

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
Remotely Via Microsoft Teams
May 9, 2024

A meeting of the Board of Directors and Representatives of the Delaware Municipal Electric Corporation was held on Thursday, the 9th day of May 2024 remotely via Microsoft Teams.

The meeting was called to order at 9:03 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
Mark Whitfield, Director
 Representing Milford
Anthony Chipola, Alternate
 Representing Milford
Austin Calaman, Director
 Representing Lewes BPW
Dave Hugg, Representative
 Representing Dover
Travis Stewart, Alternate
 Representing Smyrna
Kimberly Schlichting, President
 Representing DEMEC

Absent:

Kim Bellere, Alternate
 Representing Lewes BPW

Paul Waddell, Alternate
Representing Dover

DEMEC Staff Attending: Tara LaGrassa, Accounting Analyst; Willie Marshall, Director of Finance; Stephanie Dove, Chief Financial Officer; Robert Cote, Senior Vice President of Administration; Alex Asencio Soto, Special Projects Manager; Stephan Siok, Director of Beasley Plant Operations and Compliance; Scott Lynch, Vice President of Asset Development; Mark Pryor, Operational and Compliance Administrator; Christine Siok, Executive Assistant.

Guests and Attendees: Dan La Haye, Senior Manager, Baker Tilly; Freudy Reyes, Senior Associate, Baker Tilly; Max Walton, Attorney, Connolly Gallagher; Lincoln Willis, Principal, The Willis Group.

APPROVAL OF MINUTES

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

1. Minutes of April 11, 2024

Upon motion made by Milford, to approve the minutes of the meetings of April 11, 2024, seconded by Newark, the motion passed unanimously.

TREASURER'S REPORT

Monthly Financial Report – January and February 2024 –

Ms. Stephanie Dove, CFO, presented the January and February 2024 Financial Reports.

In the current finance update, Ms. Dove stated the bond continuing disclosures for Series 2019, 2021, and 2021 are forthcoming and will be filed timely.

The insurance claim has been closed.

Rating agency visits with S&P and Moody's are scheduled for May 21st and 22nd.

Ms. Dove asked that members notify her of any financing pipeline projects.

Ms. Dove concluded by reviewing the due dates for member audited financial statements.

Upon motion made by Seaford, to approve the Monthly Financial Report for January and February 2024, seconded by Newark, the motion passed unanimously.

Upon motion made by Seaford, to approve the 2023 Annual Financial Report and accept the 2023 Management Letter and Audit Results, seconded by Lewes, the motion passed unanimously.

PRESENTATIONS

Mr. Dan La Haye, Senior Manager, from Baker Tilly introduced himself and Freudy Reyes, Senior Associate, from Baker Tilly.

Mr. La Haye presented the results of the 2023 audited financial statements. His presentation included an overview of the audit and its results, internal control responsibilities, required communications, and future updates on accounting standards.

Mr. La Haye acknowledged that the financial statements received an unmodified opinion, a clean opinion. He highlighted that there were no material weaknesses or significant deficiencies in control. Mr. La Haye commended the DEMEC finance team for their accomplishment, emphasizing the combination of a clean audit opinion, absence of adjusting journal entries, and no internal control deficiencies. Additionally, he discussed future updates on accounting standards.

Mr. La Haye ended by thanking the DEMEC finance team and Finance Committee for their diligence with the audit.

APPOINTMENTS/ELECTIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee – Mr. Deputy stated that the Executive Committee did not meet this morning.

Finance Committee – Mr. Charles Anderson, Director representing Seaford and Treasurer, stated the Finance Committee will meet next week and an update will be provided to the board at the next board meeting.

PRESIDENT’S REPORTS TO BOARD

Organizational Update -

New Employee:

Ms. Kimberly Schlichting, President & CEO, introduced DEMEC’s new employee listed below, providing a brief biography and an overview of responsibilities.

Mr. Alex Asencio Soto, Special Projects Manager

Promotion:

Ms. Schlichting introduced the recently promoted employee from DEMEC's team listed below, providing a brief biography and an overview of new responsibilities.

Mr. Mark Pryor, Operational and Compliance Administrator

Legislative/Regulatory Update –

DLLG Luncheon 5/9/2024 – DEMEC Sponsored:

Ms. Schlichting noted that DEMEC will be sponsoring the Delaware League of Local Government luncheon today at the Legislative Hall.

Additionally, Ms. Schlichting informed the board that recent municipal elections have led to changes in the councils for several of our communities. DEMEC will be holding a refresher webinar on Wednesday, May 29th from 12:00 p.m. to 1:00 p.m. Ms. Kendra Friel, Training and Events Coordinator, has sent invitations to both current and newly elected officials as well as the board members. Ms. Schlichting encouraged board members to remind officials about the webinar and to encourage their participation.

Light Up Navajo V –

Ms. Schlichting announced that the crew from the Town of Middletown, along with a Smyrna supervisor, have returned from the Navajo Nation. They participated in interviews with the news yesterday and a press release will soon be issued. She expressed gratitude to all for their support of this initiative.

Extension of University of Delaware Wind REC Contract

Ms. Schlichting provided an overview of the extension of the agreement through May 31, 2027. A brief discussion ensued.

Upon motion made by Milford, to approve the extension of University of Delaware Wind REC contract, seconded by New Castle, the motion passed unanimously.

COMMUNICATIONS & OUTREACH

Informational monthly report provided in packets.

TRAINING & EDUCATION ACTIVITIES

Ms. Schlichting highlighted the upcoming training and events.

Informational monthly report provided in packets.

SUSTAINABILITY & DEVELOPMENT

Ms. Schlichting reported that the federal grant funding for the Middletown Floating Solar was not obtained. DEMEC is proceeding with the project, which was approved by council, as the costs remain within the approved allocation established by the board. Once documentation is finalized, ordering of materials will begin in June.

Informational monthly report provided in packets.

BUSINESS FROM THE FLOOR

Mr. Thomas Coleman, Director representing Newark and Vice Chair, stated that City of Newark recently met with Delaware Valley Health Trust, and they offered to present to the board if there is interest. A brief discussion ensued.

It was decided that Delaware Valley Health Trust will present an overview of their programs and benefits at the upcoming July board meeting.

EXECUTIVE SESSION

The Board went into executive session at 9:44 a.m. upon motion by Seaford, seconded by Newark to discuss the following:

1. To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.
2. Employee Handbook Update
3. Office Space Update
4. Credit Rating Discussion and Visits
5. Indian River RMR and DPL-S BRA Updates

RETURN TO REGULAR SESSION

The Board ended executive session and returned to regular session at 10:38 a.m. upon motion by Milford, seconded by Newark, the motion passed unanimously.

ACTION AFTER EXECUTIVE SESSION

Ms. Schlichting stated that the APPA National Conference will be in conflict with the preparation for the next board meeting scheduled for June 13th. After discussion, it was decided to schedule a tentative virtual meeting on Thursday, June 27th. An updated invitation will be sent to the board.

SET NEXT MEETING DATES

The following meeting dates were set:

1. Thursday, June 27, 2024 – 10:00 a.m.
2. Thursday, July 11, 2024 - 10:00 a.m.
3. Thursday, August 8, 2024 – 10:00 a.m. (*Quarterly meeting, lunch to be provided*)

ADJOURNMENT

The Board meeting adjourned at 10:42 a.m.