

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
DEMEC ADMINISTRATIVE BUILDING
SMYRNA, DELAWARE
July 11, 2024

A meeting of the Board of Directors and Representatives of the Delaware Municipal Electric Corporation was held on Thursday, the 11th day of July 2024 at DEMEC's Administrative Building, Smyrna, Delaware.

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
Travis Stewart, Alternate
Representing Smyrna
Paul Johnson, Sr., Alternate
Representing Clayton
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
Kim Bellere, Alternate
Representing Lewes BPW
Dave Hugg, Representative
Representing Dover
Kimberly Schlichting, President
Representing DEMEC

Absent:

Scott Blomquist, Director
Representing the MSC of New Castle
Ryan Paisley, Director
Representing Clayton
Torrie James, Director
Representing Smyrna
Paul Waddell, Alternate Representative
Representing Dover

DEMEC Staff Attending: Alex Asencio, Special Projects Manager; James Cerase III, IT Network Technician; Tara LaGrassa, Accounting Analyst; Willie Marshall, Director of Finance; Stephanie Dove, Chief Financial Officer; Robert Cote, Senior Vice President of Administration; Stephan Siok, Director of Beasley Plant Operations and Compliance; Kendra Friel, Training & Events Coordinator; Marty Hale, Director of Human Resources; Heather Contant, Director of Government and Community Relations; Scott Lynch, VP of Asset Development; Keri Knorr, Administrative Assistant, Mark Pryor, Operations and Compliance Administrator; Chris Manganeli, IT System Administrator; Christine Siok, Executive Assistant.

Guests and Attendees: Lauren Detweiler, Chief Relationship Officer, Delaware Valley Health Trust; Steve Fallon, Director of Employee Benefits Practice, Delaware Valley Health Trust; Donna Karas, Director of Account Management, CPower; Erica Lynch, Guest; Bill Oosterom, Director of Sales, CPower; Max Walton, Attorney, Connolly Gallagher; Lincoln Willis, Principal, The Willis Group.

Mr. Deputy began the meeting by welcoming Mr. Paul Johnson, Sr., the new Town Manager for the Town of Clayton, to the table, Ms. Erica Lynch as a guest, as well as welcoming back Mr. Dave Hugg, III, representing the City of Dover.

At the request of Ms. Kimberly Schlichting, Mr. Deputy added the following item to the agenda under executive session:

1. Distribution of 2023 Significant Events

APPROVAL OF MINUTES

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

1. Minutes of May 9, 2024

Upon motion made by Newark, to approve the minutes of the meetings of May 9, 2024, seconded by Milford, the motion passed unanimously.

TREASURER'S REPORT

Monthly Financial Report – March and April 2024 –

Ms. Stephanie Dove, CFO, presented the March and April 2024 Financial Reports.

In the current finance update, Ms. Dove stated the bond continuing disclosures for Series 2019, 2021, and 2021 have been filed timely.

Rating agency visits with S&P and Moody's took place on May 21st and 22nd. Moody's affirmed an A1 stable rating, and S&P rating remains A stable.

Ms. Dove stated that the debt service payments for Series 2021 and 2022 were made on time.

The DEMEC 2023 Annual Report was distributed and is available on the DEMEC website.

Ms. Dove reviewed the member financing pipeline projects and requested to be informed about any projects needing financing, even if they are planned for 2027 or 2028.

Ms. Dove concluded by reviewing the due dates for member audited financial statements, reiterating that they are due six (6) months after fiscal year end and noting that credit rating agencies are also expecting them at that time.

Upon motion made by Seaford, to approve the Monthly Financial Report for March and April 2024, and the Q1 2024 Investment Report, seconded by Newark, the motion passed unanimously

PRESENTATIONS

Delaware Vally Health Trust Overview –

Ms. Lauren Detweiler, Chief Relationship Officer, Delaware Valley Health Trust (DVHT), introduced Mr. Steve Fallon, Director of Employee Benefits Practice, DVHT.

Mr. Fallon provided an overview of DVHT.

Ms. Detweiler discussed the structure and footprint of DVHT, the benefits of membership, and additional value-added benefit options. A brief discussion followed.

CPower Presentation – Demand Response Program Update –

Mr. Bill Oosterom, Director of Sales, CPower, introduced Ms. Donna Kara, Director of Account Management, CPower.

Mr. Oosterom presented on the 2023-2024 PJM Capacity Market Program registration and results, 2023-2024 DEMEC 5 Coincident Peak Program results, 2023-2024 PJM Energy Efficiency Program results, 2023-2024 PJM Synchronized Reserve Program results, and 2024-2025 PJM Capacity Market Program registrations.

Also, Mr. Oosterom noted CPower is enthusiastic and supportive of DEMEC's involvement in Light Up Navajo, and that CPower will make a donation to DEMEC in support of DEMEC's participation for the next three (3) years.

Ms. Schlichting expressed her heartfelt appreciation for their generous donation and their compassion.

APPOINTMENTS/ELECTIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee – Mr. Deputy stated that the Executive Committee met this morning and reviewed updates on the 2024 Corporate Goals and noted that additional items will be discussed during executive session.

Finance Committee – Mr. Charles Anderson, Director representing Seaford and Treasurer, noted the Finance Committee recently met and highlighted that the Baker Tilly engagement ends this year, and DEMEC staff is actively working on a new engagement.

PRESIDENT’S REPORTS TO BOARD

Recognition of New Employees:

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

Mr. James Cerase, III, IT Network Technician

Legislative/Regulatory Update –

DEMEC Legislative Luncheon and Delaware League of Local Government Dinner:

Ms. Schlichting stated that her presentation from the Delaware League of Local Governments (DLLG) dinner is available in packets. She also noted that she and her staff met with various legislators at the DEMEC legislative luncheon held on June 25th.

Legislative/Regulatory Update:

Mr. Lincoln Willis, Principal, stated several energy bills passed in 2024. The Offshore Wind bill, Senate Bill 265, passed with DEMEC’s cooperation. DEMEC preserved member’s local decision-making authority and ability to voluntarily participate in future offshore wind projects.

Lineworker Apprenticeship Program Certification Update –

Mr. Alex Asencio, Special Projects Manager, stated that he met with Mr. Timothy Perkins, Project Manager, Delaware Department of Labor, to discuss the apprenticeship program. During the

meeting, Mr. Perkins observed the pre-apprentice class in session, and Mr. Asencio also gave him a tour of DEMEC and the training yard.

Mr. Asencio noted that Mr. Perkins requested to bring his supervisor for a visit on July 17th, coinciding with the week that Lab 3 is in session. After receiving their feedback, Mr. Asencio will submit the application for review and approval.

A brief discussion followed.

Risk Management Policy –

Details will be discussed in executive session.

Code of Conduct and Ethics Policy –

Details will be discussed in executive session.

COMMUNICATIONS & OUTREACH

Informational monthly report provided in packets.

TRAINING & EDUCATION ACTIVITIES

Ms. Kendra Friel, Training and Events Coordinator, reported that the four-year Certified Power Supervisor program is being offered through TVPPA, held at the DEMEC administrative office, and is open to all municipality staff. This program consists of nine sessions as part of the management certification series. If any sessions are missed, they will be available during the fourth year.

Ms. Friel added that TVPPA provides a range of training programs, and not exclusively focused on lineworker training.

Informational monthly report provided in packets.

SUSTAINABILITY & DEVELOPMENT

The update on the Floating Solar Project will be discussed in executive session.

Informational monthly report provided in packets.

BUSINESS FROM THE FLOOR

None.

EXECUTIVE SESSION

The Board went into executive session at 11:09 a.m. upon motion by New Castle, seconded by Milford to discuss the following:

1. IT Update
2. To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.
3. Employee Handbook Update
4. Office Space Update
5. Credit Rating Discussion and Visits
6. Indian River RMR and DPL-S BRA Updates
7. Distribution of 2023 Significant Events

RETURN TO REGULAR SESSION

The Board ended executive session and returned to regular session at 11:57 a.m. upon motion by Newark, seconded by Milford, the motion passed unanimously.

ACTION AFTER EXECUTIVE SESSION

Upon motion made by Newark, to authorize DEMEC's President & CEO to execute a power purchase agreement contract with American Municipal Power or a 3rd party for a Phase 1 project as presented, seconded by Milford, the motion passed unanimously.

Upon motion made by Seaford, to approve the DEMEC Code of Conduct and Ethics Policy and Conflict of Interest Statement and Disclosure Form as presented, seconded by Newark, the motion passed unanimously.

Upon motion made by Newark, to approve the updated Risk Management Policy as presented, seconded by Seaford, the motion passed unanimously.

SET NEXT MEETING DATES

The following meeting dates were set:

1. Thursday, August 8, 2024 – 10:00 a.m. (*Quarterly meeting, lunch to be provided*)
2. Thursday, September 12, 2024 - 10:00 a.m.
3. Thursday, October 10, 2024 – 10:00 a.m.

ADJOURNMENT

The Board meeting adjourned at 11:59 a.m.