

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

August 18, 2021

CALL TO ORDER

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held at Delaware Electric Cooperative headquarters in Greenwood, Delaware, on Wednesday, August 18, 2021, at 10:00 a.m. Chairwoman Patricia S. Dorey called the meeting to order. The following directors were present: William J. Wells, Michael K. Brown, Thomas E. Brown, Hunter J. Emory, William P. Haughey, Jr., Bruce A. Henry, Laura T. Phillips, Charles L. Towles, Jr., Bruce R. Walton, and Blaine M. Daisey.

Also present at the meeting were Gregory Starheim, Bruce Campbell, Tom Beamon, Mark Nielson, David Shapley, Dwayne Street, Jesse Spampinato, Kevin Yingling, Tony Rutherford, and Monika Lowe, who recorded the minutes of the meeting.

APPROVAL OF MINUTES & ORGANIZATIONAL MINUTES

The Minutes of the regular meeting of July 21, 2021 were approved. The Minutes of the Organizational Meeting prepared by Attorney James Nutter were approved with no changes.

PRESIDENT'S REPORT

President & CEO Gregory Starheim presented an update on COVID-19 cases within Delaware Electric and the State of Delaware. Starheim reported employees will be required to wear masks while navigating through the building. While in the building, members and visitors coming into the lobby will also be required to wear masks.

CEO Starheim presented the plan for Strategic Planning in early 2022. CEO Starheim made a recommendation to include Brad Kitchens with ScottMadden for support in developing a comprehensive plan. Further details, including proposed dates to follow.

The board approved Director Phillips to be the DEC Voting Delegate at the upcoming CFC District Meeting and CEO Starheim as the Alternate Voting Delegate.

HUMAN RESOURCES REPORT

Vice President of Human Resources, Dawn Smart, presented the safety report to the board.

Vice President Smart reported three out of five inspections met expectations. Areas that were unsatisfactory were corrected immediately.

Vice President Smart introduced Heather Gellert, CPA, as a new hire in the Finance Department.

FINANCIAL REPORT

Chief Financial Officer Tom Beamon reviewed the financial highlights for the period ending in July 2021.

CFO Beamon presented a resolution to increase the line of credit with NY Life from \$50 million to \$75 million. A motion was made, seconded, and unanimously approved by the board.

CFO Beamon presented a resolution to accommodate outstanding and authorized credit facilities by increasing DEC's debt limit from \$250 million to \$300 million. A motion was made, seconded, and unanimously approved by the board.

CFO Beamon presented a resolution to revise the authorized bank signatures for the new board officers. A motion was made, seconded, and unanimously approved by the board.

CFO Beamon provided a presentation relating to outstanding capital credits within DEC and ODEC.

TREASURY & RISK MANAGEMENT REPORT

Vice President of Risk Management, Bruce Campbell, summarized DEC's day-to-day funding strategies.

SPECIAL PROJECTS & INNOVATION REPORT

Vice President of Special Projects and Innovation, David Shapley, reported Miss Utility tickets were up 7% for the month of July and up 16% YTD.

Vice President Shapley reported 87% of RF meters have been installed on DEC's system. Read rates continue to improve at 99.56% compared to last month at 99.53%.

Vice President Shapley reported the remaining 800 AMI meters are to be changed out by the end of the year. Vice President Shapley reported all remaining Power Line Carrier (PLC) meters will be changed out by the first quarter of 2022.

ENGINEERING REPORT

Engineering Manager, Tony Rutherford, reported year-to-date new services increased 26.6% and new work requests continued to grow by 19.5%.

Mr. Rutherford reported the growth of new developments continued to increase. The engineering department has 56 staked development work orders and 43 un-staked work orders consisting of 1,306 lots.

Mr. Rutherford reported the construction of the new Dorey Substation would begin in October 2021.

Mr. Rutherford reported inventory costs continued to increase as well as the delivery lead times. Mr. Rutherford reported the lead time for transmission poles are 30-36 weeks and pad mount transformers are 40 weeks.

OPERATIONS & MAINTENANCE REPORT

Vice President of Operations, Jesse Spampinato, presented the Operations Report to the Board. Vice President Spampinato summarized events for the month of July.

Vice President Spampinato reported on DEC's reliability for the month of July. Vice President Spampinato reported SAIDI minutes were 6.62 in comparison to the month

average of 11.68 minutes. Vice President Spampinato reported July's SAIFI minutes were 80 minutes in comparison of the month average of 78 minutes.

Vice President Spampinato reported preventative maintenance numbers for the month of July. Vice President Spampinato reported July's SAIDI minutes were 1.43 and SAIFI interruptions were .016 month to date.

Vice President Spampinato summarized the savings for load control and "Beat the Peak" 2021.

REGULATORY REPORT

Vice President of Staff Services, Mark Nielson, provided the board with an update on the Bruce A. Henry Solar Farm. For the month of July, Phase I of the Bruce A. Henry Solar Farm produced 719,155 kWh and Phase II of the Bruce A. Henry Solar Farm produced 599,275 kWh.

Vice President Nielson provided an update on the ODEC/EDF projects.

Vice President Nielson reported the Dean C. Belt substation property will be going to settlement the end of September.

Vice President Nielson reviewed the DEC RPS Comparable Plan Report.

ODEC REPORT

Director Bruce Henry reviewed the ODEC report summarizing facts released from the July 2021 ODEC Board Meeting.

MEMBER SERVICES REPORT

Manager of Business Development and Energy Services, Kevin Yingling, presented the member services report to the board. Mr. Yingling reported over 1,000 attendees viewed the lineman demonstration at the Delaware State Fair.

Mr. Yingling reported there were 247 live viewers for the 2021 Virtual Annual Meeting.

LEGISLATIVE REPORT

There was no Legislative Report this month.

TECHNOLOGY REPORT

There was no Technology Report this month.

NRECA REPORT

Director Michael Brown advised the board to review his report in the Drop Box. Director Brown reported NRECA dues would be increasing by an overall 3%, though DEC dues would increase approximately 5%, due to the way the dues are calculated.

The board approved Director Brown to be the DEC voting delegate at the NRECA Region 1 Meeting, and CEO Greg Starheim to be the alternate voting delegate.

VMD REPORT

Director Pat Dorey reported the VMD Scholarship Foundation Committee met in Palmyra and reported revenues of \$105,000 since April 2021, which included \$29,920 in annual pledges.

ADJOURNMENT

Having no other business to come before the Board, the meeting was adjourned at 2:34 p.m.

EXECUTIVE SESSION

Chairwoman Pat Dorey called for an Executive Session. The Executive Session meeting was adjourned at 5:15 p.m.

Secretary

Chairwoman