**DELAWARE ELECTRIC COOPERATIVE**

**MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS**

**September 16, 2020**

**CALL TO ORDER**

 The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held, via teleconference, on Wednesday, September 16, 2020 at 10:00 a.m. Vice Chairman Bruce A. Henry 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., Laura T. Phillips, Charles L. Towles, Jr., Bruce R. Walton and William Wells.

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

**APPROVAL OF MINUTES**

 The Minutes of the regular meeting of August 19, 2020 were approved.

**HUMAN RESOURCES**

 Vice President of Human Resources, Dawn Smart, presented the safety report to the Board. There were two lost-time injuries reported for the month of August. One injury was a strained knee while the employee was exiting a pickup truck. The other injury was a strained back while using shovel to fill in dirt around a pole. Vice President Smart also reported there were no fleet accidents during the month of August.

 Vice President Smart reported the month of August had a 96% completion rate for employee review of safety and training materials.

Vice President Smart also reported there were seven work area inspections for the month of August, with two unsatisfactory ratings, which have been resolved.

Vice President Smart reported that Christian Fletcher was hired and began work on August 31, 2020 as a cable locator. Vice President Smart also reported that there would be a few additional hires, with one of those due to a retirement.

**FINANCIAL REPORT**

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

 CFO Beamon reported that the month of August was strong for sales. CFO Beamon also reported the Operating Margins for August were around $3 million which put the year-to-date Operating Margins at $16 million.

 CFO Beamon reported the number of accounts in arrears was headed in the right direction with 2,547 accounts in the 60 to 90-day status compared to over 4,000 in March.

 CFO Beamon also reported the process of allocating 2019’s margins would be taking place in the coming month and noted that the non-operating margins would not be allocated as part of the general allocation. The allocation change is a practice change and does not require a policy change.

 CFO Beamon reported financial moves during the month consisted of $2 million in CoBank loans being repriced from 4% to a rate of 1.24% and retired a legacy CFC loan. Work is being done to finalize a capital market loan agreement with NY Life.

 Upon discussion on executing the loan agreements, Attorney Jaime Nutter clarified CoBank agreements were geared to Coops to use like a line of credit with signatures required only at the time of the agreement. NY Life appears to want all purchaser signatures each time a draw is made. The goal is to simplify the steps.

 CFO Beamon reported planning and budgeting has begun to set DEC up for success in 2021.

**RISK MANAGEMENT COMMITTEE**

 Vice President of Risk Management, Bruce Campbell, reported on the risks during hurricane season. He reported, at the time of the board meeting, there were seven tropical systems in the Atlantic. The season creates challenges with travel disruptions and shortages with materials and supplies. DEC planned for the threat of hurricanes by stocking overhead materials in April before the season began, and planned for lighting supplies in October-November, when time changes. He advised the board that Hurricane Isaias has cost the insurance industry over $4 billion.

Vice President Campbell also provided a COVID update, reporting there have been 613 deaths in the state. Positive cases of covid were reported at 18,466 and had been on a downward trend but have started to spike upwards. He reported the spike may be due to colleges, food production and nursing homes. He also discussed a resurgence could be expected in the fall. Vice President Campbell reported the economic impact of covid has created historic low interest rates in the financial market, social unrest due to the uncertainty of the pandemic and property damage due to riots. He also reported the State of Delaware now has a COVID-19 alert app.

Vice President Campbell reported the S & P review meeting would be held on September 24, 2020. Due to the covid pandemic, the meeting, normally held in New York City, would be a Zoom meeting linking DEC, S&P in New York City and Centennial, Colorado. He reported the presentation book is complete and currently being reviewed for content, appearance and detail.

**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 down 4% for the month of August but remained up 5% YTD.

 Vice President Shapley reported the number of RF meters presently installed on our system is 52,270, which accounts for approximately 51% of the total meters. Read rates were 98.48% compared to the read rate of 97.84% for last month. Vice President Shapley also reported the goal of the RF meter project was to have 20,000 meters replaced this year. To date, approximately 6,100 have been completed, representing 30% completion of this project for the year.

 Vice President Shapley discussed the importance of Artificial Intelligence and Data Management Programs. He discussed the need to focus on replacing the net meters before DEC starts using the meter data management program for billing.

**ENGINEERING**

 Assistant Vice President of Engineering, Troy Dickerson, reported that year-to-date new services increased 9.25% from last year’s numbers. Jobs engineered were down 3.72% from last year.

 Assistant Vice President Dickerson reported they are seeing more new developments. The engineering department has staked 64 work orders consisting of 1,876 lots and still holds 38 un-staked work orders consisting of 1,176 lots.

 Assistant Vice President Dickerson reported infrared electrical inspections are performed at every substation and switching station in July or August of every year. He also reported pole inspections are done on a 10-year basis and may also do drone inspections on a 10-year basis.

**OPERATIONS & MAINTENANCE**

 Vice President of Operations, Jesse Spampinato, presented the Operations Report to the Board. Vice President Spampinato reported August’s SAIDI minutes were 13.07 minutes, which was 33% unfavorable in comparison to the 9.86 minutes in August 2019. The average SAIDI minutes for August are 10.78. Vice President Spampinato reported 0.204 interruptions on the SAIFI report for August 2020. When compared to the 0.191 interruptions for August 2019, it shows an unfavorable 7% YTD for SAIFI.

 Vice President Spampinato reported the Customer Average Interruption Duration Index (CAIDI) minutes were 64.04 minutes compared to 51.53 in August 2019. This showed an unfavorable 24% YTD for CAIDI.

Customer Average Interruption Frequency Index (CAIFI) reported 1.36 interruptions, compared to 1.20 in August 2019. This showed an unfavorable of 13% for CAIFI.

 Vice President Spampinato reported there were 381 outages for the month of August compared to the reported 374 outages in August of 2019. The average total outages for August are 324. He also reviewed tropical storm Isaias statistics with the board.

 Vice President Spampinato discussed system controls with the board, noting that controlling the load for the month of August saved $68,200. He reported that DEC ran load control with Beat the Peak four times for the month. Load control and beat the peak has saved DEC an estimated $2,065,936 for the year thus far.

**REGULATORY REPORT**

 Vice President of Staff Services, Mark Nielson, provided the Board with an update on the Bruce A. Henry Solar Farm. In August, the solar farm produced 457,528 kWh and had a 499 kW impact on our coincident peak. For the month, the kWh production was 25.48% less than forecasted.

Vice President Nielson noted that Phase II of the Bruce A. Henry Solar Farm generated 533,853 kWh for August with a 751 kW impact on demand.

Vice President, Mark Nielson provided an update on ODEC/EDF distributed solar projects. He reported the Heimlich (Kratz) project scaled back to 4.5 MW and the Broom (Omar) is at 3.0 MW and another area north of Milton is being looked at for the Bennett site.

Vice President Nielson reported the Clean Energy Plan should be completed by the end of the year. He also reported the RPS Comparable Plan Report is done annually and has been sent to the Delaware General Assembly and the Delaware Energy Office.

Vice President Nielson advised the board, for information only, DP & L has proposed a 9 ½% rate increase on the delivery side of their bill.

Vice President Nielson notified the board that Administrative Policy No. 400.9 pertaining to Board Member Education and Policy No. 400.2 pertaining to Director Expenses and Per Diem would need to be revised due to the covid pandemic causing many meetings to be by Zoom rather than in person. Language in these two policies is needed to clarify “attendance or participation” and if changing neighboring business meetings should read “as advised by the chairman”. Also, the board wants clarity for expenditures meeting IRS code. The board also discussed the submission of expenditure reports for on-line courses.

Motion on the aforementioned policies was tabled until the next board meeting to allow more time for review.

**ODEC REPORT**

 Director Bruce Henry congratulated Rob Book and Mark Nielson on their promotions to Senior Vice President.

Director Henry reviewed the Confidential ODEC report summarizing facts released from the August 2020 ODEC Board Meeting. Director Henry also reported that ODEC would be mailing questionnaires for the strategic planning session.

**MEMBER SERVICES REPORT**

 Vice President of Member Services, Rob Book, presented the Member Services report to the Board. Vice President Book reported 7,922 calls to the call center during the month of August. This was an increase of 2081. There were 898 credit checks run in August.

 Vice President Book reported the DEC Connect App connects were up by 1,079. Downloads during the month of August were the result of promotions that ran in June and July.

Vice President Book reported 24-hour coverage was provided on social media during several severe weather events in August. Numerous media interviews were conducted on preparing for storms and outage updates were provided through numerous posts.

Vice President Book reviewed with the board a listing of proposed, planned developments or projects that may or may not have an impact on DEC.

 Vice President Book also reviewed with the board the Rate Comparison Chart and where DEC is compared to surrounding energy providers.

 Vice President Book advised the board that he and CEO Andrew met with the Bayhealth Foundation. Bayhealth inquired as to whether the board would be interested in receiving their monthly emails. Vice President Book advised the emails would be sent to the Coop email address and not the personal email address. He reported that Bayhealth will also have two plaques acknowledging DEC as a sponsor to be placed in two separate areas of their Sussex and Kent County facilities.

 Vice President Book discussed with the board information received from the Virginia, Maryland & Delaware Association of Electric Cooperatives that was a Call for Nominations to nominate someone in the community for The Good Samaritan Award or the Distinguished Friend of Electric Cooperatives Award. Director Dorey asked that the information be sent to all the directors to review for nominations.

 Vice President Book reported to the board that Senator Chris Coons met with CEO Andrew and him on September 14th to discuss clean air, climate change, battery storage and the utility industry. Vice President Book reported that Senator Coons is one of DEC’s biggest fans in the utility industry.

**LEGISLATIVE REPORT**

Director Towles reported there was no activity to report from Legislative Hall so Attorney Jaime Nutter would report on the primary elections and their impact on Delaware.

Attorney Nutter reported that four incumbents went down in the primary election. He reported the four new legislators all support 100% renewables and are progressive in nature. The next year will be very challenging in the legislature.

**TECHNOLOGY**

 Dwayne Street, Vice President of Technology, reported that the Critical Infrastructure Availability for the month of July was 100% in all areas.

 Vice President Street reported to the board that new AVL features in DEC vehicles will provide live coaching for distracted driving or tailgating.

 Vice President Street reported that their department has partnered with Optiv Security to perform a focused security assessment. The goal is to establish a baseline of current cybersecurity practices, identify areas of improvement and make recommendations. An overall review shows that DEC’s technology for security is in line with utilities of similar size.

**NRECA REPORT**

 Director Michael Brown reported NRECA meetings are all being held remotely and had just recently cancelled three more events. Director Brown had been asked by the board to serve on the NRECA Resolutions Committee. Director Brown made a motion for Director William Haughey to serve on the Resolutions Committee.

Upon a motion made and seconded, the board unanimously approved William Haughey to serve on the Resolutions Committee.

**VMD ASSOCIATION REPORT**

 Director Pat Dorey reported Association CEO Richard Johnstone would be retiring in April. Director Dorey reported a regional search would be done for his replacement and would probably have the field narrowed down by the October board meeting.

**PRESIDENT’S ROUNDTABLE**

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

 CEO Andrew advised the board that DEC is working on a Clean Energy Plan.

 CEO Andrew advised the board that it was time to appoint a Federated Voting Delegate and Director Daisey had expressed interest.

 Upon motion made, seconded, and unanimously carried, Director Daisey was appointed to serve as the Federated Voting Delegate.

 CEO Andrew also discussed with the board the tradition of providing Christmas hams or turkeys to DEC associates.

 Upon motion made, seconded, and unanimously carried, the board approved the distribution of a ham or turkey to DEC associates during the Christmas holiday.

**ADJOURNMENT**

 Having no other business to come before the Board, the meeting was adjourned at 2:18 p.m.

**EXECUTIVE SESSION**

 Vice Chairman Henry called for an Executive Session. The Executive Session meeting was adjourned at 4:35 p.m.

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 Chairman Secretary