

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

February 16, 2022

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, February 16, 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, Dwayne Street, Jesse Spampinato, Rob Book, Troy Dickerson, Dawn Smart, Jamie Nutter, and Lauren Freese, who recorded the minutes of the meeting. New employees, Gordon (Trey) Ramey and Jackie Goodman were present for the beginning of the meeting and were introduced to the Board.

APPROVAL OF MINUTES & ORGANIZATIONAL MINUTES

The Minutes of the regular meeting of January 19, 2022, were approved.

INTRODUCTION OF NEW EMPLOYEES

Vice President of Human Resources, Dawn Smart, introduced Gordon (Trey) Ramey, Stockman Helper, Purchasing & Stores and Jackie Goodman, Jr. Cable Locator, Metering Department to the Board.

CORPORATE CALENDAR

President and CEO Greg Starheim noted some important dates on the corporate calendar including the PowerxChange and Tech Advantage conferences, leadership training and the Board's virtual Strategic Planning Meeting.

CORPORATE POLICIES

Proposed updates to Corporate Policies 400.5 (Policy Manual) and 500.0 (EEO) were presented to the Board. Policy 400.5 was approved with suggested changes. Policy 500.0 was tabled to the March board meeting due to questions regarding current DEC policies that may already cover one or more of the topics.

SPECIAL EDUCATION TOPIC: Member Rate Hearing

Vice President Rob Book discussed information that was previously sent out to the Board regarding the Member Rate Hearing and reviewed specifics for the Board. He shared current utility rates among other utilities in the state of Delaware and noted that if the rate increase goes through, DEC's rates would still be among the lowest in the state.

MEMBER SERVICES REPORT

Vice President Rob Book noted in his Member Services Report that positive communication has been received from members regarding updates relating to snow events in 2022. He also stated that the DEC Sharepoint site has been well received by employees. He touched on internships and career fairs that staff will be attending in February and March at several colleges and the Summer Youth Tour will be held in Williamsburg, Virginia this summer.

Vice President Book shared that the 2022 Annual Meeting will be held on Tuesday, August 16. Directors Dorey, Towles and T. Brown are on the annual meeting committee.

PRESIDENT'S REPORT

President and CEO Gregory Starheim shared an update on the Employee Cultural Improvement initiative which have been implemented as previously described. He also announced that DEC will be participating in the Gaff n' Go Lineman Rodeo scheduled for May 13 – 14 in Doswell, Virginia.

President Starheim touched on the power crisis that occurred one year ago in Texas and other parts of the U.S. as well as the current economy and how important it is to be well hedged. He also noted the current developments regarding Russia and Ukraine and described how the crisis impacts the U.S. power sector, including DEC's cost of power supply.

HUMAN RESOURCES REPORT

Vice President of Human Resources, Dawn Smart's report included the announcement of two DEC employee retirements, Paul DeWolf and Harold Dew, together representing 51 years of service at DEC. She also noted there are currently four open positions at the company. She also reported there were no injuries or accidents in January and safety training was completed by 100% of staff.

Vice President Smart provided an update on pending litigation, union relations and grievances, the cultural improvement action, including SPOT Awards and a new employee orientation plan as well as providing a COVID update.

FINANCIAL REPORT

Chief Financial Officer, Tom Beamon shared the financial report through December 2021 which included the month of December and all of 2021. All departments are on or under budget. He shared that the external audit for calendar year 2021 is in process.

Chief Financial Officer Beamon shared the slides that will be used at the PCA rate hearing.

An Audit Committee meeting will be scheduled to occur before the March board meeting to review the findings of the 2021 Year-End financial audit.

SPECIAL PROJECTS & INNOVATION REPORT

Vice President of Special Projects and Innovation, David Shapley, gave an update on DEC power supply projects that are independent of the ODEC wholesale power contract.

ENGINEERING REPORT

Vice President, Troy Dickerson, shared that adverse weather has delayed jobs engineered in January but expects to have activity return in February. He also gave statistics on the metering department and an update on Dorey Substation progress.

OPERATIONS & MAINTENANCE REPORT

Vice President of Operations, Jesse Spampinato, reviewed outage events in January and touched on system reliability and controllable system reliability. He reviewed 2022 construction work projects and their completion goals.

Vice President Spampinato shared that we have two 3-man teams and two apprentices competing at the Gaff n' Go Lineman Rodeo in May.

ODEC REPORT

Director Mike Brown provided a report of the February 8, 2022, ODEC Board Meeting as well as described New Director Orientation training that he has had. Director Brown indicated that he has been assigned to the to the ODEC board Finance, Strategic Planning and Rate Design Committees.

LEGISLATIVE REPORT

Director Towles shared that the General Assembly is currently in recess and will return on March 8. A special election will be held on March 5 for an empty seat in the Delaware House

of Representatives 4th District. The winner of that election will only serve through this legislative term.

Mr. Jamie Nutter shared that DEC has had one or two contacts weekly with Senator Hansen and our affiliates regarding net metering. He also shared information about the current paid FMLA type legislation on the books.

NRECA REPORT

Director Michael Brown gave his last NRECA Report as Director Hunter Emory will be taking his place on the NRECA Board at the March NRECA PowerXchange (annual) meeting. Director Emory will serve on the NRECA board Insurance & Financial Services Committee and the Glen English Scholarship Committee.

President Starheim presented certificates from NRECA to Directors Dorey and Towles for successfully completing the Director Gold Certification.

VMD REPORT

Director Pat Dorey reported that she attended the January 24 and 25 VMDAEC quarterly Board meeting and Legislative Day. She touched on upcoming events including the Spring Round-up and VMD Board Strategic Planning meeting, both scheduled in April.

MARCH MEETING

The Board has tentatively scheduled the March 16 Board Meeting to be an in-person meeting at DEC headquarters.

ADJOURNMENT

Having no other business to come before the Board, the meeting was adjourned at 1:40 pm.

EXECUTIVE SESSION

Chair Pat Dorey called for an Executive Session. The Executive Session meeting was adjourned at 1:50 pm.

Secretary

Chairwoman