

**DELAWARE ELECTRIC COOPERATIVE  
MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS**

**May 22, 2019**

**CALL TO ORDER**

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held at the office of the Cooperative at Greenwood, Delaware, on Wednesday, May 22, 2019, at 10:00 a.m. Chairman William J. Wells called the meeting to order. The following directors were present: Dean C. Belt, Michael K. Brown, Blaine M. Daisey, Sr., Patricia S. Dorey, William P. Haughey, Jr., Bruce A. Henry, William W. Noel, Jr., Laura T. Phillips, Charles L. Towles, Jr., and Bruce R. Walton.

Also present at the meeting were J. William Andrew, Rob Book, Bruce Campbell, Mark Nielson, David Shapley, Dawn Smart, Troy Dickerson, Jesse Spampinato, Dwayne Street, and Mary Egerson, who recorded the minutes of the meeting.

**GAFF-N-GO RODEO LINEMAN VIDEO**

Vice President of Operations, Jesse Spampinato, showed a video of Delaware Electric Cooperative's linemen at the Gaff-N-Go Rodeo that took place on May 10th and May 11th, 2019. Delaware Electric Cooperative sent two teams and an apprentice. One team included Jon Pentoney, Dave Mabrey, and Dylan Shockley. The other team included Phil Collison, Dave Morgan, and Mike Layton. DEC's apprentice was Jake Hudson. The team of Phil Collison, Dave Morgan and Mike Layton took home the following awards: 3<sup>rd</sup> Place in Climbing Skills Demonstration, 3<sup>rd</sup> Place in Capacitor Change Out, 2<sup>nd</sup> Place in In-Line Switch Change out, 3<sup>rd</sup> place Overall Journeyman Winner and Winners of the Jimmy Gardner Award for Top VMDAEC Team.

Vice President Spampinato advised the Board that taking third place overall in the Rodeo has allowed DEC the opportunity to compete at the Internationals to be held in Kansas City in October.

Delaware Electric Cooperative's team entered a 50/50 raffle competition with several other companies from the Rodeo and won the 50/50 raffle. Our DEC team donated the winnings of \$2,111 towards a Dominion Energy Lineman's recovery, who had made contact and got burned the week prior to the Rodeo.

### **ENGINEERING, PLANNING & INNOVATION**

Vice President of Engineering, Strategy and Innovation, David Shapley reported that growth continues to outpace last year, not only in new services but Miss Utility as well. Miss Utility tickets continue on an upward trend. Growth was up 6% for the current month, and 6% when compared to the same time frame last year.

Vice President Shapley reported that the number of RF (radio frequency) meters installed is 27,395, which accounts for 28% of the total meters.

Vice President Shapley reported that DEC's Electrical Vehicle Charging pilot program continues to show economic success, not only in demand reduction, but in avoiding usage during peak times. DEC has a total of twelve (12) chargers on members' home accounts. He reported that the energy usage from the EV Chargers, from June thru September, showed less than 2000 kWh for each month, whereas, January thru April, showed the usage was above 2500 kWh, mostly due to cold weather and shows how efficient electric cars operate in warmer versus colder weather.

### **HUMAN RESOURCES**

Dawn Smart, Vice President of Human Resources, asked the Board to read the Safety Report that is in the drop box. Vice President Smart told the Board that there was one non-reportable vehicle accident in the month of April. No injuries were involved. The accident was due to a DEC vehicle striking a trash can that was blown into its path by the wind. She told the Board there was no increase in health insurance rates this year.

### **APPROVAL OF MINUTES**

The Minutes of the regular meeting of April 17, 2019, were approved as mailed.

## **FINANCIAL REPORT**

Bruce Campbell, Vice President of Finance & Accounting reviewed a detailed Financial Report for April 2019 with the Board.

## **ENGINEERING**

Troy Dickerson, Assistant Vice President of Engineering, reported that year-to-date new services of 1,030 was a slight decrease of 7.09% from the 1,103 last year-to-date. Year-to-date, 1,557 jobs were engineered versus 1,619 last year, a decrease of 3.98%. There were 1,525 work order requests for jobs engineered and sent to construction versus 1,504 last year, an increase of 1.40%.

Assistant Vice President Dickerson reported that a 15 MVA transformer was set at Mumford Substation. He also reported that relay work has been performed on five (5) substations and one (1) transmission line.

Assistant Vice President Dickerson reported that Cole Baker and Steve Hood received locator awards for outstanding job performances.

## **OPERATIONS & MAINTENANCE**

Vice President of Operations, Jesse Spampinato, presented the Operations Report to the Board. Vice President Spampinato advised the Board that Delaware Electric Cooperative continues to have an outstanding year regarding reliability. He reported that DEC's SAIDI year-to-date is 12.48 minutes, compared to 23.26 last year, a 46.35% improvement. DEC's SAIFI year-to-date is 0.184 interruptions, compared to 0.307 last-year, a 40% improvement.

Vice President Spampinato reported that system controls hit the peak for April 2019. Controlling load, including Beat the Peak, for the month of April saved about \$62,750. Year-to-date, DEC went into load control with Beat the Peak and hit three (3) of the four (4) coincident peak days for the year, missing only February due to a drastic unforeseen change in the weather.

## **REGULATORY REPORT**

Vice President Mark Nielson provided the Board with an update on the Bruce Henry Solar Farm. During the month of April, the solar farm produced 623,321 kWh and had a 1,185 kW impact on our coincident peak. For the month, the kWh production was 0.48% less than forecasted.

Vice President Nielson updated the Board on negotiations for the buildout of Phase II of the Bruce Henry Solar Farm. Negotiations have been successful and it is anticipated a Power Purchase Agreement would be signed within the next week.

Vice President Nielson provided an update on the Cooperatives retail choice restart. He reported DEC has received an informal notification from Direct Energy stating they will not participate as a third-party provider in DEC's service area. A formal notification is anticipated.

Vice President Nielson presented a new policy, Risk Management, for discussion and approval. The new policy sets out the duties, responsibilities and expectations of the Risk Management Committee. After some discussion the Board voted, unanimously, to approve the new policy.

Vice President Nielson provided an update to the Strategic Planning retreat to be held in Dover in June.

## **ODEC REPORT**

Director Bruce Henry discussed, in detail, the Confidential ODEC report summarizing facts released from the March 2019 ODEC Board Meeting.

## **MEMBER SERVICES REPORT**

Vice President of Member Services, Rob Book, asked the Board if they would read the Member Services Report that is in the drop box. He reported there were 6,796 calls to the Call Center during the month of April, with 86% answered within 30 seconds.

Vice President Book told the Board that Delaware Electric Cooperative partnered with the Delaware State Police and the Greenwood Fire Department in May to film a

special television spot promoting Delaware's "Move Over Law." The law requires drivers to slow down or move over when approaching emergency first responders, DelDot employees and utility crews.

Vice President Book reported on the positive press coverage and recognition DEC received on social media with the announcement of the installation of the 100,000<sup>th</sup> meter. DEC also received positive press after its Gaff-N-Go Lineman Rodeo team was named a winner at the annual competition held in Virginia.

Petitions for District 1 - Charles Towles, District 4 - Patricia Dorey, and District 7 - Woody Noel, would need to be submitted by 4:30 p.m. Thursday, June 13, 2019.

### **LEGISLATIVE COMMITTEE REPORT**

Director Charles Towles presented the Legislative Report to the Board. Director Towles reported the General Assembly is now in recess for two weeks of budget hearings before the Joint Finance Committee and will return to session on June 4<sup>th</sup>. Overall economic indicators continue to be strong, with State revenue growth exceeding 4% this year. The most recent DEFAC projections estimate the State's revenue has increased by more than \$300 million since the Fiscal Year 2019 budget was enacted last June.

Director Towles informed the Board DelDot has deferred any proposed legislation creating deadlines and potential fines for utility delays in the design and relocation of facilities as part of roadway improvements.

### **TECHNOLOGY**

Dwayne Street, Vice President of Technology, reported the Critical Infrastructure Availability for the month of April was 100% in several areas, and the Wide-Area Network (Fiber) Server was at 99.4%, only being down during a four-hour scheduled maintenance at the Vernon and Mumford Substations.

Vice President Street reported the IT implementation of an Educational Awareness Training. There are three Rules to Stay Safe Online: 1) Stop, Look, Think! Use that delete key. 2) Verify suspicious emails with the sender via a different medium. 3) When in

doubt, throw it out. There are a thousand ways internet criminals will try to scam you, and only one way to stay safe. Stay alert, as you are the last line of defense!

Vice President Street reported IT will be in attendance at the NRECA Cybersecurity Summit. They will send two Technology members. They will take three courses in preparation for the October Cybersecurity simulation.

### **AUDIT COMMITTEE REPORT**

Director Laura Phillips, Chairperson, reported that the Audit Committee, along with Gary Cripps, Alison Miller and Ivanessa Cay, met Wednesday, May 14, 2019 with Steve Gilliam and Derry Thornhill from Adams, Akin, Jenkins & Cheatham of Richmond, Virginia, before the full Board Meeting. Director Phillips reported that questions received of committee board members were posed to the Auditors during their meeting.

Director Phillips advised that the Auditors were doing a review of all required procedures. The Auditors reviewed the new tax laws with the committee, which could impact Delaware Electric Cooperative. The Auditors had a peer review of their work and DEC will be receiving a copy of that letter.

Director Phillips also advised the Board that the Audit Committee will meet with the Auditors immediately before their July Board meeting to review any post-audit finds. The Auditors will attend the Board meeting and provide an audit summary for the full Board.

### **NRECA REPORT**

Director Woody Noel passed out a report by NRECA on The Wood Quality Control (WQC) program and asked the Board if they would read over the report.

### **VMD ASSOCIATION REPORT**

Director Patricia Dorey asked the Board if they would read the Virginia, Maryland, Delaware Association of Electric Cooperative's April 23, 2019 report, found in the drop box. The VMDAEC report consists of the following: the April Quarterly Meeting Summary, the CEO Report and the Annual Meeting information.

**PRESIDENT'S REPORT**

President & CEO Bill Andrew summarized the components of the President's Report as outlined on the Board Agenda.

**CHRISTMAS DECISION**

The Board of Director's Annual Christmas Dinner will be Monday, December 16, 2019 at 6:00 p.m.

**ISSUES REQUIRING DECISIONS**

Requirements for Annual Meeting of the Members of ODEC-Director Bruce Henry will continue as the Voting Delegate.

**ADJOURNMENT**

A number of issues of interest to the Board were electronically mailed. Chairman Wells asked the Board if they had any questions concerning those items.

Having no other business to come before the Board the meeting was adjourned at 2:24 p.m.

**EXECUTIVE SESSION**

Chairman Wells called for an Executive Session. Having no other business, the meeting was adjourned at 3:05 p.m.

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Chairman

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Secretary