

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

March 20, 2019

CALL TO ORDER

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc., was held at the office of the Cooperative at Greenwood, Delaware, on Wednesday, March 20, 2019 at 10:00 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., (via phone conference), Bruce A. Henry, William W. Noel, Jr., Laura T. Phillips, Charles L. Towles, Jr., (via phone conference) and Bruce R. Walton.

Also present at the meeting were J. William Andrew, Rob Book, Bruce Campbell, Gary Cripps, Mark Nielson, David Shapley, Troy Dickerson, Dawn Smart, Dwayne Street, Jesse Spampinato, Jamie Nutter, Esquire and Mary Egerson, who recorded the minutes of the meeting.

APPROVAL OF MINUTES

The Minutes of the regular meeting of February 20, 2019 were approved.

HUMAN RESOURCES

Dawn Smart, Vice President of Human Resources, asked the Board to read the Safety Report that is in the drop box. Vice President Smart told the Board that there were no vehicle accidents in the month of February. There was one recordable injury. The injury was the result of a minor back strain.

FINANCIAL REPORT

Bruce Campbell, Vice President of Finance & Accounting, reviewed the February 2019 Financial Report with the Board.

ENGINEERING

Troy Dickerson, Assistant Vice President of Engineering, reported that year-to-date new services, 413, was a 10% decrease from the 455 last year-to-date new services. Year-to-date, 760 jobs were engineered versus 795 last year, a decrease of 4.61%. There were 743 work order requests for jobs engineered and sent to construction for installation versus 724 requests last year, an increase of 2.62%.

Assistant Vice President Dickerson reported on commercial load for the following: Vulcan Sand Plant, M. L. Joseph Sand Plant and the Artesian Wastewater Treatment Plant. He reported that the existing load between these three plants is at 3.05 MW with an additional 5.00 MW load expected within the next two years, for a total load of 8.05 MW.

Assistant Vice President Dickerson showed pictures of a Hydroponic House. He reported that, based on load, one Hydroponic House is equal to two poultry houses.

ENGINEERING PLANNING & INNOVATION

Vice President of Engineering, Strategy and Innovation, David Shapley, reported that growth continues to outpace last year, not only in new services, but Miss Utility as well. Miss Utility tickets have continued on an upward trend. Growth was up 5% for the current month, and 11% when compared to the same time frame last year.

Vice President Shapley reported that the number of RF meters installed is 24,131, which accounts for ~25% of total meters. Any new meter or replacement set within the RF area be the new RF meter. Read rates continue to improve.

Vice President Shapley reported that DEC's Electric Vehicle Charging pilot program continues to show economic success, not only in demand reduction, but in avoiding usage during peak times. He reported that the energy usage from the EV Chargers, from June thru September, showed less than 2000 kWh for each month, and from October thru February 2019, the usage was above 2000 kWh, due to the cold weather and how efficient electric cars operate in warmer versus colder weather.

Vice President Shapley reported on the 2019-2024 Comprehensive Plan and the impacts of solar on any Capital Projects, even though we do not have any Capital Projects.

OPERATIONS & MAINTENANCE

Vice President of Operations, Jesse Spampinato, presented the Operations Report to the Board. Vice President Spampinato reported that year-to-date SAIDI ratings were 6.21 minutes per member in 2019 versus 9.27 minutes per member in 2018, a decrease of 33.08%. The year-to-date SAIFI ratings were 0.099 interruptions per member in 2019 versus 0.124 interruptions per member in 2018, a decrease of 20.16%.

Vice President Spampinato reported on how improving reliability reduces overtime cost, fuel charges, wear and tear on trucks and also reduces the opportunity for injury. The year-to-date February time period showed 1,690.5 hours in 2019 versus 2,080.5 hours in 2018, a decrease of 18.75%.

LEGISLATIVE REPORT

Director Charles Towles and Jamie Nutter, Esquire, presented the Legislative Report to the Board. Director Towles reported on the NRECA ACRE Breakfast he attended on Wednesday, March 13th, at the Annual Meeting in Orlando, FL. His report on the breakfast indicated that the receipts totaled \$2,304,369. He reported that Delaware Electric Cooperative ranked #39 in Member Rankings and Delaware Electric Cooperative was recognized in the ACRE Program with 100% Board President's Club and 100% Management/Century Club.

Jamie Nutter, Esquire, spoke on the following:

The General Assembly went back into session on Friday, March 5, 2019. Delaware Electric Cooperative was asked to speak at the Department of Agriculture hearing to support administration. HB65-This bill would void any restricted covenants within a community that would unreasonably restrict the installation of solar panels on roofs or ground-mounted solar systems. DelDot – A bill that would fine or impose monetary penalties on utilities if they do not

move their facilities on a timely basis in connection with road construction.

REGULATORY REPORT

Vice President Mark Nielson provided the Board with an update on the Bruce Henry Solar Farm. During the month of February, the solar farm produced 372,849 kWh and had a 36 kW impact on our coincident peak. For the month, the kWh production was 15.9% less than forecasted, mostly due to inverter problems.

Vice President Nielson updated the Board on the proposed power cost adjustment increase. To date, four (4) members have contacted Delaware Electric Cooperative to voice their opinion.

Vice President Nielson provided an update on the Cooperatives retail choice restart. He reported DEC will continue to await resolution on certain wholesale transactions at the ODEC/PJM/DPL level, with the hope to roll out retail choice April 1. In addition, Vice President Nielson discussed the potential impacts of retail choice and the potential for members switching due to differences in the price to compare. A proposed tariff change that clarified some of the language on retail competition was presented to the Board. Following a brief discussion, the Board voted unanimously to approve the tariff change.

Vice President Nielson updated the Board on the Clean Bay Poultry Waste to Energy Project.

Vice President Nielson presented a new Economic Development Rate to the Board that was provided to the Cooperative through Old Dominion Electric Cooperative. The new rate would provide certain incentives for new loads of 1 MW or greater. After some discussion, the Board voted to approve the new rate offering.

Vice President Nielson discussed several proposed changes to the tariff. The first change would expand the limits and definition of meter tampering. The second would allow for members to opt-out of a standard AMR meter to a non-AMR meter with associated fees. The third proposal would be to include additional requirements for the connection of large

motors to the Cooperative distribution network. After some discussion, the Board voted to approve the changes.

ODEC REPORT

Director Bruce Henry discussed, in detail, the Confidential ODEC report summarizing facts released from the February, 2019 ODEC Board Meeting.

MEMBER SERVICES REPORT

Vice President of Member Services, Rob Book, presented the Member Services report to the Board. He reported, during the month of February, the number of calls (6,602) to the Call Center came down and 87% of member calls were answered in 30 seconds.

Vice President Book reminded the Board that DEC's Member Committee will meet Thursday, March 28 at 5:00 p.m. The primary focus will be on the rate increase.

Vice President Book reported that, over the past few months, the focus has been on how to promote our efforts to support economic development within Delaware Electric Cooperative's service territory. DEC participated in an economic development roundtable that focused on issues facing businesses downstate. Comments from Bill Andrew and executives from the Dover Federal Credit Union and Chesapeake Utilities were included in a special four-page spread in the Delaware Business Times. An ad was taken out promoting DEC's service territory in a Delaware-focused edition of Site Selection Magazine, the premier magazine used by industry and businesses to identify places to relocate or expand. The ad promoted DEC's affordable rates, access to fiber, cheap real estate and the ODEC economic development rate. A Q&A promoting DEC's economic development site also appeared in the Sussex County Economic Development Magazine.

TECHNOLOGY

Vice President of Technology, Dwayne Street, reported that the Critical Infrastructure Availability for the month of February was at 100% in several areas and Wide-Area Network (Fiber) was down for two hours for a scheduled maintenance.

Vice President Street reported on the AMI-OMS integration, cybersecurity, and the fire wall data.

NRECA REPORT

Director Woody Noel asked the Board if they had any NRECA observations or suggestions that they would like to share in the way of upgrades, information or transportation. There are opportunities for improvement, particularly the Youth Tour and classes. They need information before they go to the meeting on where the classes will be located, what time transportation will be available, what building the classes will be held in and times for completion of classes. It was suggested that the meeting and educational units are disconnected. There is no communication on where to go when you first arrive at the meeting.

PRESIDENT'S REPORT

President Bill Andrew summarized the components of the President's Report as outlined on the Board agenda.

ADJOURNMENT

A number of issues of interest to the Board were electronically mailed. Chairman Wells asked the Board if they had any questions concerning those items.

Having no other business to come before the Board, the meeting was adjourned at 2:32 p.m.

EXECUTIVE SESSION

Chairman Wells called for an Executive Session. Having no other business the meeting was adjourned at 3:01 p.m.

Chairman

Secretary