

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

December 16, 2020

CALL TO ORDER

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held, via teleconference, on Wednesday, December 16, 2020 at 10:00 a.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, Thomas E. Brown, William P. Haughey, Jr., Bruce A. Henry, Laura T. Phillips, Charles L. Towles, Jr. and Bruce R. Walton.

Also present at the meeting were Bill Andrew, Rob Book, Bruce Campbell, Tom Beamon, Mark Nielson, David Shapley, Troy Dickerson, Dawn Smart, Dwayne Street, Jesse Spampinato. The recorded meeting was transcribed by Monika Lowe.

APPROVAL OF MINUTES

The Minutes of the regular meeting of November 18, 2020 were approved, as written, upon a motion made seconded and unanimously carried.

HUMAN RESOURCES

Vice President of Human Resources, Dawn Smart, presented the safety report to the Board. There were no accidents or injuries.

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

Vice President Smart reported the month of November had a 100% completion rate for employee review of the training on "Holiday Safety".

Vice President Smart recognized directors Dean Belt, William Haughey, Jr., Charles Towles, William Wells, Bruce A. Henry, and Bruce Walton, in honor of Veteran's Day.

FINANCIAL REPORT

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

CFO Beamon reported over \$6.5 million in capital credit refunds are being returned to members this month via bill credits.

CFO Beamon proposed an annual write-off of the miscellaneous bills and electric accounts unpaid for 2020. A motion was made seconded and unanimously carried.

FINANCE COMMITTEE REPORT

Director William Haughey, Finance Committee Chairman, called upon Director Dorey to review the 2021 Board Budget.

Director Patricia Dorey, Board Budget Committee Chairperson, made a recommendation to the Board that they adopt the proposed Board Budget changes, as corrected. A motion was made, seconded, and unanimously carried to approve the 2021 Board Budget.

Director William Haughey called upon CFO Beamon to review the 2021 Operating and Capital Budget. The Finance Committee made a recommendation to adopt the 2021 Operating and Capital Budget, as corrected. A motion was made, seconded, unanimously carried to approve the Operating and Capital Budget.

RISK MANAGEMENT COMMITTEE

Vice President of Risk Management, Bruce Campbell, provided a COVID update, reporting that Governor Carney had extended the State of Emergency for 30 more days. Although Delaware is in Phase 2 of the Reopening Plan, masks must be worn, and safe social distancing guidelines continue to be in order. Restaurants are required to close indoor dining at 10 P.M. until January 11, 2021.

Vice President Campbell also reported the vaccine has been shipped to health care personnel, emergency medical services and long-term care staff and residences. The vaccine will be available early in 2021 to high risk and industrial infrastructure industries, which includes utilities as well as those with underlying health conditions and those over 65 years of age.

Vice President Campbell shared an ongoing improvement chart that showed the improvements and accomplishments Delaware Electric Cooperative has made during the year.

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 6% for the month of November and 5% YTD with 56,554 tickets.

Vice President Shapley reported the number of RF meters presently installed on our system is 62,424, which accounts for approximately 60% of the total meters. Read rates were 99.32% compared to the read rate of 99.08% for last month. Vice President Shapley also reported non-AMI meters are still being changed out with approximately 1,270 meters left.

Vice President Shapley reported a voltage data and meter temperature update from the MDM depicted on our system map. This mapping/operational enhancement was developed by DEC to become more proactive in preventing damages to equipment and member outages.

ENGINEERING

Assistant Vice President of Engineering, Troy Dickerson, reported that year-to-date new services increased 15.16% from last year's numbers. New service applications and jobs staked for the year are on track to reach an all-time high for 2020.

Assistant Vice President Dickerson reported the engineering department has staked 81 development work orders and still holds 44 un-staked development work orders consisting of 1,223 lots.

Assistant Vice President Dickerson reported there are 33 new developments within Sussex County Rehoboth/Lewes Transportation Planning District.

OPERATIONS & MAINTENANCE

Vice President of Operations, Jesse Spampinato, presented the Operations Report to the Board. Vice President Spampinato reported November's SAIDI minutes were 7.71 minutes, in comparison to the 9.15 minutes in November 2019. Vice President Spampinato reported 0.122 interruptions on the SAIFI report for November 2020. When compared to 0.114 interruptions for November 2019, it showed an unfavorable 7% YTD for SAIFI. The average November SAIFI interruptions are 0.104.

Vice President Spampinato reported the Customer Average Interruption Duration Index (CAIDI) minutes were 65.61 minutes compared to 80.51 in November 2019. Average CAIDI minutes for November are 62.10.

Customer Average Interruption Frequency Index (CAIFI) reported 1.017 interruptions, compared to 1.112 in November 2019, a favorable 9% YTD for CAIFI. Average November interruptions are 1.148.

Vice President Spampinato reported there were 171 outages for the month of November, 30% less than last year.

Vice President Spampinato reported system controls ran load management three times in the month of November, with three times being the average for the month. Cost savings for November 2020 was \$47,740.

REGULATORY REPORT

Vice President of Staff Services, Mark Nielson, provided the Board with an update on the Bruce A. Henry Solar Farm. In November, the solar farm produced 381,137 kWh and had a 349 kW impact on our coincident peak. For the month, the kWh production was 6.12% less than forecasted.

Vice President Nielson noted that Phase II of the Bruce A. Henry Solar Farm generated 393,711 kWh for November with a 435 kW impact on demand. For the month, the kWh production was 19.43% greater than forecasted.

Vice President, Mark Nielson provided an update on ODEC/EDF distributed solar projects. He reported the Heimlich (Kratz) project will be 4.5 MW and is currently in planning and zoning. The Broom (Omar) project is 3.0 MW. Presently, there are issues with some wetland areas that will need to be resolved. The Tangent project, near Hartly, will be 1.5 MW. The power purchase agreement draft has been finalized and forwarded for signatures.

Vice President Nielson reviewed the VMD Residential Rate Survey. The survey focuses on the customer, delivery, and service charges within the VMD Cooperatives. Vice President

Nielson also reviewed pole attachment revenue obtained through attachments to DEC poles by local communication providers.

Vice President Nielson proposed the following tariff revisions:

- Levelized Billing, Leaf 27, and 28: The change would only allow one late payment and no disconnections within a twelve-month period. Billing calculations will be adjusted semi-annually instead of quarterly. The changes would take effect February 1, 2021.
- Power Cost Adjustment (PCA), Leaf 39: Would codify the adjustment factor will be determined by forecasting Electric Supply Service costs and Electric Supply Service revenue for the calendar year and recovering any projected over/under collection in revenue through a kilowatt-hour adjustment charge. Any over or under collection of Electric Supply Service shall be allocated to member margins at the end of the calendar year.
- Residential Load Management Rider, Leaf 95, 96: Control periods (previously monthly) would now be subject to control by the Cooperative during peak demand and/or energy periods or high energy costs in the months of June, July, August, and September unless required by system operating conditions or excessive loads.
- Residential Controllable Thermostat Rider, Leaf 97: Availability is further limited to those members with an average billing period usage of (500) kilowatt hours based on the months of June, July August and September (previously based on a 12-month period).
- Electric Vehicle Rider, Leaf 102: Control periods (previously monthly) would now be subject to control by the Cooperative during peak demand and/or energy periods or high energy costs in the months of June, July, August, and September unless required by system operating conditions or excessive loads.

A motion was made seconded and unanimously carried to approve the proposed changes to Leafs 27, 28, 39, 95, 96, and 97.

ODEC REPORT

Director Bruce Henry reviewed the Confidential ODEC report summarizing facts released from the December 2020 ODEC Board Meeting. The ODEC Strategic Plan was reviewed for 2021 and was adopted. He also reported there would not be a January 2021 Board meeting.

MEMBER SERVICES REPORT

Vice President of Member Services, Rob Book, presented the Member Services report to the Board.

Vice President Book reported SmartHub users, DEC Connect App. Users and “Beat the Peak” App. users were at a record high between December 2019 to December 2020.

Vice President Book reviewed the media outreach on Capital Credits for 2020. Vice President Book shared with the Board a new platform, Apogee. This is an interactive tool to reach out to members. Vice President Book reported ways Apogee can be utilized to show high bill e-mails or highlight billing changes.

Vice President Book reviewed a new and improved orientation guide for new Directors. The document will be available to existing Directors as well as any new directors. The document includes strategic plans, contact information, and committee members.

LEGISLATIVE REPORT

Director Towles reported legislators have not been included on the COVID-19 updates from the Governor. Many were disappointed to find out updates along with the rest of the public.

TECHNOLOGY

Dwayne Street, CIO, reported that the Critical Infrastructure Availability for the month of November was 100% in all areas, all technology outages were scheduled.

Vice President Street reported the IT department was able to reject 57% of inbound e-mails that may have contained malware. There were zero unsafe clicks among DEC employees. Vice President Street reported impersonating e-mails are on the rise during the holidays. The cyber security team detected 116 impersonating e-mails.

Vice President Street reported on a new end-point security Crowdstrike.

Crowdstrike is a machine learning anti- malware solution with response capabilities to all DEC servers and workstations. This vendor has a high response team on detections.

Vice President Street reported Darktrace has reached its proof of value. Mr.

Street stated his team has taken anomalous activity, the artificial intelligence cybersecurity model inside the building and moved it to the Operating Technology side. No malicious activity was found. The use of Darktrace may have not shown all information, but it has provided insight and will provide better support for his team.

NRECA REPORT

Director Michael Brown advised the Board to review his report in the dropbox.

Mr. Brown reported the 2021 Youth tour has been cancelled. The Director’s conference in March in Austin, Texas is still under discussion regarding a date.

Director Brown reported an overview of the candidates running for offices on the

NRECA Board.

VMD ASSOCIATION REPORT

Director Pat Dorey reported the Board is still in the process of choosing a new

CEO. A meeting has been set up for review of potential candidates in the near future.

PRESIDENT’S ROUNDTABLE

President & CEO Bill Andrew summarized the components of the President’s

Report as outlined on the Board Agenda.

APPT. OF NRECA, CFC, & FEDERATED VOTING DELEGATES & ALTERNATIVES

Upon motion made, seconded, and unanimously carried, a decision was made to

appoint the following as Voting Delegates and Alternatives for the various organizations for 2021:

NRECA	Michael Brown	Voting Delegate
	J. William Andrew	Alternate
CFC	Laura Phillips	Voting Delegate
	Charles Towles	Alternate

FEDERATED	Blaine Daisey	Voting Delegate
	William Haughey, Jr.	Alternate
NRTC	Mark Nielson	Voting Delegate
	Robert Book	Alternate

ADJOURNMENT

Having no other business to come before the Board, the meeting was adjourned at 2:35 p.m.

EXECUTIVE SESSION

Vice Chairman Henry called for an Executive Session. The Executive Session meeting was adjourned at 4:15 p.m.

Chairman

Secretary