

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

April 18, 2022

CALL TO ORDER

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held virtually and in person at Delaware Electric Cooperative headquarters in Greenwood, Delaware, on Monday, April 18, 2022, at 9:00 am. 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., William P. Haughey, Jr., Bruce R. Walton, and Blaine M. Daisey.

Also present at the meeting were Gregory Starheim, Tom Beamon, David Shapley, Jesse Spampinato, Rob Book, Troy Dickerson, Ben Galvacky and Lauren Freese, who recorded the minutes of the meeting. Michael Coleman, Garrett DeWolf, Hollie Marvel and Steve Gilliam were in attendance for their portions of the meeting.

INVOCATION / PLEDGE OF ALLEGIANCE

Chairwoman Pat Dorey led the invocation and then everyone stood for the Pledge of Allegiance.

NEW EMPLOYEES

The following new employees were introduced to the Board: Michael Coleman - Network and System Engineer, Garrett DeWolf - Journeyman Lineman and Hollie Marvel - Accounting Assistant.

SPECIAL TOPIC: 2021 Auditor Report

Steve Gilliam, CPA from Adams, Jenkins and Cheatham presented the 2021 calendar-year financial audit report to the Board. The audit report was approved by the Board.

APPROVAL OF MINUTES & ORGANIZATIONAL MINUTES

The minutes of the regular meeting of March 16, 2022, were approved as well as the minutes to the Board Strategic Planning retreat held on March 25, 2022.

CORPORATE CALENDAR

The VMD Strategic Planning meeting on April 25 and the PJM-101 workshop on July 18 and 19 were mentioned as upcoming events on the corporate calendar.

CORPORATE POLICIES

Revisions to Administrative Policy 500.39 (Telecommuting/Remote Work Policy) and Administrative Policy 500.6 (Employee Travel Guidelines and Reimbursement of Expenses) were reviewed and approved by the Board.

Recognizing that some of the existing Board policies addressed management practices and were less governance in nature, the Board requested the President & CEO to review all policies and make recommendations at the May 2022 Board meeting as to which policies should be Board policies and which should be designated for Management responsibility. It was agreed that, regardless of whether the policies are the responsibility of Board or Management, DEC should, as a general practice of good governance, review all policies at least every 3-years.

SPECIAL TOPIC: 2022 Board Strategic Plan & 2022 Goals and Objectives

President and CEO, Gregory Starheim reviewed the revised Strategic Plan that incorporated comments from the draft plan presented at the March 2022 Board Strategic Planning retreat. The revised Strategic Plan was approved by the Board.

President Starheim also gave a status report as to progress toward the Cooperative's goals and objectives as of the end of the first quarter of the year. Further, he mentioned that reviews will be done over the next few weeks with each of the vice-presidents relating to

respective department goals. He also reviewed the 2022 score card for the Cooperative's core metrics.

HUMAN RESOURCES REPORT

Vice President of Human Resources, Dawn Smart, reported on three employee promotions, three resignations and two open positions, as well as plans for summer intern positions.

In July, DEC will receive a 12% premium reduction in worker's compensation insurance premiums as a result of the State of DE Department of Insurance Worker's Compensation Rating Bureau's safety survey and its results.

For the month of March, there was one recordable employee injury and no vehicle accidents. 100% of the employees completed safe driving safety training in March.

On April 13, DEC celebrated our Linemen with a luncheon bar-b-que and a gift to recognize their contributions.

Vice President Smart also reported on current pending litigation, union relations and grievances. She also provided an update on COVID and ongoing culture improvement activities.

FINANCIAL REPORT

Chief Financial Officer, Tom Beamon, reported on the financial performance of the cooperative for month-ending February 2022 and reviewed the statement of operations report, the \$2 million cost challenge, and residential construction trends.

SPECIAL PROJECTS & INNOVATION REPORT

Vice President of Special Projects and Innovation, David Shapley, gave updates on the performance of the Bruce Henry Solar Farm Phases I and II, as well as the Ameresco Landfill

project. He also updated the Board on the status of DEC's solar project development and activities with new solar net metering interconnection applications.

ENGINEERING REPORT

Vice President, Troy Dickerson, shared the Engineering report with the Board which showed that the volume of new services, and new work requests and jobs engineered have decreased. He also gave an update on the status of the Dorey Substation Project and material price trends.

OPERATIONS REPORT

Vice President of Operations, Jesse Spampinato, presented the Operations Report which explained that the Cooperative has experienced two circuit outages over the past month and that construction work projects have been put on-hold due to inventory and financial constraints. The report also provided a weather outlook for the 2022 hurricane season.

TECHNOLOGY REPORT

Information Security Manager, Ben Galvacky, updated the Board on critical infrastructure, a first quarter 2022 phishing campaign and a company-wide implementation to strengthen employee passwords.

MEMBER SERVICES REPORT

Vice President, Rob Book, shared the Member Services report, which covered DEC receiving an NRECA award for the Delaware Living newsletter and an all-employee commercial which aired in April. The report also addressed support for the Cooperative's internship program, 2022 youth tour interviews and an upcoming EV event that will be hosted by ODEC.

The report also included an update on legislative meetings held in Washington, D.C., including discussions with Delaware's Congressional delegation on DEC's pursuit of federal infrastructure funding, and an update on the 2022 annual meeting to be held on August 16th.

AUDIT COMMITTEE

Director Laura Phillips thanked everyone for their hard work during the auditing process and had nothing more to report in addition to Mr. Gilliam's earlier remarks.

ODEC REPORT

Director Tom Brown shared highlights from the April 12 ODEC meeting.

LEGISLATIVE REPORT

Director Charlie Towles reported that the General Assembly is in recess until May 3 and there are only twenty-one legislative days left until the end of the session. He does not expect any new energy legislation during this session. On March 22 there was an Energy Stakeholder meeting, and the next scheduled meeting is on April 28.

NRECA REPORT

Director Hunter Emory's report highlighted NRECA's programs update of energy storage resources and cybersecurity as well as infrastructure bill resources. He also shared newly adopted resolutions on carbon capture utilization and storage and state sage grouse plans.

VMD REPORT

There was no VMD report. Nominations were made for a director and voting delegate for the upcoming VMD Annual Meeting. Director Pat Dorey was nominated and was unanimously approved by the Board to serve as director and voting delegate for the 2022 – 2023 term.

OTHER BUSINESS

The Choptank Electric Coop Annual Meeting was discussed. Directors Pat Dorey, Laura Phillips, Bill Haughey and Charles Towles, as well as President Starheim, indicated their intent to attend as DEC representatives.

ADJOURNMENT

Having no other business to come before the Board, the meeting adjourned at 2:19 p.m.

EXECUTIVE SESSION

Chair Pat Dorey called for an Executive Session. The Executive Session meeting was adjourned at 2:35 pm.

Secretary

Chairwoman