

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

September 19, 2018

CALL TO ORDER

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held at the Wildcat Point Generation Facility, Conowingo, Maryland on Wednesday, September 19, 2018, at 12:47 p.m. Chairman William J. Wells called the meeting to order. The following directors were present: Michael K. Brown, Blaine M. Daisey, Sr., Patricia S. Dorey, William P. Haughey, Jr., William W. Noel, Jr., Laura T. Phillips, Charles L. Towles and Bruce R. Walton.

Also present at the meeting were J. William Andrew, Rick Beam (ODEC), Bruce Campbell, Gary Cripps, Mark Nielson, Troy Dickerson, Brian Fooks, Dawn Smart, Jesse Spampinato, Dwayne Street, Kevin Yingling, and Mary Egerson who recorded the minutes of the meeting.

INTRODUCTION AND THANK YOU

CEO Andrew thanked Brian Heinbaugh for allowing them to be visitors and for making arrangements to tour the Wild Cat Point Generation Station.

APPROVAL OF MINUTES

The Minutes of August 15, 2018 and the Annual Meeting Minutes of August 7, 2018, were approved.

FINANCIAL REPORT

Bruce Campbell, Vice President of Finance & Accounting, reviewed the August 2018 Financial Report with the Board.

ENGINEERING & OPERATIONS REPORT

Assistant Vice President Troy Dickerson reported that new services were up 13% and jobs engineered were up 10%, an increase from August of last year to date. He

reported that net new meters year-to-date were 2,489, and net new meters for August were at 271 an increase of 3%. He reported that Miss Utility tickets continue on an upward trend 5,299 for 2018 versus 4,524 for 2017 month to date a 17% increase over last August and an 11% increase for year to date.

Assistant V. P., Dickerson reported that the total number of RF meters currently installed is 22,205, which accounts for 23.33% of total meters.

OPERATIONS & MAINTENANCE REPORT

Vice President of Operations, Jesse Spampinato, presented the Operations report to the Board. V.P. Spampinato reported that System Average Interruption Frequency Index (SAIFI) ratings last year to date was 0.929 compared to this year to date at 0.811, a decrease of 12.7%. The System Average Interruption Duration Index (SAIDI) ratings are 60.25 minutes per member in 2017 versus 52.39 minutes per member in 2018, a decrease of 13.05% year to date.

ODEC REPORT

Rick Beam, Sr. Vice President of Power Supply, discussed in detail the Confidential ODEC report summarizing facts released from the July, 2018 ODEC Board Meeting.

MEMBER SERVICE REPORT

Kevin Yingling, C.E.M., Manager of Business Development & Energy Services reported that calls to the call center were answered at a rate of 89% within 30 seconds. He reported that we now have 62,204 email addresses, 56,269 BTP indicators, 34,934 DEC Connect App Users, and 87,509 You Tube Viewers.

Mr. Yingling reported that the next Member Committee Meeting will be Thursday, October 25, 2018 at 5:00 p.m. He reported that NRECA is a prime sponsor of the second Annual Coop Festival that will take place October 6 and 7, 2018 on the National Mall in Washington, DC and DEC will be participating with the DEC EV.

TECHNOLOGY REPORT

Dwayne Street, Vice President of Technology, reported that the Critical Infrastructure Availability for the month of August was at 99% in several areas, and the SCADA Servers were at 100%.

V.P. Street reported that his 2019 Work Plan will include NISC Process Excellence, Mobility, SR/Business Continuity, AMI-RF Expansion & MDM, Document Imaging, IT/OT, Cybersecurity IOT and Data Analytics/Innovation. He also reported that the 2019 Project Plan for Cyber Security will include log monitoring, patches, security dashboard, expanded two-factor authentication, and additional network segmentation.

LEGISLATIVE REPORT

Director Charlie Towles announced that there was no report for this reporting period.

NRECA REPORT

Director Woody Noel presented documents to the Board that included reports of the NRECA Board. Director Noel asked the Board if they would read over the reports in an effort to share concerns of the different committees and reports. Director Noel shared with the Board that the NRECA 2019 Directors Conference will be February 9-12, 2019 and will be held in San Antonio, Texas.

PRESIDENT'S REPORT

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

ISSUES REQUIRING DECISIONS

- Capital Credit Decision

COO Gary Cripps presented a Capital Credits daily transaction recap to the Board. President and CEO Bill Andrew recommended that the Board consider retirement of

G&T Capital Credits for the years 1987, 1988, 1990, and 60% of 1991 from ODEC in the amount of \$2.1million, and distribution Capital Credits for the years of 2005, 2006, and 2007 which will total \$5.6 million with an overall total of \$7.7 million for 2018.

After discussion, the Board authorized a general retirement of DEC Capital credits for the years 2005, 2006, and 2007 totaling \$5.6 million. Upon motion made, seconded, and unanimously carried, the Board approved the retirement of Capital Credits from ODEC for the years, 1987, 1988, 1990 and 60% of 1991, in the amount of 2.1 million for the years of 1987, 1988, 1990, and 60% of 1991.

Billing credits on all active accounts that are due a refund of \$99.99 or below would be issued a credit on their bill and anything above that amount would be issued a check. All billing credits would begin on cycle one in December and retirement checks would be mailed beginning the week of Thanksgiving in time for the Christmas holiday.

ADJOURNMENT

A number of other 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 the meeting was adjourned at 3.37 p.m.

Secretary

Chairman