

**Delaware Sustainable Energy Utility**  
Meeting of the Oversight Board  
Teleconference Meeting via Zoom  
March 19, 2021 – 9:00 AM

**Welcome**

Senator Harris B. McDowell, III called the meeting to order at 9:00 AM. Members present were Senator Hansen, Kristopher Knight, Robert Underwood (proxy for Secretary Garvin, Department of Natural Resources and Environmental Control,) Ric Moore, Andrew Slater, Public Advocate, Michael Chajes, Senator Trey Paradee, and Sean Finnigan. Also present were Anthony DePrima, Frank Murphy, General Counsel, Suzanne Sebastian, Athena Bi, Jim Purcell, Cassandra Rodriguez, and Lisa Gardner.

Members Absent: Richard Jones

Senator McDowell proudly introduced the newest member to the board, Senator Stephanie Hansen, Chairperson of the Environment & Energy Committee. Senator Hansen thanked Senator McDowell stating that she was looking forward to serving on the Board.

**1. Approval of Minutes**

**a. Oversight Board Meeting - January 15, 2021** – After making two (2) clerical corrections, **Mr. Moore moved to approve the amended minutes, seconded by Mr. Slater, and unanimously carried.**

**2. SEU Business**

**a.i. Amendment - Loan Policy - Risk Rating System and Loan Loss Method** - Mr. DePrima stated that at the last meeting, the Board approved an update to the Direct Commercial Lending Policies and Procedure Manual. As explained, these are the follow up actions that are needed. Under the new policy, “the Loan Staff shall develop and recommend to the Board a Loan Risk Rating System and Loan Loss Reserve method based on industry best practices and the SEU’s lending experiences to establish a methodology for calculating and reflecting the relative risk of each loan in a rating and to determine the appropriate loan loss reserve for each loan based on its rating.”

Mr. DePrima reviewed the Loan Risk Rating System and Loan Loss Reserve Method documents. Staff recommended to initially approve the system and method, and then annually staff will review the process for needed changes.

**Mr. Moore moved to approve the Loan Risk Rating System and Loan Loss Reserve policy, seconded by Mr. Finnigan, and unanimously carried.**

**a.ii. Personnel Policy - Qualified Small Employers Health Reimbursement (QSEHRA) & Sick Leave Carry Over** - Mrs. Gardner informed members that as a result of the September 17, 2020 Oversight Board Meeting (when the Board approved contracting People Keep to manage the Qualified Small Employer Health Reimbursement Assistance (QSEHRA) Program), language needed to be added to the DESEU Personnel Policy as follows:

"Section 7 - Health Insurance/Benefits - The DESEU will enroll all full-time employees in a Qualified Small Employer Health Reimbursement Assistance Program that provides health care reimbursements in amounts approved by the Oversight Board."

Additionally, upon further review, it was discovered that the maximum amount of allowable carryover sick hours had not been established. Therefore, the following language is being proposed to add to the Personnel Policy:

"Section 2 - Sick Leave - Employees who have been with the DESEU for 6 months continuous employment are eligible to receive ten (10) days paid sick leave per calendar year with a maximum amount of 675 hours (90 days based on 37.5-hour weekly schedule) to be carried over from year to year."

**Mr. Moore moved to approve the revised Personnel Policy, seconded by Mr. Finnigan, and unanimously carried.**

**b. Creation of the Energy Equity Fund** - At our last meeting, Jim Purcell gave a detailed presentation on the advantages of creating the Delaware Energy Equity Fund for the purpose of raising funds to support energy efficiency and renewable energy programs for low- and moderate-income Delawareans.

Subsequently, we met with the Delaware Community Foundation (DCF) to discuss the idea., They were fully in support of the concept, and felt they could enhance our efforts in many ways. Three documents were presented and reviewed that would create the fund and the partnership with DCF. These documents are: Nonprofit Reserve Fund Agreement, the Terms and Conditions for Component Funds, and the Fee Schedule for payment to DCF for servicing the fund.

Mr. Murphy indicated that he reviewed the documents and has no changes.

The documents would allow the following:

- Creates the Delaware Energy Equity Fund, but really establishes two types of funds 1) The Delaware Energy Equity Agency Fund (the "Master") which is where all DESEU donated funds would go. And the Delaware Energy Equity Fund (the "Companion") where all funds from outside organizations that want to contribute would go. Funds can be donated through DCF. In addition, we can create a campaign, raise the funds, and transfer them to the Energy Equity Fund.
- It establishes the DCF as the administrator and adopts the Terms and Conditions. These are the standard terms required by DCF of all non-profit charitable funds.
- It recognizes the \$1,000,000 we have budgeted as the initial contribution, but also establishes that we can make subsequent donations to the fund, and most importantly, how we can actively develop a fundraising campaign to solicit funds for the purpose of funding the Energy Equity Fund from outside organizations.
- The purpose of the Fund as outlined in the document will be to provide underserved communities access to energy efficiency, clean energy, education, outreach, and impacts of climate change through grants from the Empowerment Program.
- The Fund is established as "non-endowed" meaning the entire fund balance can be used for the purpose of the fund.
- It appoints the DESEU Executive Director as the Grant Advisor and the Empowerment Grant Manager as the Associate Advisor; this means we are authorized to transfer money from the fund to purposes allowed by the fund.

- Monies will be initially vested in the “Cash” Pool which is the most conservative option. These funds can be moved to other pools if requested.
- It adopts the DCF fee schedule – We are considered a nonprofit fund and based on this, our fees would be .50% of the balance, and .25% if balances go above \$2.5 million. There is also an annual \$250 fee.

Note: For the record, the Zoom meeting was interrupted due to internet service being lost on the 4th floor of the Duncan Center; therefore Mr. DePrima, Mrs. Sebastian, and Mrs. Gardner were temporary offline during the meeting.

**Mr. Slater moved to authorize the Executive Director to sign the attached Nonprofit Fund Agreement. The motion was seconded by Mr. Underwood and unanimously carried.**

**c. Consideration of Statements - Mr. Moore motioned to approve the following statements, seconded by Mr. Finnigan, and unanimously carried.**

- Murphy & Landon
- NW Financial Group, LLC
- Young Conaway Stargatt & Taylor, LLP

**d. Hiring of Communication and Marketing Manager** - Mr. DePrima reminded members that it has been a little over a year ago since the DESEU lost its full time Communication and Marketing Manager, Ms. Kate Bayard (who left to pursue a different career path.) The SEU then hired Mr. Michael Williams on a part-time basis. At the end of December 2020, Mr. Williams accepted a full-time position and indicated he would be unable to continue working for the SEU. AB&C, as well as DESEU staff, have been filling in the gaps where needed. As we move forward with growing programs, staff is requesting the Board to consider approving the filling of this full-time position.

It was the consensus of the board that the SEU will examine how to effectively accomplish the marketing and communication tasks/function.

Responding to Mr. Moore, Mr. DePrima indicated the past salary as being in the range of \$55,000 to \$65,000. It was the consensus that the SEU needs this position in order to promote the available programs.

**Mr. Finnigan moved to authorize the Executive Director to move forward with the recruitment, seconded by Mr. Moore, and carried with Mr. Slater not voting.**

**3. Reports** – The following reports were presented to the Board:

- Executive Director
- Program Manager
- Budget Report - Ending February 2021

**4. New Business/Old Business** - Senator McDowell shared that the Loan Committee recently voted against approving a loan request from Wesley College. However, Senator McDowell indicted entertaining a loan request from Delaware State University, who are proposed to takeover operations of Wesley College. Concurring, Mr. Knight, Chairman of the Loan Committee, added that the type of bridge loan being requested (covering operating expenses and payroll) does not fit into the realm of the types of projects supported by the SEU.

Responding to a comment by Senator Hansen, a lengthy discussion was held regarding thoughts and opinions regarding offshore wind.

Mr. Chajes moved to adjourn into Executive Session, seconded by Mr. Moore and unanimously carried.

**5. Executive Session – Personnel Matters {Pursuant to 29 Del C. §10004(b)(9)} Executive Director’s Compensation** - SEU General Counsel, Frank Murphy, explained the reason for the executive session and the fact that it is permitted under the Freedom of Information Act, pursuant to Title 29, Section 10004(b)(9) as reflected on the agenda for today’s Board meeting. A motion was made to have the Board enter into executive session to address personnel matters.

The Oversight Board meeting reconvened in open session.

Meeting Adjourned at 11:35 A.M.