

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

August 15, 2018

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, August 15, 2018, at 10:00 a.m. Chairman William J. Well 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., Bruce A. Henry, William W. Noel, Jr., Laura T. Phillips, Charles L. Towles, and Bruce R. Walton.

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

APPROVAL OF MINUTES

The Minutes of July 18, 2018 were approved.

HUMAN RESOURCES REPORT

Dawn Smart, Manager of Human Resources, reported from the Safety Report that there were no vehicle accidents during the month. There were twenty-six (26) total work area inspections conducted during the month. Twenty-three (23) inspections received a good rating, two inspections received a satisfactory rating and one inspection received an unsatisfactory rating.

The Safety focus for the month of July was Alcohol Awareness.

FINANCIAL REPORT

Bruce Campbell, Vice President of Finance & Accounting reviewed the July 2018 Financial Report with the Board.

ENGINEERING PLANNING & INNOVATION REPORT

Vice President of Engineering Strategy and Innovation, David Shapley, reported that new services were up 13% and jobs engineered were up 11% from last year to date. He reported that Miss Utility tickets continue on an upward trend. Miss Utility tickets are 19% over last August and 10% for year to date.

V.P. Shapley reported that the total number of RF meters currently installed is 21,977, which accounts for ~23% of total meters.

OPERATIONS & MAINTENANCE REPORT

Vice President of Operations, Jesse Spampinato, presented the Operations report to the Board. V.P. Spampinato reported that System Average Frequency (SAIFI) ratings last year to date was 0.753 compared to this year to date at 0.742. The System Average Duration (SAIDI) ratings are 47.3 minutes per member versus 49.4 minutes per member in 2017, a decrease of 4.25% year to date.

REGULATORY REPORT

V.P. Nielson provided the Board with an update on the Bruce Henry Solar Farm. For July, the solar farm produced 758,719 kWh and had a 641 kW impact on our coincident peak. For the month, the kWh production was 20.57% more than forecasted. For the year, the solar farm produced 4,002,072 kWhs.

V.P. Nielson provided an update on the Clean Bay Renewables energy project in Georgetown.

V.P. Nielson introduced several proposed tariff changes; clarified the dispute resolution process with third party suppliers; reworded and moved the Residential Load Management to a Rider at the end of the tariff; addition to the Aggregated Net Metering rider to include electric vehicles; corrected a couple of references and clarified the billing process in the Aggregate Net Metering rider; addition to Community Net Metering to include electric vehicles, added Delaware Energy Office at Section G and clarified the billing process on Community Net

Metering; moved the Load Management Rider to the back; added the new Load Management Controlled Thermostat Rider. Following review and discussion the Board of Directors voted to approve the changes.

ODEC REPORT

Director Bruce Henry discussed in detail the Confidential ODEC report summarizing facts released from the June, 2018 ODEC Board Meeting.

MEMBER SERVICES REPORTS

ANNUAL MEETING

Vice President Rob Book presented the Board with a document listing information regarding attendance by Board District for the 2018 DEC Annual Meeting held on August 7th. With a member registration of 1,289, it was the second largest meeting, only behind 2011 that had 1,361 registered members.

V.P. Book reported that there were approximately 6,000 meals served, and most of these meals were represented with a meal ticket.

V.P. Book reported that there were several members asking questions and some offering compliments to the Cooperative on its rates and services.

The Board made several suggestions and changes for routing of the people and sitting arrangements for the next Annual Meeting.

STATE FAIR UPDATE

V.P. Book updated the Board on the State Fair. He reported that it was very successful.

MEMBER REPORT

V.P. Book reported that the member report represents July & August totals. He reported that calls to the call center were answered at a rate of 83%, within 30 seconds.

The 6th annual edition of Delaware Living, which contained our annual report, was delivered to member mailboxes. This magazine celebrated the 10th anniversary of Beat the Peak and included stories about the people and places we power.

V.P. Book advised the Board that our next Member Committee Meeting will be Thursday, September 20, 2018 at 5:00 p.m.

TECHNOLOGY REPORT

COO Gary Cripps summarized the Technology Report. The Critical Infrastructure Availability for the month of July is at 100% in all areas.

LEGISLATIVE COMMITTEE REPORT

Director Charlie Towles announced that there was no report for this reporting period. Director Towles handed out a listing of the 2018 Delaware Election Review.

NRECA REPORT

Director Woody Noel presented documents to the Board that included reports of the NRECA Board. Director Noel asked the Board if they would read over the reports in an effort to share concerns of the different committees and reports.

VMD ASSOCIATION REPORT

Director Patricia Dorey asked the Board if they would read the VMD report that was placed in the drop box. She reported that the VMDAEC members meeting and Board of Directors meeting was held at The Omni Homestead in Hot Springs, Virginia, on July 22-24, 2018. The VMDAEC 37th Annual Golf Tournament, which benefits the Scholarship Foundation, was held on Sunday, followed by a sponsored reception for all members and guest in the evening.

Director Dorey reported that she was elected to a one-year term for (2018-2019) as Secretary/Treasurer for the Virginia, Maryland, and Delaware Association of Electric Cooperatives.

PRESIDENTS REPORT

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

PERSONNEL-SALARY PLAN UPDATE

President & CEO Andrew asked to review in Executive Session his evaluation of their comparison to the Management Salary survey completed by NRECA. He will be seeking approval of his recommendations for adjustments in the 2018-2019 period.

ADJOURNMENT

A number of other issues of interest to the Board were electronically mailed. Chairman Wells asked the Board if they had any questions concerning these items. Having none, the meeting is recessed at 2:27 p.m.

EXECUTIVE SESSION

Chairman Wells called for an Executive Session at this time. Having no other business, the meeting is adjourned at 3:15 p.m.

Secretary

Chairman