DELAWARE MUNICIPAL ELECTRIC CORPORATION
ANNUAL MEETING
DEMEC ADMINISTRATIVE BUILDING
SMYRNA, DELAWARE
September 10, 2026

A meeting of the Board of Directors and Representatives of the Delaware Municipal Electric Corporation was held on Thursday, the 10th day of September 2026 at DEMEC's Administrative Building, Smyrna, Delaware.

The meeting was called to order at 10:03 a.m. with Mr. Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Chair
Representing Middletown
Tom Coleman, Vice Chair
Representing Newark
Jill Hollander, Alternate
Representing Newark
Charles Anderson, Treasurer
Representing Seaford
June Merritt, Alternate
Representing Seaford
Scott Blomquist, Secretary
Representing the MSC of New Castle
Ken Natale, Alternate
Representing the MSC of New Castle
Torrie James, Director
Representing Smyrna
Kathleen Acevedo, Alternate
Representing Smyrna
Paul Johnson, Sr., Alternate
Representing Clayton
Anthony Chipola, Alternate
Representing Milford
Kim Bellere, Director
Representing Lewes BPW
Sharon Duca, Representative
Representing Dover
Paul Waddell, Alternate Representative
Representing Dover
Kimberly Schlichting, President
Representing DEMEC

Absent:

Ryan Paisley, Director
Representing Clayton
Tyler Reynolds, Alternate
Representing Middletown
Christopher Coleman, Director
Representing Milford
Robin Davis, Alternate Director
Representing Lewes BPW

DEMEC Staff Attending: Mark Pryor, Assistant Director of Beasley Operations and Compliance; Chris Manganelli, IT System Director; Diane Kearns, Human Resources Director; Kendra Friel, Training and Events Coordinator; Stephan Siok, Director of Beasley Operations and Compliance; Jessica Ratsimbazafy, Executive Assistant; Stephanie Dove, Chief Financial Officer; Jill Worrilow, Administrative Assistant; Robert Cote, Chief Operating Officer; Scott Lynch, VP of Asset Development; Jeremy Cholewa, Programs Manager; Tara LaGrassa, Accounting Analyst; James Cerase, IT Network Technician; Keri Knorr, Energy Services Manager; Willie Marshall, Director of Finance.

Guests and Attendees: Deenise Becenti, NTUA; Chris Lover, Managing Director, PFM; Sue Muncey, Office Manager, Town of Clayton; Joe Visalli, Senior Managing Consultant, PFM; Lincoln Willis, Principal, The Willis Group.

Mr. Deputy began the meeting by welcoming Ms. Sharon Duca, representing the City of Dover, to the Board.

APPROVAL OF MINUTES

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

1. Minutes of August 13, 2026

Upon motion made by Newark, to approve the minutes of the meeting of August 13, 2026, seconded by New Castle, the motion passed unanimously.

TREASURER'S REPORT

Monthly Financial Report – June 2026 –

Mr. Willie Marshall, Director of Finance, presented the June 2026 Financial Reports.

In the current finance update, Mr. Marshall reminded the Board of the virtual Rating Agency visits held in August and noted that PFM was in attendance to present the results. He also highlighted an opportunity to earn points toward the Member Financial Assessment by attending the in-person training Audit Readiness: Timely Execution with Limited Resources, being presented by Ken Natale, Comptroller, MSC of New Castle, on October 7th.

He reported that the bank letter and line of credit were renewed, and the insurance policies for the DEMEC Administrative office have been renewed. Beasley Power Station renewals are due on October 1st.

Mr. Marshall also noted that load forecasts will be distributed to members in the next few days.

Mr. Marshall went on to provide the current bond update. The next due date for Bond series 2019 is October 1st, and the payment will be paid timely.

He concluded with a scoring update for the Member Financial Assessment Program, as well as a review of the due dates for member audited financial statements.

A brief discussion ensued.

Upon motion made by Seaford, to approve the Monthly Financial Reports for June 2026 and the Q2 2026 Investment Report, seconded by Newark, the motion passed unanimously.

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 Newark, seconded by Clayton, 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:	Scott Blomquist, representing MSC of New Castle
Assistant Secretary:	Charles Anderson, representing Seaford
Assistant Treasurer:	Scott Blomquist, representing MSC of New Castle

Corporate Officers:	Robert Cote, COO (VP)
	Stephanie Dove, CFO (VP)
	Scott Lynch, VP (VP)

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
Scott Blomquist, representing MSC of New Castle

Finance Committee:

Charles Anderson, Treasurer, representing Seaford
Tyler Reynolds, representing Middletown
Kendrick Natale, representing MSC of New Castle

PRESENTATIONS

Mr. Chris Lover, Managing Director, PFM, provided a summary of the key highlights of the recent credit rating visits. He noted the significant growth in DEMEC's staffing levels and organizational resiliency over the past several years. He also recognized the value of DEMEC, highlighting the training yard, the Light Up Navajo initiative, and the APPA awards received by members. Mr. Lover further noted that DEMEC's power supply capacity has grown significantly over the past decade.

He discussed the key questions posed by Moody's and S&P, sharing that both rating agencies will review audit status by the end of September 2026.

Mr. Lover concluded by highlighting the significance of audit timeliness. He was joined in this discussion by Joe Visalli, Senior Managing Consultant, PFM.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee – Mr. Deputy reported that the Executive Committee met this morning and will continue discussions during executive session.

Finance Committee – Mr. Charles Anderson, Director representing Seaford and Treasurer, reported that the Finance Committee met on August 18th and noted discussions on credit rating policy and the member financial assessment program. He mentioned a large load customer deposit policy will be in the works to put in front of the Board soon.

PRESIDENT'S REPORTS TO BOARD

Recognition of New Employee –

Ms. Diane Kearns, Human Resources Director, introduced DEMEC's new employee listed below, offering a brief biography.

Jill Worrilow, Administrative Assistant.

Organizational Chart – Updated –

Ms. Kimberly Schlichting, President and CEO, noted that the updated organizational chart has been included in the Board packets.

Legislative/Regulatory Update –

Mr. Lincoln Willis, Principal, The Willis Group, noted the positive turnout of energy stakeholders and legislators at the Annual Dinner. He also highlighted that PJM's presentation was consistent with the messaging previously conveyed by DEMEC to legislators.

He provided an update on the primary elections coming up on Tuesday, September 15th, with affordability and energy costs being large topics of interest. He shared that the volume of legislation is not expected to decrease.

Mr. Willis suggested that the Board members reach out to meet the newly elected officials in their municipality and stay in contact with current officials.

Designation of CIP Senior Manager –

As a registered NERC facility, DEMEC is required to update certain policies on an annual basis or when any substantive changes take place. The current document is up for annual review and requires board approval.

Upon motion by New Castle to re-confirm the appointment of Ms. Schlichting as CIP Senior Manager, seconded by Smyrna, the motion passed unanimously.

IT – Rural and Municipal Utility Cyber Security Grant (RMUC) –

Mr. Chris Manganelli, IT System Director, presented an update on the AMP Cyber Security grant that will be received by Milford, MSC of New Castle, Seaford, Lewes BPW and DEMEC.

Tool and Truck –

Ms. Schlichting shared that the Tool and Truck event went well and thanked DEMEC staff for all their hard work to make the event successful . She offered the potential of shared tools amongst the membership for cost saving..

Ms. Schlichting also expressed her appreciation to DEMEC staff for organizing a successful Annual Dinner and recognized Kendra Friel for her hard work and detailed planning that made the event look effortlessly pulled together.

Mutual Aid –

Ms. Schlichting discussed the mutual aid that was offered to the City of Dover on August 20th for the storm. Assistance from other members was not needed. Paul Waddell, Alternate Representative, City of Dover, shared that approximately 6,500 customers were without power, and power was able to be restored within eight (8) hours.

Ms. Schlichting also shared that a crew will be attending Light Up Navajo in the beginning part of October. Two (2) linemen from Newark will be attending. Mr. Waddell shared that the linemen he previously had interested in going can no longer attend.

DEMEC will be looking to other members for help in finalizing a crew.

COMMUNICATIONS & OUTREACH

Informational monthly report provided in packets.

TRAINING & EDUCATION ACTIVITIES

Informational monthly report provided in packets.

SUSTAINABILITY & DEVELOPMENT

Informational monthly report provided in packets.

Mr. Scott Lynch, VP of Asset Development, provided an overview of the Municipal Renewable Portfolio Standard (MRPS) report.

Upon motion made by Newark, to approve the MRPS report, seconded by Clayton, the motion passed unanimously.

EXECUTIVE SESSION

The Board went into executive session at 11:05 a.m. upon motion by Seaford, seconded by Dover, to discuss the following:

1. To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.
    a. Lineworker Training
    b. Job Description
    c. 2027 Corporate Goals Recommendations
    d. Regulatory Needs - Members
    e. Beasley Operations

RETURN TO REGULAR SESSION

The Board ended executive session and returned to regular session at 12:43 p.m. upon motion by Newark, seconded by New Castle, the motion passed unanimously.

POTENTIAL ACTION TO BE TAKEN AFTER EXECUTIVE SESSION

Upon motion made by Newark, to authorize the President & CEO to enter into contract negotiations as outlined in executive session, seconded by Smyrna, the motion passed unanimously.

Upon motion made by Newark, to approve the job descriptions and approve the President & CEO to move forward with hiring, as discussed in executive session, seconded by New Castle, the motion passed unanimously.

BUSINESS FROM THE FLOOR

None.

SET NEXT MEETING DATES

The following meeting dates were set:

1. Thursday, October 8, 2026 – 10:00 a.m.
2. Thursday, November 12, 2026 – 10:00 a.m. (Quarterly Meeting)
3. Thursday, December 3, 2026 - 10:00 a.m.

ADJOURNMENT

The Board meeting adjourned at 12:46 p.m.