

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

October 20, 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, October 20, 2021, at 10:00 a.m. Chair 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, Bruce A. Henry, Laura T. Phillips, Charles L. Towles, Jr., Bruce R. Walton, William Haughey and Blaine M. Daisey.

Also present at the meeting were Gregory Starheim, Tom Beamon, David Shapley, Dwayne Street, Jesse Spampinato, Rob Book, Jeremy Tucker, Troy Dickerson, Jamie Nutter, and Monika Lowe, who recorded the minutes of the meeting.

APPROVAL OF MINUTES & ORGANIZATIONAL MINUTES

The Minutes of the regular meeting of September 21, 2021 were approved.

SPECIAL PRESENTATION- CYBERSECURITY

U.S. Department of Homeland Security, Luis Rovira presented on Cybersecurity Awareness and how DEC can continue to protect themselves from vulnerability.

Information Security Manager, Ben Galvacky and Cybersecurity Engineer Brice Holzhauer presented DEC's protocols to avoid vulnerabilities.

Galvacky reported during the month of October, employees will participate in special cybersecurity training.

Galvacky reported on third-party penetration testing that is being performed. The penetration tests will allow the Technology Department to identify vulnerabilities in the system and determine where improvements can be made.

PRESIDENT'S REPORT

President & CEO Gregory Starheim reported a summary of current economic developments, including inflationary pressures in energy and materials. Starheim reported that high natural gas prices are causing coal plants to be dispatched more due to economic conditions.

HUMAN RESOURCES REPORT

Vice President of Human Resources, Dawn Smart, introduced new hires, Beau Chaffinch, and Jared Wothers. Beau Chaffinch will be working in the Meter Department as a Cable Locator. Jared Wothers will be in the IT Department as a Technical Support Specialist.

Vice President Smart reported no recordable injuries for the month of September.

Vice President Smart reported a site visit was completed by Federated Rural Insurance in the month of September. Both the site visit and crew site visits were given Satisfactory ratings.

Vice President Smart presented DEC's current COVID-19 update. Smart reported the Families First Coronavirus Response Act (FFCRA) extension ended September 30, 2021 terminating reimbursement to DEC for employees who are out-of-work for COVID-related cases and while in quarantine. DEC received \$110,071.87 in reimbursement from the State under the FFCRA.

Vice President Smart reported 59 DEC employees received their flu shot at the Flu Clinic held in the office on October 13, 2021. Flu vaccines are offered to all employees and retirees at no charge.

FINANCIAL REPORT

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

CFO Beamon reported planning and budgeting is underway for 2022.

CFO Beamon reported work has begun for the 2021 General Retirement which would include DEC margins for 2010. A motion was made, seconded, and unanimously approved by the board to approve the 2021 General Retirement in an amount of \$4 million dollars. The retirement will occur in December 2021.

SPECIAL PROJECTS & INNOVATION REPORT

Vice President of Special Projects and Innovation, David Shapley, presented an update on the cooperative's renewable energy resources and initiatives.

Vice President Shapley reported on the performance of the Bruce A. Henry Solar Farm Phase I and Phase II.

Vice President Shapley presented Policy 400.8 Director Districts, which requires an annual re-balancing of director districts based on member population. Revisions to the district boundaries are under review and will be presented at the November board meeting.

Vice President Shapley presented the revised State Renewable Portfolio Standards Plan (RPS). In 2021, the state revised the law, raising the RPS to 40% by 2035, with at least 10% coming from qualified solar resources.

Vice President Shapley presented that DEC is required to produce a revised "Comparable Plan" that is needed due to the changes in the State RPS. Vice President Shapley also presented an update on the status of negotiations with EDF Renewables for the purchase of the output from 4 solar projects amounting to 9.6 MW of effective contracted supply. A motion was made, seconded, and unanimously approved by the board authorizing staff to proceed with finalizing a contract for the solar output.

Vice President Shapley proposed a change in Tariff Leaf 24 10.3 to increase the aid-to-construction cost of new service extensions to Single Residential units from \$200.00 to \$1000.00 effective January 1, 2022. A motion was made, seconded, and unanimously approved by the board.

ENGINEERING REPORT

Vice President, Troy Dickerson, provided an update on the volume of new service requests and new development work orders, reflecting continued strong growth in membership growth.

Vice President Dickerson reported the status of construction of the new Dorey Substation.

Vice President Dickerson reported an update on material pricing.

Vice President Dickerson reported a check in the amount of \$47,568.29 was received from Electric Research and Manufacturing Cooperative, Inc. (ERMCO) for the 2020 Capital Credit Retirement.

OPERATIONS & MAINTENANCE REPORT

Vice President of Operations, Jesse Spampinato, presented the Operations Report to the Board.

Vice President Spampinato summarized outage and construction activity for the month of September.

Vice President Spampinato reported on DEC's system reliability for the month of September.

Vice President Spampinato reported an update on the progress of the 2021 Annual Work Plans (AWP).

ODEC REPORT

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

Director Henry recommended that effective January 1, 2022, Michael Brown will become a Director on the Board for ODEC along with CEO, Gregory Starheim. The Board was in agreement with proposed change in DEC representation to the ODEC board.

MEMBER SERVICES REPORT

Vice President Rob Book presented a recap on the 2021 Board Elections. A total of 4,266 member participated in the voting process with a 95% satisfaction on using electronic ballots. The Governance Committee will meet to decide on whether this system will be used in the future.

Vice President Book reviewed a residential retail rate comparison chart comparing DEC's rates to surrounding energy providers.

Manager of Member Services, Jeremy Tucker presented a new DEC Environmental, Social and Governance Report (ESG). The report was to be presented to S&P Global during an upcoming annual credit update

LEGISLATIVE REPORT

Director Towles presented the legislative report to the board.

Director Towles reported an additional seat in the House of Representatives will be voted on during a special session on November 1, 2021.

TECHNOLOGY REPORT

CIO, Dwayne Street reported the findings from the State of Delaware Broadband Strategic Plan completed in May 2021. The State of Delaware has committed to using \$110 million in grants to provide wired broadband to 100% of the homes and businesses that currently do not have broadband available to them. The State plans on achieving this by the year 2024.

NRECA REPORT

Director Michael Brown reported the NRECA currently has vacant positions for 3 Executive Staff Members retiring.

VMD REPORT

Director Pat Dorey reported the retirements of Southside Electric Cooperative, President and CEO, Jeff Edwards and NOVEC President and CEO, Stan Feuerberg. Both plan to retire in the year 2022.

ADJOURNMENT

Having no other business to come before the Board, the meeting was adjourned at 4:55 p.m.

EXECUTIVE SESSION

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

Secretary

Chairwoman