

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

June 15, 2022

CALL TO ORDER

The regular meeting of the Board of Directors of Delaware Electric Cooperative, Inc. was held virtually and in person at the Delaware Electric Cooperative headquarters in Greenwood, Delaware, on Wednesday, June 15, 2022, at 10:00 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 (virtual), and Lauren Freese, who recorded the minutes of the meeting. Herbert Dennis, Noah Klaus, Weldin Dunn, Moira Tews and Randall Stafford were in attendance for their portion of the meeting.

INVOCATION / PLEDGE OF ALLEGIANCE

Invocation was given by Director Towles, followed by the Pledge of Allegiance.

APPROVAL OF MINUTES

The Minutes of the regular meeting of May 18, 2022 were approved.

INTRODUCTION OF NEW EMPLOYEES

The following new DEC employees were introduced to the board: Herbert Dennis – Assistant Manager of Purchasing, Stores, Property and Fleet, Michael Wagner – Journeyman Lineman, Jeremy Kjos – Journeyman Lineman, and Leon McDonnell – Journeyman Lineman. The following summer interns were also introduced to the board: Noah Klaus – Technical

Support Specialist, Weldin Dunn – Manager Public Relations & Community Affairs, Moira Tews – Cybersecurity Engineer, and Randall Stafford – System Engineer II.

CORPORATE CALENDAR

President Greg Starheim highlighted several events on the Corporate Calendar, including the June 17th VMDA Coop Governance Meeting, July 18th-19th PJM 101 Training workshop and the kickoff at the end of July of the annual DEC employee reviews.

CORPORATE POLICIES

Vice President of Human Resources Dawn Smart presented the policy index to the Board. The Board had no further questions regarding the policy responsibility designations between the Board vs. Management. The ongoing review of policies will resume with the July Board meeting.

ODEC REPORT

Director Mike Brown provided highlights from the June 14th ODEC meeting, which included the board taking an additional action on an increase to the ODEC energy rate. The Board approved increasing the Energy Adjustment Rate.

FINANCIAL REPORT

Chief Financial Officer, Tom Beamon, reported on the financial performance of the cooperative for month-ending April 2022 and presented two topics for Board action. The Board motioned and approved an increase in an existing loan facility with NY Life Insurance. The Board also motioned and approved establishing a 3-year revolving credit facility with Bank of America.

SPECIAL TOPICS: Wholesale Power Increases (PCA Adjustment) and Regulatory Oversight Committee Report

The members of the Regulatory Oversight Committee met prior to the Board meeting to review and discuss the impact of the ODEC energy rate increases. CEO Tom Beamon presented an overview of the information reviewed by the Regulatory Oversight Committee. Based on analysis presented by staff, the Committee made a recommendation that the Board approve an adjustment to DEC's retail Power Cost Adjustment (PCA) by an amount of \$0.023813 per kwh, to be effective on September 1, 2022. This increase would present an approximate 18% increase in an average DEC residential member monthly bill. The Board directed staff to proceed with scheduling a member rate hearing on Thursday, August 18th to present the adjustment to members and provide an opportunity for member questions and comment. The rate hearing will be structured to accommodate both in-person and virtual member participation.

PRESIDENT'S REPORT

President and CEO, Gregory Starheim reported on strong safety and reliability performance at DEC through the month of May and provided details on plant material and equipment shortages and other related supply chain challenges. He shared highlights of the April 29th VMDA letter from the CEOs to NRECA and reviewed a draft resolution calling for greater attention by NRECA on the issue that are creating risks to utility operations. Mr. Starheim also advised of the formation, and DEC's participation in, a Supply Chain Task Force and resulting formation of an advocacy group named "CARES" (Coalition for the Advancement of Reliably Electric Systems) to raise awareness of the supply chain issues that threaten electric grid reliability. Meetings have been and will continue to be held with local, state and federal representatives in an effort to resolve these issues. A resolution asking NRECA for assistance was approved by the Board and signed by Secretary Phillips and is scheduled to be presented at the NRECA National Resolutions Committee meeting on June 24th.

HUMAN RESOURCES REPORT

Vice President of Human Resources, Dawn Smart, reported that there are currently five open positions at DEC. There were no injuries or accidents in the month of May and there was one minor vehicle incident which included a third-party vehicle mirror being damaged by a DEC truck operated by an employee.

Ms. Smart also updated the Board on current DEC COVID statistics, union relations and the Culture Improvement action plan.

SPECIAL PROJECTS & INNOVATION REPORT

Vice President of Special Projects and Innovation, David Shapley, provided an update on the performance of the Bruce Henry Solar Farm Phases 1 and II, as well as the Ameresco Landfill Project. He also gave an update on the status of DEC's solar projects under development.

ENGINEERING REPORT

Vice President, Troy Dickerson, reported that new work requests year to date are up 2% as of May. He also gave an update on siting approval efforts for the future Belt Substation in Lewes, DE and future Reynolds Road Substation in Milton, DE.

OPERATIONS REPORT

Vice President of Operations, Jesse Spampinato, presented the Operations Report which included a summary of circuit outage events for the month and continued strong system reliability year-to-date. He also announced that DEC will send a linemen rodeo team to the International Linemen's Rodeo in Overland Park, Kansas, October 12 – 15, 2022.

MEMBER SERVICES REPORT

Vice President, Rob Book presented the Member Services report, which covered current communications regarding DEC's annual meeting and a proposed by-law change.

Jamie Nutter reviewed the proposed by-law changes with the Board.

TECHNOLOGY REPORT

CIO Dwayne Street reported on the status of critical application and network performance. He also described new phishing techniques that are being observed and plans for penetration testing of DEC's OT network.

LEGISLATIVE REPORT

Director Charlie Towles reported that the legislative session reconvened on June 7th and reviewed the status of SB310, which updates the membership and responsibilities of the Governors Energy Advisory Council, and SB305, known as the Delaware Climate Change Solutions Act. He also reported that a bill amending the state's Net Metering statute is scheduled to be considered in the House committee on June 16th and that no opposition is anticipated in its passage.

NRECA REPORT

Director Hunter Emory reported that topics important to NRECA are broadband and supply chain issues. The NRECA Board is next scheduled to meet on June 27th.

VMD REPORT

Director Pat Dorey reminded the Directors that the VMD Annual Meeting will be held on July 24-26, 2022 in Hot Springs, VA.

ADJOURNMENT

Having no other business to come before the Board, the meeting was adjourned at 3:32 p.m.

EXECUTIVE SESSION

Chair Pat Dorey called for an Executive Session. The Executive Session meeting was adjourned at 4:15 pm.

REGULAR SESSION RECONVENED

Due to unfinished business, the regular meeting reconvened and was called to order by Chair Dorey. The Board voted and approved a process to facilitate the annual CEO performance appraisal.

ADJOURNMENT

Having no other business to come before the Board, the meeting was adjourned at 4:30 p.m.

Secretary

Chairperson