

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
DEMEC ADMINISTRATIVE BUILDING
SMYRNA, DELAWARE
May 21st, 2019

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held Tuesday the 21st day of May, 2019 at DEMEC's Administrative Building, Smyrna, Delaware.

The meeting was called to order at 10:03 a.m. with Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Chairman
Representing Middletown
Tyler Reynolds, Alternate
Representing Middletown
Eric Norenberg, Director
Representing Milford
Charles Anderson, Director
Representing Seaford
June Merritt, Alternate
Representing Seaford
Pam Patone, Director
Representing the MSC of New Castle
Dr. Roy Sippel, Alternate
Representing the MSC of New Castle
Donna Mitchell, Director
Representing Dover
James Robinson, Alternate Director
Representing Dover
Tom Coleman, Director
Representing Newark
David DelGrande, Alternate
Representing Newark
Mary Ellen DeBenedictis, Director
Representing Clayton
Gary Stulir, Director
Representing, Smyrna
Patrick E. McCullar, President
Representing DEMEC

DEMEC Staff Attending: Kimberly Schlichting, COO/SVP Power Supply; Louis Vitola, VP-Finance; Heather Contant, Director of Media Relations & Communications; Kendra Friel, Administrative Assistant/Training & Events Coordinator; Jennifer Coulbourne, IT System Administrator; Stephanie Dove, Manager of Accounting & Settlements; Scott Lynch, VP of Asset Development; Stephan Siok, Director of Beasley Plant Operations & Compliance

Guests and Attendees: Ibrahima Kallé, Tibiri Energy Group, LLC; Patty Cruz, Vice President of Consulting and Training, Hometown Connections

Before the review and approval of minutes, Mr. Morris Deputy, Chairman, took a moment to recognize and congratulate Ms. Kimberly Schlichting, COO/SVP of Power Supply for her recent receipt of APPA's Mark Crisson Award for Leadership and Managerial Excellence. He stated that the award is well deserved.

Mr. Patrick McCullar, President, expressed pride to have a staff member obtain this national recognition. He too congratulated Ms. Schlichting.

MINUTES

The minutes of the following meetings were presented for approval:

1. Minutes of the Meeting of April 16, 2019

Upon motion made by Clayton to approve the minutes of the meeting of April 16, 2019, seconded by Newark, the motion passed unanimously.

TREASURER'S REPORT

Mr. McCullar reported on the March and April 2019 reports. He noted that the first quarter of 2019 has seen little demand for generation. Loads have been low in comparison to 2018. Currently, we are lagging behind budget, but this is typical for the budget year. The first five months of each year generally reflect a lag. This is then made up for during the final seven months, where a higher electric demand and lower incurred costs are seen. Mr. McCullar still projects the billing rate will be maintained and addition to the stabilization reserve will be seen by year end.

Upon motion made by Milford to accept and approve the March and April 2019 Financial Reports, seconded by Newark, the motion passed unanimously.

APPOINTMENTS / ELECTIONS

None.

PRESENTATIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee –

None.

Audit Committee –

Ms. Pamela Patone, Director representing the MSC of New Castle and Chair of the Audit Committee, reported that a meeting had been scheduled for today, but has been postponed. She noted that the committee will soon be interviewing an auditor who has submitted an RFP for auditing services. Per Ms. Patone, the committee has narrowed the choice down to two firms.

PRESIDENT’S REPORTS TO BOARD

Per Mr. McCullar, staff will stand on most of the reports in interest of time. He did share that the previously approved acquisition of additional shares from the Fremont Energy Center has been approved by the American Municipal Power (AMP) board of directors. This acquisition will go into effect on June 1, 2019.

He also informed the board that the Delaware Electric Cooperative (DEC) has recently implemented a significant rate increase.

Mr. McCullar also reported that a draft for succession planning is currently being written. Other organizations policies have been reviewed and are being used to create an example which will then be presented to the board for discussion and review. A final draft will then be created.

The DEMEC Articles and By-laws are currently under review and are anticipated to be available by August 2019.

Mr. McCullar finished his report by congratulating Ms. Kendra Friel Administrative Assistant/Training and Events Coordinator on being awarded the Best of the Best Administrative Professional Award by the Central Delaware Chamber of Commerce (CDCC).

Generation Project Report:

None.

Construction Project Status Report:

Middletown Transmission & Substation –

None.

Economic Development Projects:

Middletown Technology Center –

None.

Newark STAR Campus –

None.

Legislative Status Report:

Ms. Schlichting reported that a stakeholder meeting with Senator Harris McDowell had taken place on May 10, 2019. DEMEC staff and board members were in attendance. She stated that more information will be provided in executive session.

RP3 Application Update:

None.

Business Model Assessment Update:

Per Mr. McCullar, the consultant will update the board in executive session.

Joint Lineman Training Yard:

None.

Training / Education:

DEMEC Day - Wednesday, April 10, 2019

Rallying the Troops Webinar – Tuesday, May 21, 2019 (*Immediately following meeting*)

Joint Council Briefing – Wednesday, May 22, 2019

Ms. Schlichting reminded the board that this event takes place the following evening. She encouraged all to come.

DEMEC Legislative Luncheon – Thursday, June 6, 2019

APPA National Conference – June 7-12, 2019

Communications Update – None

Green Energy Program Status Report:

Demand Response Update –

None.

MRPS Next Planning Cycle Review & Recommendations-

None.

Energy Efficiency Program Status Report

Energy Efficiency Advisory Council (EEAC) –

None.

Energy Efficiency Program Update –

None.

BUSINESS FROM THE FLOOR

None.

EXECUTIVE SESSION

The Board went into executive session at 10:11 a.m. upon motion by New Castle MSC seconded by Clayton to discuss the following:

- a. To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations and planning.

The Board ended the executive session and returned to regular session at 12:35 p.m.

Mr. McCullar reminded the board that the June board meeting date been moved to June 25, 2019 and assured them a reminder will be sent. He also reminded them that the APPA National Conference is being held June 7 – 12, 2019 and invited them to attend.

NEXT MEETING DATES

The following meeting dates were set:

- Tuesday, June 25, 2019 – 10:00 a.m.
- Tuesday, July 16, 2019 – 10:00 a.m.
- Tuesday, August 20, 2019 – 10:00 a.m.

ADJOURNMENT

Upon motion by Milford, seconded by Seaford the Board Meeting adjourned at 12:36 p.m.