

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
Remotely Via Zoom
May 18, 2021

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held Tuesday, the 18th day of May 2021 remotely via Zoom.

The meeting was called to order at 10:00 a.m. with Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Board Chairman
Representing Middletown
Tyler Reynolds, Alternate
Representing Middletown
Charles Anderson, Director
Representing Seaford
June Merritt, Alternate
Representing Seaford
Mary Ellen DeBenedictis, Director
Representing Clayton
Dave Del Grande, Alternate
Representing Newark
Andrew Haines, Director
Representing Smyrna
Scott Blomquist, Director
Representing the MSC of New Castle
Darrin Gordon, Director
Representing Lewes BPW
Mark Whitfield, Director
Representing Milford
Louis Vitola, Alternate
Representing Milford
Patrick McCullar, President & CEO
Representing DEMEC

DEMEC Staff Attending: Kimberly Schlichting, COO/SVP Power Supply; Heather Contant, Director of Media Relations & Communications; Jennifer Coulbourne, IT System Administrator; Stephanie Dove, Director of Accounting and Settlements; Steve Siok, Director of Beasley Plant Operations & Compliance, Kendra Friel, Training and Events Coordinator; Emily Greene, Compliance Administrator; Scott Lynch, VP Asset Development; Charles Santo, Accounting Analyst

Guests and Attendees: None

At the request of Morris Deputy, representing Middletown and Board Chair, item I9, Light Up Navajo, was added to the agenda.

APPROVAL OF MINUTES

The minutes of the following meeting were presented for approval:

1. Minutes of April 20, 2021

Upon motion made by Smyrna, to approve the minutes of the meeting of April 20, 2021, seconded by Clayton, the motion passed unanimously.

TREASURER'S REPORT

Monthly Financial Report – March 2021 –

Mr. Patrick McCullar, President and CEO, presented the March 2021 Monthly Financial Report to the board. He stated the first quarter was much like that of 2020 but with higher demand. As with most first quarters, revenue did not exceed expenses, so money was moved from the Rate Stabilization Reserve. A positive margin is still being seen. He explained how the Rate Stabilization Reserve is used to offset additional expenses and how the funds are then replenished. He shared that the reserve is a cash flow used to offset expenses not covered by revenue. DEMEC is currently ahead of the budgeted margin.

Upon motion made by Newark, to approve the March 2021 Monthly Financial Report, seconded by Milford, the motion passed unanimously.

Investment Report – Q1 2021 –

Mr. McCullar shared the investment report for the first quarter of 2021. He noted that there has been a 0.02% net increase and interest rates remain at the bottom of the curve. There are some investments that do not currently meet the requirements of the new investment policy. He explained that should DEMEC sell before they reach maturity, money will be lost. For this reason, staff has instructed PNC to allow the investments to mature. They will then be dropped by the end of the year, resulting in full compliance with the policy.

Upon motion made by Clayton, to approve the Investment Report – Q1 2021, seconded by Smyrna, the motion passed unanimously.

APPOINTMENTS/ELECTIONS

None.

PRESENTATIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee –

No report.

Finance Committee –

Mr. David Del Grande, Alternate representing Newark and Finance Committee member, stated that the committee met and voted to recommend Utility Financial Solutions (UFS) for the DEMEC Rate Study. Mr. Del Grande explained that both DEMEC and several member communities have had positive experiences with UFS. Mr. McCullar asked the board to vote and approve the proposal from UFS for a DEMEC rate study.

Upon motion made by Newark, to accept the proposal from UFS for a wholesale and retail rate study, seconded by Milford, the motion passed unanimously.

PRESIDENT’S REPORTS TO BOARD

Mr. McCullar stated that staff intends to stand on most reports.

Generation Projects Status –

Standing on report.

Construction Projects Status –

No discussion.

Economic Development Projects –

No discussion.

Legislative Update –

Mr. McCullar shared that staff received the current Community Solar draft bill. The draft legislation has written out DEMEC members entirely, allowing the membership to utilize local decision making for how community solar will look in their respective communities.

AMI –

None.

RP3 –

None.

Rate Study –

Approved during Finance Committee Report.

Broadband –

Ms. Kimberly Schlichting, COO/SVP Power Supply, stated that she only received information from one community and asked members to forward any information or studies their communities may have that will assist DEMEC in preparing the scope for this project as discussed at the previous board meeting.

Light Up Navajo –

Ms. Schlichting shared that DEMEC has again been invited to participate in Light Up Navajo, a mutual aid project hosted by the Navajo Tribal Utility Authority (NTUA). DEMEC participated in the 2019 pilot program, bringing electricity to a total of 233 families. Due to the pandemic, Light Up Navajo was canceled in 2020. Through participation in the pilot program DEMEC and our members were able to give back through mutual aid and received overwhelmingly favorable public relations and legislative support. She stated that in previous budgets, the board approved allocating \$10,000 for DEMEC and member communities to participate. Staff is recommending, again, that \$10,000 be allocated in the 2022 budget for participation in the program. Due to tight timelines and the extensive planning involved in preparing for participation, staff is asking the board to approve funding now instead of during the regular budget session.

Upon motion made by Milford, to allocate \$10,000 in the 2022 budget for DEMEC and members' participation in the 2022 Light Up Navajo Program, seconded by Newark, the motion passed unanimously.

Joint Training Yard –

Ms. Schlichting reported that the well on the property is not registered with DNREC, and DEMEC has engaged CGC Geo Services to properly abandon the well. Conversations are taking place with AMP to develop a Lineworker Training Program and schedule for spring of 2022. A survey will be circulated shortly to assess the needs of each community. Timely completion of this survey is critical to ensuring the project remains on schedule. Ms. Schlichting is also coordinating with each community's Distribution Managers to discuss site layout, contributions to the site, and construction. She is also connecting with the Town of Smyrna to determine site planning requirements.

Communications –

Ms. Heather Contant, Director of Media Relations and Communications, updated members on the status of the 2021 virtual Joint Council Briefing. Electric vehicles and programs will be the topics for this event. She asked that each member check their calendars to make sure the proposed date of June 10th, 2021 is acceptable. She shared that she and Ms. Schlichting will be hosting two intro/refresher sessions for member councils and boards. These sessions will be held on Tuesday, May 25th and Thursday, May 27th. Both sessions will take place from 6:00 – 7:00 p.m. and will be hosted virtually via Zoom for members' convenience. She asked members to forward the email addresses of their councils and boards to staff so they can be invited.

TRAINING & EDUCATION ACTIVITIES

Upcoming Trainings & Calendar –

Standing on report.

GREEN ENERGY & DEMAND RESPONSE PROGRAMS STATUS REPORT

Demand Response Update –

Mr. Scott Lynch, VP of Asset Development, reminded the board that the Demand Response year begins on June 1st, 2021.

Retail Customer Renewable Energy Requests –

None.

MRPS Percentage Discussion –

None.

ENERGY EFFICIENCY PROGRAM STATUS REPORT

Energy Efficiency Advisory Council Update –

None.

Energy Efficiency Program Update –

Standing on report.

Renewable Energy Taskforce Meeting Update –

None.

INFORMATION TECHNOLOGY

IT Update –

None.

BUSINESS FROM THE FLOOR

None.

EXECUTIVE SESSION

The Board went into executive session at 10:16 a.m. upon motion by New Castle, seconded by Newark, to discuss the following:

1. Personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.
2. To discuss proposed job position(s).

RETURN TO REGULAR SESSION

The Board ended executive session and returned to regular session at 11:33 a.m.

Upon motion made by New Castle, to authorize a full-time position titled Engineering & Projects Director with instruction not to exceed a specified salary, seconded by Newark the motion passed with Smyrna opposed.

SET NEXT MEETING DATES

The following meeting dates were set:

1. Tuesday, June 15, 2021 – 10:00 a.m.
2. Tuesday, July 20, 2021 – 10:00 a.m.
3. Tuesday, August 17, 2021 – 10:00 a.m.

ADJOURNMENT

Upon motion by Newark, seconded by Milford, the Board Meeting adjourned at 11:36 a.m.