

**DELAWARE MUNICIPAL ELECTRIC CORPORATION**  
**Special Meeting of the Finance Committee**  
March 16, 2021  
Smyrna, Delaware

A meeting of the Finance Committee of the Board of Directors of the Delaware Municipal Electric Corporation was held on March 16, 2021 via Zoom.

The meeting was called to order at 9:01 a.m.

The following roll call was presented:

Committee Present:

Pamela Patone, Chair  
MSC of New Castle, General Manager/Secretary  
Tyler Reynolds  
Town of Middletown, Finance Manager  
David Del Grande  
City of Newark, Finance Director

DEMEC Board Members:

Charles Anderson, Director  
Representing Seaford  
June Merritt, Alternate  
Representing Seaford  
Darrin Gordon, Director  
Representing Lewes BPW

DEMEC Staff Present:

Patrick McCullar, President & CEO  
Kimberly Schlichting, COO-SVP Power Supply  
Stephanie Dove, Director of Accounting and Settlements

Special Guests: None

APPROVAL OF MINUTES

None.

FOLLOW UP ON ACTION ITEMS

Discussion on bond financing analysis

Discussion among the meeting participants regarding bond financing options and if reserve funds should be used to pay down the debt with consideration of shortening the debt.

The Finance Committee is an advisory-only committee of the DEMEC Board of Directors and has no power to finally approve or order any action. The power to act rests exclusively with the DEMEC Board of Directors.

Ms. Schlichting reminded the participants of Beasley's current maintenance situation and update of estimated costs. She also noted that there should be continued discussion on the Beasley reserve funds and what the upper limit of the fund should be and that a formal written policy would be advisable.

Mr. McCullar recommended the traditional financing option. Ms. Merritt asked what the intent for the additional annual savings and Mr. McCullar responded that this is up to the Beasley participants.

Mr. DelGrande noted that he would like to see the debt shortened.

Mr. McCullar and Ms. Schlichting spoke on the future economics of peaking units and what is being said in the industry by PJM/MISO/FERC.

Mr. McCullar provided an additional financing option that would be based on the recommended traditional financing option but allow the long bonds to be paid off/down in 10 years when those bonds are callable.

Ms. Patone requested an analysis of this new option and Mr. McCullar will provide that as requested.

#### BUSINESS FROM THE FLOOR

None.

#### EXECUTIVE SESSION

None.

#### ADJOURNMENT

The Special Meeting of the Finance Committee adjourned at 9:38 a.m.