

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

July 15, 2020

CALL TO ORDER

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held, via teleconference, on Wednesday, July 15, 2020 at 10:19 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, Laura T. Phillips, Charles L. Towles, Jr. and Bruce R. Walton.

Also present at the meeting were Rob Book, Bruce Campbell, Tom Beamon, Mark Nielson, David Shapley, Troy Dickerson, Dawn Smart, Dwayne Street, Jesse Spampinato, Jamie Nutter, and Monika Lowe, who recorded the minutes of the meeting.

APPROVAL OF MINUTES

The Minutes of the regular meeting of June 17, 2020 were approved.

HUMAN RESOURCES

Vice President of Human Resources, Dawn Smart, presented the safety report to the Board. There was one injury for the month of June.

Vice President Smart reported all safety inspections were satisfactory for the month of June.

Vice President Smart reported to the board a new hire, Lucas Zlock, who previously worked as an intern in the Engineering Department.

FINANCIAL REPORT

Chief Financial Officer Tom Beamon reviewed the June 2020 Financial Report with the Board.

CFO Beamon presented a new resolution to the board that would add NY Life Financing as a creditor to enhance DEC's long term credit profile. A motion was made, seconded and approved by the board.

ANNUAL AUDIT REPORT

Steve Gilliam with Adams, Jenkins, and Chatham of Midlothian, Virginia reviewed the Audit Report as of March 31, 2020 and 2019. In the auditor's opinion, DEC holds a strong statement of cash flow, as well as a strong cash position.

A motion was made to approve the 2020 Audit Resolution. The motion was unanimously approved by the board.

RISK MANAGEMENT COMMITTEE

Vice President of Risk Management, Bruce Campbell, reported a spike in COVID-19 cases in southern Delaware. Masks must be worn, and safe social distancing guidelines continue to be in order. Delaware Electric continues to secure additional protective gear for employee safety.

Vice President Campbell reported an increase in fraud cases through social media outlets, e mail and phone calls. Enterprise risk management software options are being explored.

ENGINEERING, PLANNING & INNOVATION REPORT

Vice President of Engineering, Strategy and Innovation, David Shapley, reported that growth continues to outpace last year. Miss Utility tickets were up 14% for the month of June and 6% YTD.

Vice President Shapley reported the number of RF meters presently installed on our system accounts for approximately 46% of the total meters in service.

ENGINEERING

Assistant Vice President of Engineering, Troy Dickerson, reported that year-to-date new services increased 7% from last year's numbers. Jobs engineered were also up 6.94% from last year.

Assistant Vice President Dickerson reported development lots going to construction continue to exceed the numbers in past years. The engineering department has staked 46 work orders consisting of 1,374 lots and still holds 38 unstaked work orders consisting of 1,183 lots.

OPERATIONS & MAINTENANCE

Vice President of Operations, Jesse Spampinato, presented the Operations Report to the Board. Vice President Spampinato reported June's average SAIDI minutes were 10.13 minutes. Vice President Spampinato reported 0.147 interruptions on the SAIFI report.

Vice President Spampinato reported the Customer Average Interruption Duration Index (CAIDI) minutes were 104.37 minutes compared to 63.89 in June 2019. Compared to last year, this showed an unfavorable 63% YTD for CAIDI. Customer Average Interruption Frequency Index (CAIFI) reported 1.039 interruptions, compared to 1.371 in June 2019.

Vice President Spampinato reported there were 307 outages for the month of June compared to the reported 336 outages in June of 2019. On June 17, 2020, a reported outage knocked out two circuits causing over 4,000 members to be out of power.

REGULATORY REPORT

Vice President of Staff Services, Mark Nielson, provided the Board with an update on the Bruce A. Henry Solar Farm. In June, the solar farm produced 757,719 kWh and had a 773 kW impact on our coincident peak. For the month, the kWh production was 16.91% greater than forecasted.

Vice President Nielson noted that Phase II of the Bruce A. Henry Solar Farm generated 625,616 kWh for June with an 882 kW impact on demand.

Vice President, Mark Nielson provided an update on ODEC/EDF distributed solar projects.

Vice President Nielson advised the Board on the potential acquisition of property, in the Lewes area, for a new substation.

Vice President Nielson presented a proposed change to the tariff that would clarify the Cooperative's response when a member refuses a remotely read meter. The board voted unanimously to approve the tariff change.

ODEC REPORT

Director Bruce Henry reviewed the Confidential ODEC report summarizing facts released from the June 2020 ODEC Board Meeting. An ODEC Board meeting was not held in July due to the anticipation of the Annual meeting on July 27, 2020.

MEMBER SERVICES REPORT

Vice President of Member Services, Rob Book, presented the Member Services report to the Board. He reported calls have increased during the month of June.

Vice President Book reported member accounts that currently have a 60-day balance, or more, were sent letters encouraging them to call to make payment arrangements on those balances. Plans to disconnect for non-payment are scheduled to start August 10, 2020.

Jamie Nutter, Esq. presented a resolution to suspend the DEC bylaws which: 1) currently require the presence of 50 members to establish a quorum for the transaction of business at an annual meeting and 2) allows registration for the annual meeting to commence up to four hours prior to the meeting. The resolution would expire at the conclusion of the 2020 annual meeting. A motion was made, seconded, and unanimously approved.

LEGISLATIVE REPORT

Director Towles reported on the status of RPS legislation, which did not go through during the past session.

Jamie Nutter, Esq. reported the moratorium for utility shut-offs was lifted by Governor Carney on July 1. Utilities would also be expected to offer a minimum of a four-month payment plan on past due balances.

TECHNOLOGY

Chief of Information, Dwayne Street, reported that the Critical Infrastructure Availability for the month of June was 100% in several areas. The Wide Area Network (Fiber) server was

at 99.98% due to IT performing yearly maintenance. SCADA servers and the phone system were at 100%.

Mr. Street reported on steps that are being taken to bring the workforce back to the office. Workstations will be available to employees who work remotely as well as in the office.

Mr. Street reported studies on the VPN connections continue to be monitored to maintain a safe and secure network as employees work, both in the office and remotely.

NRECA REPORT

Director Michael Brown asked the board to consider a representative for the Regions Resolution Committee for the NRECA. The board nominated Michael Brown. A motion was made, seconded and unanimously approved.

PRESIDENT'S ROUNDTABLE

Vice President of Staff Services, Mark Nielson, reported there was nothing for President's Roundtable this month.

ADJOURNMENT

Having no other business to come before the Board, the meeting was adjourned at 2:14 p.m.

EXECUTIVE SESSION

Chairman Wells called for an Executive Session. The Executive Session meeting was adjourned at 3:25 p.m.

Chairman

Secretary