

DELAWARE MUNICIPAL ELECTRIC CORPORATION  
**REGULAR MEETING**  
Remotely Via Webex  
**May 11, 2023**

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held on Thursday, 11<sup>th</sup> day of May 2023 remotely via Webex.

The meeting was called to order at 10:01 a.m. with Mr. Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Chair  
    Representing Middletown  
Tyler Reynolds, Alternate  
    Representing Middletown  
Tom Coleman, Vice Chair  
    Representing Newark  
Dave Del Grande, Alternate  
    Representing Newark  
Charles Anderson, Treasurer  
    Representing Seaford  
June Merritt, Alternate  
    Representing Seaford  
Mary DeBenedictis, Secretary  
    Representing Clayton  
Scott Blomquist, Director  
    Representing the MSC of New Castle  
Ken Natale, Alternate  
    Representing the MSC of New Castle  
Austin Calaman, Director  
    Representing Lewes BPW  
Kim Bellere, Alternate  
    Representing Lewes BPW  
Mark Whitfield, Director  
    Representing Milford  
Lou Vitola, Alternate  
    Representing Milford  
Sheldon Hudson, Director  
    Representing Smyrna  
Travis Stewart, Alternate  
    Representing Smyrna  
Kimberly Schlichting, President  
    Representing DEMEC

Absent:

Robert Cote, Alternate  
    Representing Clayton

DEMEC Staff Attending: Christine Siok, Executive Assistant; Heather Contant, Director of Government & Community Relations; Stephan Siok, Director of Beasley Plant Operations & Compliance; Stephanie Dove, Vice President & Chief Financial Officer.

Guests and Attendees: Tony Chipola, Electric Director, City of Milford; Max Walton, Attorney, Connolly Gallagher; Lincoln Willis, Principal, The Willis Group; Dan La Haye, Senior Manager, Baker Tilly.

### **APPROVAL OF MINUTES**

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

1. Minutes of March 9, 2023

Upon motion made by Clayton, to approve the minutes of the meetings of March 9, 2023, seconded by Newark, the motion passed unanimously.

### **PRESIDENT'S REPORTS TO BOARD**

#### Joint Training Yard & Lineworker Program –

Ms. Kimberly Schlichting, President & CEO, stated that DEMEC received approvals from the Town of Smyrna and is now working with the contractor to begin construction. Construction should be complete for the next training this year.

#### Annual Board of Director Survey - Distribution –

Ms. Schlichting noted that the Annual Board of Directors' Survey has been officially distributed and ready for completion.

#### Risk Management Trading Authority Policy –

Ms. Schlichting noted that this policy was recently approved at the last board meeting; however, PJM requested additional clarification to add another layer of clarity. The changes made were to provide more explanation of who DEMEC is and how DEMEC transacts and does business. She explained that the ACES legal team reviewed the changes. More details will be covered in executive session.

### **EXECUTIVE SESSION**

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

1. Legislative Discussion
2. Risk Management Trading Authority Policy
3. Beasley LTSA Contract Extension

### **RETURN TO REGULAR SESSION**

The Board ended executive session and returned to regular session at 10:48 a.m. upon motion by Newark, seconded by Clayton, the motion passed unanimously.

### **ACTION AFTER EXECUTIVE SESSION**

Upon motion made by Clayton, to authorize the President & CEO to negotiate and enter into an extension for the Long-Term Service Agreement (LTSA) as discussed and recommended in executive session, seconded by Newark, the motion passed unanimously.

Upon motion made by Newark, to approve the updated Risk Management Trading Authority Policy as discussed during executive session, seconded by Seaford, the motion passed unanimously.

### **PRESENTATIONS**

#### **Audit Presentation and Discussion –**

Mr. Dan La Haye, Senior Manager, from Baker Tilly presented the results of the 2022 audited financial statements. He reviewed the management and auditor responsibilities, the focus of the audit, and the impact of the GASB 91 conduit debt obligations restatement.

Mr. La Haye noted that the audit result was an “unmodified opinion” which is the highest result possible. There were no other findings or concerns and there were no material weaknesses or significant deficiencies in control. He also reviewed the future accounting standards updates.

Mr. La Haye ended by thanking the DEMEC finance staff and committee for their diligence with the audit.

### **TREASURER’S REPORT**

Ms. Stephanie Dove, Vice President & CFO, requested approval of the following:

1. Approval of 2022 Annual Financial Report
2. Acceptance of 2022 Management Letter and Audit Results

Upon motion made by New Castle, to approve the 2022 Annual Financial Report and accept the 2022 Management Letter and Audit Results, seconded by Milford, the motion passed unanimously.

### **SET NEXT MEETING DATES**

The following meeting dates were set:

1. Thursday, June 8, 2023 – 10:00 a.m.
2. Thursday, July 13, 2023 - 10:00 a.m.
3. Thursday, August 10, 2023 - 10:00 a.m.

### **ADJOURNMENT**

Upon motion by Newark, seconded by Lewes, the Board Meeting adjourned at 11:07 a.m.