

DELAWARE MUNICIPAL ELECTRIC CORPORATION  
**REGULAR MEETING**  
DEMEC ADMINISTRATIVE BUILDING  
SMYRNA, DELAWARE  
**September 14, 2023**

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held on Thursday, the 14<sup>th</sup> day of September 2023 at DEMEC's Administrative Building, Smyrna, Delaware.

The meeting was called to order at 10:14 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  
Charles Anderson, Treasurer  
    Representing Seaford  
June Merritt, Alternate  
    Representing Seaford  
Robert Cote, Alternate  
    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  
Kimberly Schlichting, President  
    Representing DEMEC

Absent:

Dave Del Grande, Alternate  
    Representing Newark  
Sheldon Hudson, Director  
    Representing Smyrna  
Travis Stewart, Alternate  
    Representing Smyrna

Lou Vitola, Alternate  
Representing Milford  
Mary DeBenedictis, Secretary  
Representing Clayton

DEMEC Staff Attending: Tara LaGrassa, Accounting Analyst; Bruce Kitchens, Special Projects Manager; Scott Lynch, VP of Asset Development; Stephan Siok, Director of Beasley Plant Operations & Compliance; Heather Contant, Director of Government & Community Relations; Chris Manganello, IT Network Technician; Willie Marshall, Director of Finance; Christine Siok, Executive Assistant; Stephanie Dove, Chief Financial Officer; Kendra Friel, Training & Events Coordinator.

Guests and Attendees: Tony Chipola, Electric Director, City of Milford; Lauren DeLuca, Attorney, Connolly Gallagher; Chris Lover, Managing Director, PFM; Joseph Visalli, Senior Analyst, PFM; Lincoln Willis, Principal, The Willis Group.

### **APPROVAL OF MINUTES**

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

1. Minutes of July 13, 2023
2. Minutes of August 2, 2023 Board Retreat

Upon motion made by Seaford, to approve the minutes of the meetings of July 13, 2023 and August 2, 2023, seconded by Newark, the motion passed unanimously.

### **TREASURER'S REPORT**

#### Monthly Financial Report – May and June 2023 –

Ms. Stephanie Dove, CFO, presented the May and June 2023 Financial Reports.

In the finance update, Ms. Dove stated the bond continuing disclosures were filed timely.

For the cash reserve study, Ms. Dove noted that PFM presented to the Finance Committee in August and will be presenting to the Board today. Once this study is complete, DEMEC Finance staff can begin drafting the cash reserve policies.

Ms. Dove stated that for asset management, PFMAM presented to the Finance Committee in August and will be presenting to the Board around February 2024.

For the member pipeline projects, Ms. Dove is currently working with Middletown on documents that will be presented at next month's board meeting for approval.

Debt Service payments were made timely.

Ms. Dove stated that the 2024 budget process has begun and no foreseen 2023 budget amendment is expected through the end of the year.

Ms. Dove ended with the review of the monthly billing invoice collection.

Upon motion made by Milford, to approve the Monthly Financial Report for May and June 2023 and the Q2 2023 Investment Report, seconded by Newark, the motion passed unanimously.

### **PRESENTATIONS**

#### Cash Reserves Study Results -

Mr. Chris Lover, Managing Director, PFM, and Mr. Joseph Visalli, Senior Analyst, PFM, presented the cash reserve study. A brief discussion ensued.

### **APPOINTMENTS/ELECTIONS**

The by-laws of the Corporation require an annual election of Officers of the Corporation. Chairman Deputy presented a slate of current officers who expressed their willingness to serve and then opened the floor for questions or comments. Hearing none, the Board made motion to approve the presented slate; motion made by New Castle, seconded by Milford, the motion passed unanimously.

#### The Board approved Officers:

Chair:	Morris Deputy, representing Middletown
Vice-Chair:	Thomas Coleman, representing Newark
President:	Kimberly Schlichting, representing DEMEC
Treasurer:	Charles Anderson, representing Seaford
Secretary:	Mary DeBenedictis, representing Clayton
Assistant Secretary:	Charles Anderson, representing Seaford
Assistant Treasurer:	Mary DeBenedictis, representing Clayton

Corporate Officer: Stephanie Dove, CFO

The standing committees and members remain as follows:

#### Executive Committee:

Morris Deputy, Chair, representing Middletown  
Thomas Coleman, Vice Chair, representing Newark  
Charles Anderson, Treasurer, representing Seaford  
Mary DeBenedictis, Secretary, representing Clayton

#### Finance Committee:

Charles Anderson, Treasurer, representing Seaford  
Tyler Reynolds, representing Middletown  
David Del Grande, representing Newark

## **RESOLUTIONS**

None.

## **COMMITTEE REPORTS**

Executive Committee – Mr. Morris Deputy, Director representing Middletown and Board Chair, stated the Executive Committee met this morning and Ms. Schlichting provided updates on her annual evaluation and goals.

Finance Committee – Mr. Charles Anderson, Director representing Seaford and Treasurer, noted the Finance Committee met on August 24th where PFM presented the cash reserve study.

Mr. Anderson presented the recommended investment policy revisions which were reviewed by the Finance Committee.

Upon motion made by Milford, to approve the Investment Policy as presented by the Finance Committee, seconded by Seaford, the motion passed unanimously.

## **PRESIDENT’S REPORTS TO BOARD**

### Legislative/Regulatory Update

Ms. Kimberly Schlichting, President & CEO, noted the Mr. Willis provided updates and additional regulatory updates will be discussed during executive session.

### Governor’s Energy Advisory Council Update –

Ms. Schlichting shared that the Governor’s Energy Advisory Council continues to meet monthly with a goal of making recommendations as early as October for the anticipated five (5) year energy plan which is scheduled to be approved in February 2024. All four (4) of the working groups have met at least twice.

### Joint Training Yard & Lineworker Program –

For the joint training yard, Ms. Schlichting stated that DEMEC is currently working with the Town of Smyrna for final approval. The roadway is complete, parking lines are set to be painted next week, and trees and shrubs are currently being planted. The Town of Smyrna Electric Department will be helping with the installation of the poles prior to the ribbon cutting which is scheduled for October 3<sup>rd</sup>. Ms. Schlichting encouraged the municipalities to invite their elected officials and involved staff to the ribbon cutting. DEMEC will have representation from our congressional and state leadership and will have at least one lineworker from each utility in the ribbon cutting picture as well as a safety demonstration on the poles. A copy of the invitation for the ribbon cutting has been distributed to each Board member.

Ms. Schlichting stated that for the joint training program, DEMEC provided each municipality with the training schedule for CY 2024. The schedule was provided early to allow lineworkers to schedule vacations around the training as there is considerable effort to provide the training in-house and keep cost savings to the municipalities. DEMEC is creating a brochure that will outline the training schedule, the labs, and the purpose of each lab. The next training, Lab II, is scheduled

for September 25-29<sup>th</sup>. DEMEC is in the process of pricing equipment needed for the transformer and metering areas, and the substation as part of the training program.

Distribution Managers Workgroup –

Ms. Schlichting stated the Distribution Managers met on August 17<sup>th</sup> and discussed underfrequency load shedding and the importance of notifying DEMEC of any setting changes. DEMEC is the load serving entity to PJM; data is collected from each municipality and provided to PJM.

There was discussion on emergency spare transformers. The results of the parts survey, previously distributed to the Distribution Managers, were discussed. Mutual Aid needs were identified for certain supplies which may be limited during emergency events.

As a result, DEMEC is working on vendors for storm packs and exploring pricing for mobile transformers.

Mutual Aid –

Ms. Schlichting is grateful to the speakers and all who participated in the Mutual Aid Workshop which was held on September 6<sup>th</sup> and 7<sup>th</sup>. APPA coordinated the workshop and funding was received by the Department of Energy. DEMEC was the third utility in the nation to take advantage of this mutual aid funding.

Annual Dinner Update –

Ms. Schlichting stated that a copy of the invitation was distributed to each Board member. There are a few great speakers planned; Asim Haque, SVP State & Member Services, PJM, who will talk about reliability; and Walter Haase, General Manager, Navajo Tribal Utility Authority (NTUA), who will provide an update, specifically on how DEMEC's participation has assisted NTUA's progress. NTUA will also provide communities who participated in Light up Navajo with awards.

Ms. Schlichting noted that NTUA will be announcing the 2024 schedule. The Town of Middletown has expressed interest in sending four (4) lineworkers in 2024. Ms. Schlichting will be looking for a few alternates. Currently, the week of April 19 through April 28, 2024, is scheduled for Light Up Navajo and more information will follow.

**COMMUNICATIONS & OUTREACH**

Ms. Heather Contant, Director of Government & Community Relations, presented on Apogee Interactive – Customer Engagement Tool. A brief discussion ensued.

Upon motion made by New Castle, to approve the Customer Engagement Tool, seconded by Newark, the motion passed unanimously.

**TRAINING & EDUCATION ACTIVITIES**

Ms. Kendra Friel, Training and Events Coordinator, will stand on report.

## **SUSTAINABILITY & DEVELOPMENT**

Mr. Scott Lynch, VP of Asset Development, presented on the Municipal Renewable Portfolio Standard (MRSP) annual report. A brief discussion ensued.

Upon motion made by Newark, to accept report and approval to file report with regulatory agencies, seconded by Lewes, the motion passed unanimously.

## **BUSINESS FROM THE FLOOR**

None.

## **EXECUTIVE SESSION**

The Board went into executive session at 11:37 a.m. upon motion by Newark, seconded by Lewes, to discuss the following:

1. To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.
2. USDA Renewable Energy Grant Opportunities
3. Position Reclassification and Job Description
4. Payment Update
5. Indian River
6. Winter Storm Elliott – Settlement Conference
7. PJM Sub Accounts

## **RETURN TO REGULAR SESSION**

The Board ended executive session and returned to regular session at 1:51 p.m. upon motion by New Castle, seconded by Newark, the motion passed unanimously.

## **ACTION AFTER EXECUTIVE SESSION**

Upon motion made by Newark, to authorize the President & CEO to take action as discussed in executive session on the floating solar, Smoky Mountain Hydro, and solar PPA initiatives, seconded by Clayton, the motion passed unanimously.

Upon motion made by Newark, to reclassify the Human Resources Administrator position to Human Resources Director with a pay grade of 19, seconded by Clayton, the motion passed unanimously.

## **SET NEXT MEETING DATES**

The following meeting dates were set:

1. Thursday, October 12, 2023 - 10:00 a.m.
2. Thursday, November 9, 2023 - 10:00 a.m.
3. Thursday, December 7, 2023 - 9:00 a.m.

**ADJOURNMENT**

The Board Meeting adjourned at 1:53 p.m.