

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
DEMEC ADMINISTRATIVE BUILDING
SMYRNA, DELAWARE
March 13, 2025

A meeting of the Board of Directors and Representatives of the Delaware Municipal Electric Corporation was held on Thursday, the 13th day of March 2025 at DEMEC's Administrative Building, Smyrna, Delaware.

The meeting was called to order at 10:04 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
Jill Hollander, Alternate
Representing Newark
Charles Anderson, Treasurer
Representing Seaford
June Merritt, Alternate
Representing Seaford
Ryan Paisley, Director
Representing Clayton
Paul Johnson, Sr., Alternate
Representing Clayton
Torrie James, Director
Representing Smyrna
Scott Blomquist, Secretary
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
Kim Bellere, Director
Representing Lewes BPW
Kimberly Schlichting, President
Representing DEMEC
Dave Hugg, Representative
Representing Dover

Paul Waddell, Alternate Representative
Representing Dover

Absent:

Robin Davis, Alternate Director
Representing Lewes BPW

DEMEC Staff Attending: Alex Asencio, Special Projects Manager; 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; Heather Contant, Director of Government and Community Relations; Scott Lynch, VP of Asset Development; Mark Pryor, Operations and Compliance Administrator; James Cerase, IT Network Technician; Diane Kearns, Human Resources Director; Chris Manganelli, IT System Administrator; Christine Siok, Executive Assistant; Keri Knorr, Administrative Assistant; Kendra Friel, Training and Events Coordinator.

Guests and Attendees: 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 February 13, 2025

Upon motion made by Newark, to approve the minutes of the meeting of February 13, 2025, seconded by Seaford, the motion passed unanimously.

TREASURER'S REPORT

Monthly Financial Report – December 2024 –

Ms. Stephanie Dove, CFO, presented the December 2024 Financial Report.

In the current finance update, Ms. Dove stated that the adoption of the Member Financial Assessment Program is being requested at today's meeting.

The Continuing Disclosures for Bond Series 2019 were filed on time.

Ms. Dove provided an overview of the member financing projects pipeline and noted that a Resolution for Middletown is included in the meeting packets.

Debt Service Payments for Series 2019 are due within the upcoming weeks and will be paid on time.

Ms. Dove stated that two (2) responses were received for the Audit RFP, and the Finance Committee's recommendation is included in the meeting packets for discussion.

Ms. Dove reported that the final 2024 audit fieldwork was completed last week, and the rating agencies visits are scheduled in May.

Ms. Dove concluded with a review of the due dates for member audited financial statements.

Upon motion made by Milford, to approve the Monthly Financial Report for December 2024, seconded by Lewes, the motion passed unanimously.

APPOINTMENTS/ELECTIONS

None.

PRESENTATIONS

None.

RESOLUTIONS

Resolution 2025-01 - A Resolution to Adopt the Delaware Municipal Electric Corporation, Inc. (DEMEC) Member Financial Assessment Program -

Ms. Kimberly Schlichting, President & CEO, presented on the Member Financial Assessment Program.

Ms. Dove stated that there was a last-minute update to the Member Financial Assessment program to correct an error made in the operating expense ratio.

Upon motion made by Seaford, to approve Resolution 2025-01 - A Resolution to Adopt the Delaware Municipal Electric Corporation, Inc. (DEMEC) Member Financial Assessment Program with the modification as presented, seconded by Newark, the motion passed unanimously.

Resolution 2025-02 – A Resolution Authorizing DEMEC to Undertake a Project for the Benefit of the Town of Middletown Relating to Improvements to Middletown’s Electric System Infrastructure; Authorizing DEMEC to Enter into a Project Purchase Agreement Relating to Such Project; and Declaring the Official Intent of DEMEC to Reimburse Capital Expenditures for the Project from the Proceeds of Tax-Exempt Indebtedness -

Upon motion made by New Castle, to approve Resolution 2025-02 – A Resolution Authorizing DEMEC to Undertake a Project for the Benefit of the Town of Middletown Relating to Improvements to Middletown’s Electric System Infrastructure; Authorizing DEMEC to Enter into a Project Purchase Agreement Relating to Such Project; and Declaring the Official Intent of DEMEC to Reimburse Capital Expenditures for the Project from the Proceeds of Tax-Exempt Indebtedness, seconded by Newark, abstained by Middletown, the motion passed unanimously.

COMMITTEE REPORTS

Executive Committee – Mr. Deputy reported that the Executive Committee met this morning and discussed the corporate goals, legislative matters, and salary study update.

Finance Committee – Mr. Charles Anderson, Director representing Seaford and Treasurer, reported that the Finance Committee met and spent time reviewing the two (2) responses to the Audit RFP. Mr. Anderson thanked the Finance Committee and DEMEC Finance team for their efforts in working on the RFP. The Finance Committee is recommending a contract with Baker Tilly.

Upon motion made by Milford, to approve the Audit Services RFP Recommendation as discussed by Mr. Anderson, seconded by Clayton, the motion passed unanimously.

PRESIDENT’S REPORTS TO BOARD

EXECUTIVE SESSION

The Board went into executive session at 10:19 a.m. upon motion by New Castle, seconded by Newark, to discuss the following:

- Legislative/Regulatory Updates
- To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.
 - IRP/Generation Exploration Update
 - DEMEC Assets – Year End Performance Report
- Member Financial Assessment Program
- IR Update
- Office Space Update
- Charitable Foundation

RETURN TO REGULAR SESSION

The Board ended executive session and returned to regular session at 11:25 a.m. upon motion by Seaford, seconded by Newark, the motion passed unanimously.

POTENTIAL ACTION TO BE TAKEN AFTER EXECUTIVE SESSION

None.

Light Up Navajo VI –

Ms. Schlichting reported that a meet and greet was held with the lineworkers and alternates who volunteered to go to the Navajo Nation from April 26th through May 4th and DEMEC crew alumni that were able to share their past experiences.

DEMEC Day –

Ms. Schlichting reminded the Board of DEMEC Day on March 26th and encouraged them to attend.

APPA National Conference –

Ms. Schlichting reminded the Board that the APPA National Conference will be held from June 6th through June 11th in New Orleans, Louisiana. If you are interested in attending, please notify Ms. Christine Siok, Executive Assistant.

APPA Legislative Rally –

Ms. Schlichting stated that staff attended the Legislative Rally in Washington, D.C. along with Mr. Ryan Paisley, representing Clayton. Mr. Paisley provided feedback on his experience and federal impacts to the energy industry.

COMMUNICATIONS & OUTREACH

Informational monthly report provided in packets.

TRAINING & EDUCATION ACTIVITIES

Informational monthly report provided in packets.

SUSTAINABILITY & DEVELOPMENT

Mr. Scott Lynch, VP of Asset Development, provided an update on the Energy Efficiency Program Renewal for the City of Newark.

Upon motion made by Smyrna, to approve the Energy Efficiency Program Renewal for the City of Newark, seconded by Clayton, the motion passed unanimously.

Mr. Lynch also shared an update on Smart Energy Provider (SEP) designation, noting that applications are due by April 30th. DEMEC staff will be reaching out to members in April to finalize applications.

Ms. Schlichting stated that previously the Board approved the Energy Efficiency Program as part of Power Supply. She inquired, that since the renewals are included in the budget and the program has already been approved by the Board, whether each renewal requires Board approval. After a brief discussion, it was agreed that if the renewals are within the approved budget, Board approval for each renewal is not necessary. However, staff will continue to provide updates on renewals and contract savings to the Board.

BUSINESS FROM THE FLOOR

None.

SET NEXT MEETING DATES

The following meeting dates were set:

1. Thursday, April 10, 2025 - 10:00 a.m.
2. Thursday, May 8, 2025 - 10:00 a.m. (*Quarterly meeting*)
3. Thursday, June 12, 2025 – 10:00 a.m.

ADJOURNMENT

The Board meeting adjourned at 11:39 a.m.