

**DELAWARE MUNICIPAL ELECTRIC CORPORATION**  
**ANNUAL MEETING**  
**DEMEC ADMINISTRATIVE BUILDING**  
**SMYRNA, DELAWARE**  
**September 9, 2021**

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held Thursday, the 9<sup>th</sup> day of September 2021 at DEMEC's Administrative Building, Smyrna Delaware.

The meeting was called to order at 3:06 p.m. with Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Board Chairman  
Representing Middletown  
Charles Anderson, Director  
Representing Seaford  
June Merritt, Alternate  
Representing Seaford  
Mary Ellen DeBenedictis, Director  
Representing Clayton  
Tom Coleman, Director  
Representing Newark  
Andrew Haines, Director  
Representing Smyrna  
Scott Blomquist, Director  
Representing the MSC of New Castle  
Austin Calaman, Director  
Representing Lewes BPW  
Kim Bellere, Alternate  
Representing Lewes BPW  
Mark Whitfield, Director  
Representing Milford

DEMEC Staff Attending: Kimberly Schlichting, COO/SVP Power Supply; Heather Contant, Director of Government & Community Relations; Jennifer Coulbourne, IT System Administrator; Stephanie Dove, Director of Accounting and Settlements; Emily Greene, Compliance Administrator; Scott Lynch, VP Asset Development; Charles Santo, Accounting Analyst

Guests and Attendees: Jason James, Councilperson, City of Milford; Max Walton, Attorney, Connolly Gallagher

Mr. Morris Deputy, Board Chairman and Director representing Middletown welcomed Ms. Kim Bellere, newly appointed Alternate Director representing Lewes BPW.

## **APPROVAL OF MINUTES**

The minutes of the following meeting(s) was/were presented for approval:

1. Minutes of July 20, 2021

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

## **TREASURER'S REPORT**

### Monthly Financial Report – June & July 2021 –

Ms. Stephanie Dove, Director of Accounting & Settlements, presented the June & July 2021 Financial Report. Demand went up as expected with June 2021 having the highest demand in DEMEC history. July was slightly down. The cash and investment figures provided reflected mainly capital improvements. She explained how the members will see this build. She also noted that income is greater than that of last year, this does not include rate stabilization. Net income is lower due to higher power supply costs. A final forecast for Summer was reviewed and September is projected to have a higher demand than in 2020.

### Investment Report Q2 -

Ms. Dove reminded members that a new policy was implemented this year. She is working with PNC to ensure full compliance by December 31, 2021. Currently interest rates are low. She explained when they will rise. Once the policy has been in effect for a full year, staff will revisit and identify areas for improvement. Ms. Dove ended with a banking update highlighting potential projects. Several members made her aware of potential projects in their communities. She asked them to continue to do so noting this knowledge is very helpful when planning.

Upon motion made by New Castle, to approve the June & July 2021 Monthly Financial Report & Investment Report Q2, seconded by Newark, the motion passed unanimously.

## **APPOINTMENTS/ELECTIONS**

### Annual Election of Officers –

Mr. Deputy presented a proposed slate of officers and committee assignments.

Upon motion made by Smyrna, to approve the slate of officers and committee assignments, seconded by Milford, the motion passed unanimously.

## **PRESENTATIONS**

None.

## **RESOLUTIONS**

2021 – 4 Departure of Ms. Pamela Patone  
2021 – 5 Departure of Mr. Darrin Gordon  
2021 – 6 Departure of Mr. Patrick E. McCullar

Ms. Kimberly Schlichting, COO/SVP Power Supply, presented each resolution and noted the time served of each recipient.

Upon motion made by Clayton, to approve the resolutions en bloc, seconded by Seaford, the motion passed unanimously.

## **COMMITTEE REPORTS**

### Executive Committee –

Mr. Deputy report the Executive Committee plans to meet immediately before the October 19, 2021, board meeting. They will continue working on items relating to succession planning and will come forward with recommendations as necessary.

### Finance Committee –

None.

## **PRESIDENT’S REPORTS TO BOARD**

### Communications –

Ms. Schlichting invited Ms. Heather Contant, Director of Government & Community Relations to offer her report first, ahead of preparations for the DEMEC Annual Gathering to follow.

Ms. Contant reviewed the social media insights for the month, explaining the insight percentages month to month can look deceiving if the month prior experienced above average engagements due to targeted media outreach or news stories. She explained how the actual numbers were on par with average months. Ms. Contant shared that several Power Savers Alerts were issued due to multiple heat waves. The alerts were shared by members and their council people helping them gain extensive reach.

Delaware Business Times reached out to DEMEC about the Lineworker Training Yard, with the resulting article making the top headline in APPA’s daily e-publication “Public Power Current”.

Additional media included Ms. Schlichting, along with lineworkers from Smyrna and Lewes BPW, sharing their experiences from the Light Up Navajo pilot project on an APPA podcast. Ms. Schlichting noted that several utilities around the country have since told her they are now connecting with their leadership hoping to take part in the program next year.

The Public Power Week billboards were shared, and Ms. Contant asked that any members who have not done so provide her with a contact to record their radio commercial for Public Power Week.

She also introduced the awareness campaign for Public Power Week will be “Public Power Is”. New this year will be a 30-second video to be shared on each member’s social media platforms and/or websites. Ms. Contant asked that 3 or 4 staff members at each utility contribute to the recording.

In closing, she shared that “Smyrna at Night” was sponsored through the Charitable Donations & Sponsorship fund and offered great coverage on social media. DEMEC also had a sign on the main stage.

Construction Projects Status –

No discussion.

Economic Development Projects –

Mr. Deputy shared that the developers of a previously discussed large project have identified their site and confirmed that construction will begin.

Mr. Mark Whitfield, Director representing Milford, shared the City is in the process of purchasing a piece of property which will be developed into a business park. Settlement is slated for late November 2021.

Legislative Update –

Ms. Schlichting reported that another Community Solar Stakeholder meeting was held recently, noting that Mr. Patrick McCullar, President and CEO, represents DEMEC on this committee and will provide updates. She asked any members who attend these virtual sessions to provide feedback.

Ms. Schlichting will also be attending a plant tour at GenHydro in Pennsylvania offered by Senator Hansen and will share what she learns at a future meeting. She reminded members that the Community Solar bill is due to be signed next Friday should anyone like to attend.

Retention Policy –

Ms. Schlichting shared the retention policy developed to provide staff guidance on document disposal. Mr. Andrew Haines, Director representing Smyrna, recommended one person be called out in the policy as the responsible party and that it be noted any document not specifically identified there-in will follow the state retention policy. A discussion ensued. It was recommended by Max Walton, Attorney with Connolly Gallagher, that the policy be adopted and amended at the next meeting if necessary.

Upon motion made by Newark, to adopt the retention policy, seconded by Lewes BPW, the motion passed unanimously.

Risk Management Policy –

Ms. Schlichting shared the purpose of this document and noted the need to revisit the authorizations it outlines considering DEMEC’s upcoming leadership change. It is the recommendation of staff that Ms. Stephanie Dove, Director of Accounting and Settlements, be added to the list of authorized personnel.

Upon motion made by Newark, to approve the revised Risk Management Policy, seconded by Clayton, the motion passed unanimously.

AMI –

Mr. Scott Lynch, VP of Asset Management, updated the board on the status of member AMI projects.

Rate Study –

Ms. Schlichting shared that staff is continuing to work with the consultant and they will be meeting next week. The consultant is learning to navigate the complex billing file and may be a useful back up should one be necessary in the future.

Joint Training Yard –

Staff met with the Tennessee Valley Public Power Authority (TVPPA) to discuss their lineworker training program. The program was found to be very robust. As a not for profit, TVPPA is able to work with DEMEC on a customized program at a competitive rate. The program is being used by many joint action agencies and is considered top notch. A DEMEC Lineworker Training Yard Steering Committee meeting was held yesterday to discuss the program and we will be holding another later this month to allow Distribution Managers to meet with TVPPA representatives and ask questions.

A site development plan has been submitted to the Town of Smyrna and DEMEC staff is waiting for approval. A groundbreaking in Fall of 2021 is anticipated. Solicitation for bids has taken place and pricing will be discussed in executive session.

**TRAINING & EDUCATION ACTIVITIES**

Training & Events Report –

Ms. Kendra Friel, Training & Events Coordinator, stood on her report as she was preparing for the DEMEC Annual Gathering to follow the meeting.

**GREEN ENERGY & DEMAND RESPONSE PROGRAMS STATUS REPORT**

Demand Response Update –

Mr. Lynch reported that 19 events took place. None are expected within the next 10 days. The beginning of September is unpredictable. As we move through the month additional events are less likely. A full report will be presented at the December board meeting.

MRPS Report –

Mr. Lynch provided the report and reminded the board that this report is required by statute and will be delivered to the Delaware General Assembly, DNREC, and members' local regulatory bodies. If there no suggested edits or questions, Mr. Lynch will distribute the report on or around October 1, 2021.

Mr. Lynch also reminded the board of their decision to proceed as in year's past, with an evaluation to take place on future MRPS requirements afterward. He reviewed compliance factors and where DEMEC stands. He also shared the savings that resulted from enacting the solar cost caps. He explained that this savings is directly related to the data staff collects from each member monthly.

A discussion began on next year's targets. It was decided that Mr. Lynch would send an email to the board seeking feedback on the direction being taken currently.

In closing, Mr. Lynch advised the board that each director will receive a copy of the MRPS annual report. He asked that each confirm receipt and forward it their council.

Upon motion made by Newark, to accept the MRPS Report, seconded by New Castle, the motion passed unanimously.

## **ENERGY EFFICIENCY PROGRAM STATUS REPORT**

### Energy Efficiency Advisory Council Update –

None.

### Energy Efficiency Program Update –

Mr. Lynch reviewed highlights of the report touching on a few campaigns. He asked members to reach out with interest areas to be targeted.

### Renewable Energy Taskforce Meeting Update –

Ms. Emily Greene, Compliance Administrator, stated the taskforce is meeting every three weeks. This is because the Delaware PSC has charged the taskforce with revamping the SREC auction. DEMEC was asked to present on how staff prepares SRECs so effectively. Staff presented and is serving as a resource.

### EV Interest Group –

Ms. Greene shared that the new EV Interest Group met yesterday for the first time. Ms. Erin Miller with AMP was on hand to share their EV Planning Tool. The tool is free to download, and Ms. Miller has offered to set up one on one's with anyone who may need help. Ms. Greene gave a quick explanation of how the tool works. The next meeting will be scheduled upon Ms. Greene's return, most likely in early 2022.

## **INFORMATION TECHNOLOGY**

### IT Update –

Ms. Schlichting commended Ms. Jennifer Coulbourne, IT System Administrator, for her work in preparation of the server migration. The migration is on target to be complete by the end of September.

## **BUSINESS FROM THE FLOOR**

Ms. Schlichting reminded members that each year at this meeting Directors and Alternates are asked to sign the Conflict-of-Interest form. She asked them to return the signed documents to Mr. Lynch or Ms. Friel.

Mr. Tom Coleman, Director representing Newark, shared an update on their 100% Renewable Program. He explained how it works and answered questions.

**EXECUTIVE SESSION**

The Board went into executive session at 4:03 p.m. upon motion by Seaford, seconded by Smyrna, to discuss the following:

1. Personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.

**RETURN TO REGULAR SESSION**

The Board ended executive session and returned to regular session at 4:54 p.m.

Upon motion made by New Castle, to authorize funding up to discussed amount, seconded by Lewes, the motion passed with Smyrna abstaining.

Upon motion made by Clayton, to approve discussed position and funding, seconded by Seaford, the motion passed unanimously.

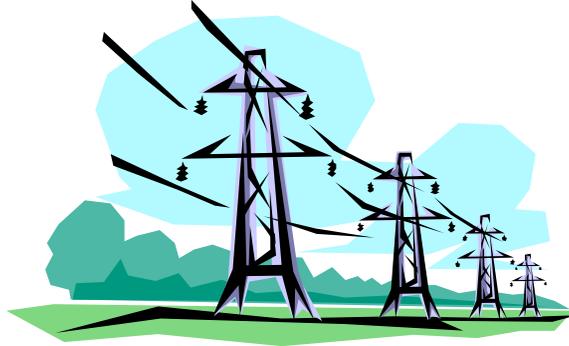
**SET NEXT MEETING DATES**

The following meeting dates were set:

1. Tuesday, October 19, 2021 – 10:00 a.m.
2. Tuesday, November 16, 2021 – 10:00 a.m.
3. Thursday, December 7, 2021 – 9:00 a.m.

**ADJOURNMENT**

Upon motion by Newark, seconded by Clayton, the Board Meeting adjourned at 4:55 p.m.



# Delaware Municipal Electric Corporation

22 Artisan Drive, Smyrna, Delaware

Morris Deputy, Chairman

## RESOLUTION 2021 - 4

### ON THE DEPARTURE OF MS. PAMELA PATONE

WHEREAS, Ms. Pamela Patone, General Manager of the Municipal Services Commission of the City of New Castle, announced her departure from the Board after eight years of dedicated service; and

WHEREAS, Ms. Patone has diligently and faithfully served the Corporation as Director representing the Municipal Services Commission of the City of New Castle; and

WHEREAS, during her tenure on the Board, Ms. Pamela Patone served as the Treasurer and Finance Committee Chair, providing advice and service to the Board from her experience in municipal government and the public power industry;

NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DELAWARE MUNICIPAL ELECTRIC CORPORATION:

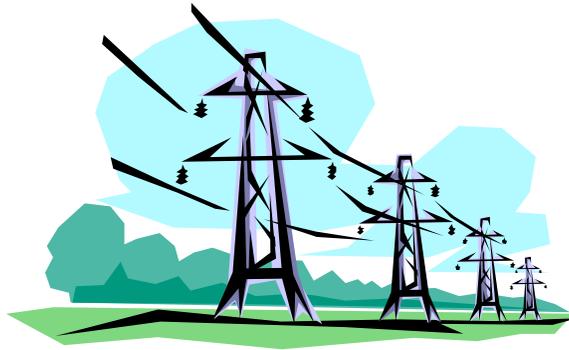
That the Board of Directors extends to Pamela Patone, on the occasion of her departure from the Board, their best wishes to her, together with their most sincere appreciation for her dedicated service to the Board during her tenure; and

BE IT FURTHER RESOLVED, that this resolution be spread upon the minutes of the Board in testimony thereof, and that a copy hereof be furnished to Ms. Patone in token of the respect and affection with which she is regarded.

Authenticated as Adopted This  
9th Day of September, 2021

Morris Deputy, Chair

Mary Ellen DeBenedictis, Secretary



# Delaware Municipal Electric Corporation

22 Artisan Drive, Smyrna, Delaware

Morris Deputy, Chairman

## RESOLUTION 2021 - 5

### ON THE DEPARTURE OF MR. DARRIN GORDON

WHEREAS, Mr. Darrin Gordon, General Manager of the Lewes Board of Public Works, announced his departure from the Board after ten years of dedicated service; and

WHEREAS, Mr. Gordon has diligently and faithfully served the Corporation as Director representing the Lewes Board of Public Works; and

WHEREAS, during his tenure on the Board, Mr. Darrin Gordon served as the Executive Committee Chair and the Vice Chair of the Board, providing advice and service to the Board from his experience in municipal government and the public power industry;

NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DELAWARE MUNICIPAL ELECTRIC CORPORATION:

That the Board of Directors extends to Darrin Gordon, on the occasion of his departure from the Board, their best wishes to him, together with their most sincere appreciation for his dedicated service to the Board during his tenure; and

BE IT FURTHER RESOLVED, that this resolution be spread upon the minutes of the Board in testimony thereof, and that a copy hereof be furnished to Mr. Gordon in token of the respect and affection with which he is regarded.

Authenticated as Adopted This  
9th Day of September, 2021

A handwritten signature in blue ink, appearing to read "Morris Deputy".

Morris Deputy, Chair

A handwritten signature in blue ink, appearing to read "Mary Ellen DeBenedictis".

Mary Ellen DeBenedictis, Secretary



# Delaware Municipal Electric Corporation

22 Artisan Drive, Smyrna, Delaware

Morris Deputy, Chairman

## RESOLUTION 2021 - 6

### ON THE DEPARTURE OF MR. PATRICK E. MCCULLAR

WHEREAS, Mr. Patrick E. McCullar, President and CEO of DEMEC, has diligently and faithfully served the Delaware Municipal Electric Corporation for twenty-eight years bringing the Corporation from a paper organization to a full-service generation asset-owning and full requirements Load Serving Entity for eight distribution utilities; and

WHEREAS, during his tenure with DEMEC, Mr. McCullar first served as Director representing the City of Newark, then Chairman of the Board, and ultimately the first President and CEO, providing driven leadership and loyal service to the Corporation from his extensive experience and expertise in municipal government and the public power industry; and

WHEREAS, Mr. McCullar served multiple terms as a member of the APPA Board of Directors, for a total of thirteen years, guiding the public power industry on a national level; and

WHEREAS, for his substantial contribution to the electric industry and dedicated commitment to public power, Mr. McCullar received the American Public Power Association's James D. Donovan Award in June 2015; and

WHEREAS, Mr. McCullar represented DEMEC and served on the American Municipal Power, Inc. Board of Trustees, and as Treasurer, for ten years to bring members additional value and savings through participation in larger joint action projects and programs; and

WHEREAS, Mr. McCullar served in other principal leadership roles including; Chair of the PJM Member's Committee, PJM Board Liaison Committee, Finance Committee, Nominating Committee, Representative of the Electric Distributor's Sector, a founding member of the PJM Public Power Coalition, on the Board of Directors for the Transmission Access Policy Study Group, and Chair of the Delmarva Peninsula Planning Association; and

WHEREAS, throughout his decades of service, Mr. McCullar advocated at the Federal Energy Regulatory Commission on behalf of DEMEC members and all Delaware electric customers against unjust and unreasonable transmission costs, saving millions of dollars in avoided rate increases; and

WHEREAS, Mr. McCullar testified before U.S. Congress, the Delaware General Assembly, and was a frequent technical speaker at FERC, PJM, and national technical conferences, serving as a registered lobbyist on behalf of DEMEC members; and

WHEREAS, Mr. McCullar has brought significant savings to DEMEC member communities through competitive power supply purchasing and self-supply assets, such as, Beasley Power Station Unit 1, built in 2001, and Unit 2, built in 2011, and the Fremont Energy Center, commercial operation date of January 2012; and

NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DELAWARE MUNICIPAL ELECTRIC CORPORATION:

That the Board of Directors extends to Patrick E. McCullar, on the occasion of his departure from the Corporation, their best wishes to him, together with their most sincere appreciation for his decisive leadership, valued expertise, integrity and influential service to the Corporation during his tenure; and

BE IT FURTHER RESOLVED, that this resolution be spread upon the minutes of the Board in testimony thereof, and that a copy hereof be furnished to Mr. McCullar in token of the respect and affection with which he is regarded.

Authenticated as Adopted This  
9th Day of September 2021

Morris Deputy, Chair

Mary Ellen DeBenedictis, Secretary