what is called a “negotiated bond sale”.

Mr. DePrima indicated that NW Financial, on behalf of the DESEU, issued an RFP for underwriter services. Five (5) underwriting firms responded with proposals (attached). Raymond James, who was the underwriter for our 2019 issue submitted the proposal that best meets the requirements of the DESEU, providing the highest savings to the State when considering their proposed underwriting fee and bond pricing. The RFP required the proposing underwriters to base their savings calculations and pricing assumptions considering municipal market conditions ending on October 2, 2019; Raymond James estimated savings to be \$5,359,037.68. Due to market changes since this estimate, the estimate is now \$4,132,534; this is completely "market driven".

Regarding the selection of the trustee & escrow agent, NW Financial issued and circulated a proposal seeking pricing to provide trustee services to the DESEU. The RFP was forwarded to Citigroup, the current trustee on the 2011 bond issue and Wilmington Trust who is providing trustee services on the DESEU 2019 bond issue. Both are qualified, have provided satisfactory trustee services to the DESEU, and are active participants in the bank trustee services market. Based on the responses received, NW Financial has determined that Wilmington Trust has provided the most economical fee proposal and is recommending Wilmington Trust to provide those services. A summary of the proposed fees was included in the packet.

Mr. Jones moved to authorize the Executive Director Based to move forward in contracting with Raymond James for underwriting services, and Wilmington Trust for trustee & escrow agent services. The motion was seconded by Mr. Finnigan and unanimously carried.

d. Consideration of Statements - Mr. Finnigan motioned to approve the following statements, seconded by Mr. Underwood and unanimously carried.

- i. Murphy & Landon - February - September 2019 (\$3,090)
- ii. NW Financial Group, LLC – August/September 2019 (\$8,782.50)
- iii. Young Conaway Stargatt & Taylor, LLP - October 2019 (\$5,176.50)

4. Reports – The following reports were presented to the Board

- a. Executive Director
- b. Program Manager
- c. Public Relations
- d. Budget Report - Ending October 31, 2019

Meeting Adjourned at 10:25 A.M.