

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

November 17, 2021

CALL TO ORDER

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held virtually at Delaware Electric Cooperative headquarters in Greenwood, Delaware, on Wednesday, November 17, 2021, at 10:16 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, Dwayne Street, Jesse Spampinato, Rob Book, Dawn Smart, Jeremy Tucker, Troy Dickerson, Jamie Nutter, Monika Lowe and Lauren Freese, who recorded the minutes of the meeting.

APPROVAL OF MINUTES & ORGANIZATIONAL MINUTES

The Minutes of the regular meeting of October 20, 2021 were approved.

HUMAN RESOURCES REPORT

Vice President of Human Resources, Dawn Smart, introduced four new employees: Journeyman Lineman Tom Albanese, Systems Dispatch Coordinator Samantha DeLeon, Executive Assistant Lauren Freese and SCADA Engineer Dan Niblett.

Vice President Smart reported no recordable injuries for the month of October and two recordable injuries for the month of November.

Vice President Smart stated that the Safety Course for October, "Slips, Trips and Falls" was completed by 100% of the staff.

Vice President Smart shared current organizational events including honoring employee veterans, the start of food trucks on-site at headquarters every Wednesday, the retirement of Tom Wright (38 years of service) and upcoming actions to get feedback on employee satisfaction.

Vice President Smart also gave an update on the federal mandate for COVID which included a requirement that all companies with at least 100 employees require employees be vaccinated or tested weekly. The U.S. Fifth Circuit Court of Appeals has imposed a temporary stay to this ruling. Vice President Smart stated that the HR department is preparing a new policy to have in place in the event the stay is lifted.

CORPORATE CALENDAR

President and CEO Gregory Starheim introduced the first draft of a Corporate Calendar which will be used by staff to track and plan upcoming meetings and events. The Board stated that the calendar would be useful to Directors and asked that it be included in future Board materials.

SPECIAL TOPIC: EV UPDATE

Vice President of Special Projects and Innovation, David Shapley, shared statistics on EVs, including sales of vehicles, charging options and technology trends.

Vice President Shapley discussed programs DEC currently has in place, including analysis of EV in DEC's fleet and the installation of EV chargers at headquarters. Vice President Shapley also touched on Delaware's EV charger rebate programs and current engagement and future opportunities.

The Board agreed that a more comprehensive EV strategy is appropriate given the potential impact the electrification of transportation could have on the electric utility sector.

PRESIDENT'S REPORT

President and CEO Gregory Starheim reported on changes to NRECA's executive team and an anticipated ODEC wholesale power increase in January 2022. The upcoming December 8, 2021 Finance Committee will be combined with a Regulatory Oversight Committee meeting to discuss the need for an adjustment to the DEC PCA (power cost adjustment) and the need to schedule a special membership hearing in early 2022.

President and CEO Starheim also discussed the Strategic Planning Board retreat scheduled for January 20 – 21, the state of the economy, actions being taken to hedge 2022 gasoline and diesel costs, and evolving industry trends, including offshore wind project-developments, nuclear power retirements, feedback from IOU quarterly earnings reports and the federal Infrastructure bill.

FINANCIAL REPORT

Chief Financial Officer Tom Beamon reviewed the financial highlights for the period ending September 2021 and stated that DEC is on or under budget across most departments and shared a preview of the preliminary October 2021 operating results. He also shared a forecast of 2022 wholesale power cost from ODEC and confirmed the need to modify DEC's PCA as early as possible in 2022 to ensure DEC's financial stability. He concluded by reviewing progress on the development of DEC's 2022 operating expense budget and key milestones in early December.

Chief Financial Officer Beamon shared that the Board could find the 2020 DEC Form 990 in the Dropbox for review. This document will be filed with the IRS as part of annual reporting obligations.

SPECIAL PROJECTS & INNOVATION REPORT

Vice President of Special Projects and Innovation, David Shapley, reported on the status of the advanced metering program and the monthly performance of DEC's existing solar projects and new solar projects under development.

Vice President Shapley provided an update on the Dirickson Battery Storage project and a U.S. Department of Energy project that DEC and EATON are participating in.

ENGINEERING REPORT

Vice President, Troy Dickerson, reported that new services and new work requests continue to show significant growth over last year. He reviewed new residential construction plans representing over 350 new homes in the Deer Creek and Riverwood developments.

Vice President, Dickerson also reported on the status of the new Dorey Substation, including completion of the stormwater run-off system.

OPERATIONS & MAINTENANCE REPORT

Vice President of Operations, Jesse Spampinato, discussed the status of the 2021 AWP construction and anticipated completion schedules. He stated that the absence of adverse weather in DEC's area has a positive impact on system reliability over the past hurricane season despite a total of 21 storms that formed so far in 2021.

Vice President Spampinato also reported that DEC is participating in a Department of Energy ODIN (Outage Data Initiate Nationwide) initiative to provide broader visibility into utility outages.

MEMBER SERVICES REPORT

Vice President Rob Book reported that calls to the call center have declined over the past month.

Vice President Book also discussed the upcoming Thanksgiving television commercial, and SmarHub/App and Veteran's videos. He reviewed Community Affairs highlights including DASEF events, DEC participation in area Christmas parades, Winterfest at Hudson Fields and Lauren Irby becoming an honorary Commander for the Dover Air Force Base.

Vice President Book shared future external communications will include the 2021 capital credit general retirements and a press release regarding our solar projects.

GOVERNANCE COMMITTEE

Director Michael Brown reported that the Governance Committee met on November 3. The Committee defined their objectives as 1) ensuring compliance with Articles of Incorporation, 2) compliance with legal fiduciary obligations, 3) review and provide recommendations relating to Board policies, and 4) provide recommendations on good governance practices. He stated that our by-laws need to be revised with immediate action focused on members voting regulations to allow for future electronic balloting.

Director Brown identified three actions requiring communication with the membership, including the 2021 capital credits retirement, the need for a member hearing relating to the PCA adjustments, and the need for a special meeting of the members to address a by-law change allowing for continued electronic balloting at future membership meetings.

ODEC REPORT

Director Bruce Henry reviewed the ODEC report summarizing facts released from the November 2021 ODEC Board Meeting. Michael Brown was elected to serve on the ODEC Board as of January 1, 2022.

LEGISLATIVE REPORT

Director Towles reported that the General Assembly voted to affirm new district boundaries for all 62 members of the General Assembly in the State of Delaware.

President and CEO Starheim continues to participate in bi-weekly State Energy Stakeholder meetings, chaired by Senator Hansen. Also, President Starheim, Vice-President Book and Jamie Nutter met with seven DEC area legislators on November 16th. A November 18th meeting is also scheduled with representatives of the housing developer Schell Brothers to explore common legislative and regulatory policy interests.

On December 3, President and CEO Starheim will be meeting with Governor Carney to discuss, among other topics, potential federal Infrastructure funding.

NRECA REPORT

Director Michael Brown reported that the NRECA Board will meet December 6 – 8 and that he plans to attend in person.

ACRE

President and CEO Gregory Starheim shared information relating to 2022 ACRE contributions.

VMD REPORT

Director Pat Dorey reported that the VMD's Connections Newsletter is very informative. She also reported that the VMD Directory will be available in digital form only, beginning in 2022.

ADJOURNMENT

Having no other business to come before the Board, the meeting was adjourned at 2:58 p.m.

EXECUTIVE SESSION

Chair Pat Dorey called for an Executive Session. The Executive Session meeting was adjourned at 3:40 p.m.

Secretary

Chairwoman