

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
DEMEC ADMINISTRATIVE BUILDING
SMYRNA, DELAWARE
December 7, 2023

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held on Thursday, the 7th day of December 2023 at DEMEC's Administrative Building, Smyrna, Delaware.

The meeting was called to order at 9:02 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
Dave Del Grande, Alternate
Representing Newark
Charles Anderson, Treasurer
Representing Seaford
June Merritt, Alternate
Representing Seaford
Mary DeBenedictis, Secretary
Representing Clayton
Robert Cote, Alternate
Representing Clayton
Travis Stewart, Alternate
Representing Smyrna
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
Anthony Chipola, Alternate
Representing Milford
Kimberly Schlichting, President
Representing DEMEC

Absent:

Tom Coleman, Vice Chair
Representing Newark
Sheldon Hudson, Director
Representing Smyrna

DEMEC Staff Attending: Heather Contant, Director of Government & Community Relations; Kendra Friel, Training & Events Coordinator; Stephanie Dove, Chief Financial Officer; Marty Hale, Director of Human Resources; Tara LaGrassa, Accounting Analyst; Bruce Kitchens, Special Projects Manager; Stephan Siok, Director of Beasley Plant Operations & Compliance; Mark Pryor, Plant Operator; Chris Manganelli, IT Network Technician; Willie Marshall, Director of Finance; Christine Siok, Executive Assistant.

Guests and Attendees: Bill Bennet, Director of Electric, City of Seaford; Dr. Dana Veron, University of Delaware; Dharni Grover, University of Delaware; Muna Hafsah, University of Delaware, Lincoln Willis, Principal, The Willis Group; Max Walton, Attorney, Connolly Gallagher;

APPROVAL OF MINUTES

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

1. Minutes of November 9, 2023
2. Minutes of November 27, 2023

Upon motion made by Clayton, to approve the minutes of the meetings of November 9, 2023, and November 27, 2023, seconded by New Castle, the motion passed unanimously.

TREASURER'S REPORT

Monthly Financial Report – September 2023 –

Ms. Stephanie Dove, CFO, presented the September 2023 Financial Reports.

In the current finance update, Ms. Dove noted that the Board reviewed the 2024 budget at the November 27th Board meeting and will be presented today for Board approval.

The audit preliminary fieldwork was completed the week of November 13th.

Ms. Dove reviewed the member financing pipeline projects.

Moody's periodic review of the JAA Sector was completed on November 15th.

S&P is currently conducting a surveillance review with reporting in mid-December.

There is no foreseen budget amendment through year-end.

Ms. Dove ended with a review of the member full-requirements contract regarding financial statements. She noted that DEMEC members are required to produce audited financial statements within six (6) months of their fiscal year-end. It also requires members that are assigned a credit rating to notify DEMEC at the assignment of a rating or when the rating has changed within 10 days. Delay in any member audited financial statements may result in projects being downgraded with any of the three (3) credit agencies.

Upon motion made by Seaford, to approve the Monthly Financial Report for September 2023 and the Q3 2023 Investment Report, seconded by Newark, the motion passed unanimously.

PRESENTATIONS

Dr. Dana Veron, Professor at University of Delaware (UD), thanked DEMEC for the opportunity provided to the four (4) students currently on the DEMEC research fellowship at UD.

She introduced Ms. Muna Hafsah and Dharni Grover, Ph.D. students in the Department of Geography and Spatial Sciences at UD.

Ms. Hafsah presented on wind energy with focus on her sensitivity study of different planetary boundary layer schemes of weather research and forecasting for low-level jet in the NY Bight.

Ms. Grover presented on energy justice, the transition to wind energy, with focus on the study of under-represented impacts of risks in renewable energy and the examination of the wind energy supply chain.

APPOINTMENTS/ELECTIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee – Mr. Morris Deputy, Director representing Middletown and Board Chair, stated the Executive Committee met this morning and reviewed the corporate goals.

Finance Committee – Mr. Charles Anderson, Director representing Seaford and Treasurer, noted that the Finance Committee reviewed and updated the Draft Disbursements Policy and Draft Cash Reserves Policy and is recommending Board approval today.

Motion made by Clayton, to approve the Disbursements Policy and Cash Reserves Policy, seconded by Lewes, motion passed unanimously.

PRESIDENT’S REPORTS TO BOARD

Legislative/Regulatory Update

Mr. Lincoln Willis, Principal, The Willis Group, provided an update on the electric vehicle mandate. He also noted that there will be a significant number of bills being announced within the next few weeks.

Governors Energy Advisory Council Update

Ms. Kimberly Schlichting, President & CEO, noted the Governor’s Energy Advisory Council will be meeting twice in December to approve the recommendations from the four (4) work groups.

Title V Permit Request for Expanded Authorization to Operate During Emergencies –

Ms. Schlichting reviewed the Department of Natural Resources and Environmental Control’s (DNREC) response to DEMEC’s request to allow the Beasley Power Station to operate above certain permit limits should it be required by PJM to run in times of max generation calls during emergencies, such as winter storm Elliot in December 2022. A brief discussion ensued.

COMMUNICATIONS & OUTREACH

Ms. Heather Contant, Director of Government and Community Relations, provided an update on the Energy Stakeholders meeting where DEMEC staff presented on the Municipal Renewable Portfolio Standard Report and highlighted the positive responses to DEMEC Board-approved renewable and resiliency projects, including floating solar and battery storage.

TRAINING & EDUCATION ACTIVITIES

Informational report provided in packets.

SUSTAINABILITY & DEVELOPMENT

Informational report provided in packets.

BUSINESS FROM THE FLOOR

None.

EXECUTIVE SESSION

The Board went into executive session at 9:48 a.m. upon motion by Newark, seconded by Clayton, to discuss the following:

1. To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.
2. 2024 Corporate Goals
3. Personnel Policies
4. Salary Plan
5. Job Descriptions
6. 2024 Budget

RETURN TO REGULAR SESSION

The Board ended executive session and returned to regular session at 10:24 a.m. upon motion by New Castle, seconded by Newark, the motion passed unanimously.

ACTION AFTER EXECUTIVE SESSION

Upon motion made by New Castle, to approve the 2024 Corporate Goals, seconded by Newark, the motion passed unanimously.

Upon motion made by Seaford, to approve the Personnel Policies as presented, providing an exception for the current President & CEO regarding PTO, seconded by Newark, the motion passed unanimously.

Upon motion made by Newark, to approve the Salary Plan, seconded by Milford, the motion passed unanimously.

Upon motion made by Milford, to approve the Job Descriptions, seconded by Lewes, the motion passed unanimously.

Upon motion made by New Castle, to approve the 2024 Budget Option #1 rate, seconded by Newark, the motion passed unanimously.

SET NEXT MEETING DATES

The following meeting dates were set:

1. Thursday, January 11, 2024 – 10:00 a.m.
2. Thursday, February 8, 2024 – 10:00 a.m. (*quarterly meeting – lunch to be provided*)
3. Thursday, March 14, 2024 - 10:00 a.m.

ADJOURNMENT

The Board Meeting adjourned at 10:26 a.m.