

**NOTICE OF BOARD MEETING**

A special meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. will be held **Tuesday, April 7, 2020 at 5:00 pm.** In light of the declared state of emergency in Delaware County due to the COVID-19 virus, directors and other meeting participants are encouraged to participate via telephone:

Dial-in Number: (866) 316-1519 Passcode: 963796#

The board of directors will act on the following:

**AGENDA**

**I. Opening Business:**

- A. Call to Order
- B. Roll Call - Determination of Quorum
- C. Adoption of Agenda [packet page 1]

**II. Minutes of March 24, 2020 Board Meeting** [packet pages 2-6]

**III. COVID-19 Cooperative Response Update** [packet pages 7-8]

**IV. Resolution – Suspension of Public Participation in Board Meetings** [packet page 9]

**V. Resolution - CEO Duties – Temporary Authorization** [packet pages 10-11]

**VI. Resolution – Deferral of April 2020 Change in Fixed Monthly Service Charge** [packet page 12]

**VII. Resolution – Suspension of Late Payment Penalties and Disconnections for Non-Payment** [packet page 13]

**VIII. Headquarters Project**

- A. Regulatory Approvals and Permits [packet page 14]
- B. Member & Public Communications Timeline [packet page 15]

**IX. Policies**

- A. Auditing of Cooperative Books, Records, and Accounts [packet page 16]
- B. Safety RESAP [packet pages 17-18]

**X. Preview of New Service Specification** [packet pages 19-21]

**XI. Project Roundup Next Steps** [packet page 22]

**XII. HWH and Lighting Energy Efficiency Program Update** [report by Ops Mgr Sullivan]

**XIII. Meeting Report – NRECA Annual Meeting** [reports by Directors Menke and Pick]

**XIV. 2020 Annual Meeting Planning Kick-off and Consideration of Bylaws Changes** [group discussion]

**XV. Power Cost Risk Update** [packet pages 23-24]

**XVI. Red Flag Report** [report by CEO Schneider]

**XVII. RUS Borrowing in 2020** [packet page 25]

**XVIII. New Business:**

**XIX. Future Business:**

- A. Next Regular Board Meeting, **Tuesday, 4/28/2020**, following a Finance Committee meeting @ 3:30 pm
  - (1) 2019 Audit Report Presentation by the auditors of FFSC (2) 2019 Form 990 Review & Approval
- B. Closing on Sale of 39 Elm Street – moved to 4/30/2020 by mutual agreement of buyers and Cooperative
- C. NYSRECA Meeting & Albany Advocacy Day, 5/11/2020 – 5/12/2020, Albany **[ADVOCACY DAY LIKELY TO BE CANCELLED]**
- D. NEAEC Annual Meeting and NRECA Course 953.1 Improving Board Decision Making, 5/20/2020 – 5/21/2020 **[CANCELED]**
- E. CoBank-facilitated Strategic Planning Discussion, 5/28/2020, Delhi, NY
- F. June update to board on truck grounding and/or barricading
- G. NYSRECA Annual Meeting, 7/23/2020, Otsego County Location TBD
- H. DCEC Family Fun Day, Friday, 8/7/2020, 5 pm, Delhi Courthouse Square
- I. NRECA Region I/IV Meeting, 9/9/2020 – 9/11/2020, Indianapolis, IN
- J. Annual Meeting of Members, 9/18/2020, Delhi, NY

**XX. Executive Session** [CEO Goals & Objectives, distributed via e-mail]

**XXI. Adjournment**

**Cooperative Stakeholders**

- Members
- Employees
- Community
- Business Partners
  - Suppliers
  - RUS
  - CFC
  - Federated
  - Other cooperatives
  - NYSERDA
- Government
- Regulators

**Cooperative Values**

- Safety
- Service
- Open Communications
- Integrity/Honesty
- Professionalism
- Respect

**Delaware County Electric Cooperative  
Board Meeting Minutes  
March 24, 2020**

**I. Opening Business:** The regular monthly meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held March 24, 2020. Due to the declared state of emergency in Delaware County because of the COVID-19 virus, the meeting was held via phone conference.

**A. Call to Order:** The meeting was called to order at 5:03 p.m. by President Oles.

**B. Roll Call - Determination of Quorum:**

Stephen Oles	P
Edward Pick Jr.	P
Paul Menke	P
Laurie Wehmeyer	P
Frank Winkler	P
Steve Burnett	P
Jeffrey Russell	P

DCEC's CEO/General Manager, Mark Schneider; DCEC's Administrative Assistant, Alicia VanZandt; DCEC's Operations Manager Ryan Sullivan; and DCEC's Legal Counsel, Jeff Clark were all participating via telephone.#

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**C. Adoption of Agenda:** The board adopted the agenda with the following changes: add RUS Debt Services and add Revising Date of April's board meeting to New Business.

**II. Consent Agenda:** A motion was made to approve the consent agenda with the following revisions by Secretary Pick, no mileage will be paid for the March 24, 2020 meeting because everyone attended via phone conference and page 4 of the packet has a typo under IX. Headquarters Project, item B. Value Engineered Scope of Work with Costs, should be 46,000 sq ft verbally, instead of \$46,000 sq ft. The motion was seconded by Director Burnett. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

**III. Nominating Committee Appointment:** A motion was made by Vice President Winkler to officially appoint the 2020 Nominating Committee Members as presented. The motion was seconded by Director Wehmeyer. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

**IV. General Managers Report & Safety Report:** CEO/General Manager Mark Schneider highlighted the following items in his General Managers report:

CEO/General Manager Schneider commented that unfortunately there was a long NYSEG transmission outage that affected only the Jefferson substation.

CEO/General Manager Schneider remarked that all the staffing changes are completed and the only additional changes to staffing will be when Faulkner, Tuttle, and Sacket retire as they are all eligible for retirement in 2020.

CEO/General Manager Schneider also commented that Operations Manager Ryan Sullivan is back from his management training program.

Schneider remarked that in regards to the NYPA contract renewal DCEC is fully executed.

President Oles asked CEO Schneider what the total estimated payout was on distributed generation. CEO Schneider believes that it is lower than 10k and he mentioned that it is a separate line item on form 7 and he will draw the board's attention to it on form 7 when it is available.

Director Burnett asked CEO Schneider how many distributed generators does the Cooperative currently have. CEO Schneider replied that the Cooperative has approximately 25 distributed generators.

CEO Schneider stated that the signs shown in the General Managers Report have been updated to include current information about the COVID-19 Safety Measures. He added that now members and the public are encourage to call the office and use the drop box because opening the door is only reserved for emergencies.

Vice President Winkler asked if the large energy consuming members are happy. CEO Schneider answered that yes they all seem happy with the Cooperative and he added that during recent meetings DCEC was able to learn how to communicate better when them during outages.

**V. Monthly Financial Reports:** CEO Schneider mentioned that packet pages 17 through 19 are the re-statements of the December 31, 2019 financial reports for the record. President Oles asked CEO Schneider what was the reason for the 332,444 variance for line item 23, materials and supplies – electric & other. Schneider remarked that in 2019 DCEC stopped doing special equipment accounting on items like meters and transformers and that this change is reflected in line item 23.

Moving on the packet page 20 CEO Schneider commented that DCEC is getting off to a good start for the year. CEO Schneider remarked that the income statement for February 2020 shows the net revenue for power cost. CEO Schneider also remarked that line 20 and 21 on the balance sheet for February 2020 is down a little and this reflects better payments made by utilities on pole attachments. CEO Schneider mentioned that line item 27 regulatory assets is down over 100k because of the FAS 106 and line item 28 other deferred debits is 88k down because this reflects the R and S prepayments.

**VI. COVID-19 Cooperative Response:** CEO/General Manager Schneider reported that at this time there will be no change to the plan as it was presented in the packet. CEO Schneider mentioned that this plan was put in place to keep employees and members safe and help flatten the curve. CEO Schneider commented that the furlough is paid time for employees. CEO

Schneider mentioned that at this time there is no access to the NISC software suite and this is for cyber security reasons. He remarked that vital private network connections will be in place if employees are required to stay home for a longer period of time.

Attorney Clark asked if DCEC is currently having supply chain issues. CEO Schneider answered that currently there are no issues and our largest supplier UUS is working closely with us at this time. CEO Schneider commented that the issues with supply chain maybe in relation to the headquarters project on more difficult or exclusive items, for example bullet proof resistant walls. Attorney Clark made the suggestion to discuss concerns about supply chain items with contractors.

CEO Schneider commented that all DCEC employees are exempt from the New York State travel ban. CEO Schneider remarked that a letter was drafted and provide to each employee with instructions to keep and display with their employee IDs if they are pulled over during this travel ban.

Director Burnett inquired if DCEC has had any discussion with Bassett if an employee gets sick. CEO Schneider stated that Bassett informed him that DCEC will get no special treatment and that locally there is a limited amount of tests. Bassett further instructed him that when in doubt treat as infected.

President Oles inquired about DCEC employees crossing state borders for mutual aid. CEO Schneider remarked that people are generally going to stay home and people are going to figure out how to solve their own problems. It was be a stretch to send anyone further than Otsego Electric Cooperative or Oneida Madison Electric Cooperative.

Director Russell asked if the new Mechanic, Mitchell Fisher minds his new schedule of four hours every day. CEO Schneider expressed that he has not heard of any issues and mentioned that Mr. Fisher does appreciate the two rounds of disinfecting the vehicles.

President Oles recommends that all board members read the notice on the website and forward any suggestions to CEO Schneider and or Administrative Assistant Mrs. VanZandt with recommendations or updates to the membership about the COVID-19 virus and the cooperative's safety measures.

President Oles suggested to add DCEC's emergency plan to the secure portion of the website. President Oles also recommends adding a pandemic plan to the emergency plan. CEO Schneider remarked that some of the emergency plan can be used as a universal plan during times of distress or disasters. President Oles recommends researching what other Public Service Commission regulated utilities have included in their emergency plans to combat pandemics.

Lastly, President Oles and the entire board wanted to thank the staff for their commitment during this time.

## **VII. Headquarters Project:**

**A. Regulatory Approvals and Permits:** Reviewed.

**B. Value Engineered Scope of Work with Costs:** The RMG/Schoolhouse Price Validation Exercise Summary handout was reviewed. The overall Tom Howard Construction price was approximately 8% lower than the RMG estimate, which speaks well of the value being offered by Tom Howard Construction. The installation of 3” of compacted crusher run inside the security fence was the one line item found to be high in the Tom Howard Construction price. That item has been removed from the Tom Howard scope. Tom Howard’s “soft costs” were an area where his pricing was particularly cost effective.

**C. Proposed Schedule for Demolition, Renovation, Construction, and Occupancy:** CEO Schneider mentioned that the proposed timeline has move everything up about 2 weeks because of the COVID-19 virus pandemic and because Mr. Howard is still working on another project.

President Oles recommended that the Management Team provide to the board a timeline of the member communications about the headquarters project and the actual move of the office.

## **VIII. Policies:**

**A. Whistleblower:** A motion was made Vice President Winkler to approve this policy as presented. The motion was seconded by Director Russell. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

**B. Auditing of Cooperative Books Records, and Accounts:** Tabled.

**C. Insurance and Fidelity Coverage:** A motion was made Director Russell to approve this policy as presented. The motion was seconded by Director Wehmeyer. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

**IX. Preview of New Service Specification:** Tabled.

**X. Project Roundup Next Steps:** Tabled.

**XI. HWH Energy Efficiency Program Update:** Tabled.

**XII. Meeting Report - NRECA Annual Meeting:** Tabled.

**XIII. 2020 Annual Meeting Planning Kick-off and Consideration of Bylaw Changes:** Tabled.

**XIV. Power Cost Risk Update:** Tabled.

**XV. Red Flag Report:** Tabled.

**XVI. New Business:**

**A. RUS Debt Service:** CEO/General Manager reported that the Federal Government has dropped interest rates to zero and he recommends that DCEC as soon as possible to take advantage of historically low interest rates. President Oles requested that CEO Schneider prepare more information for the board at their next meeting.

**B. Board Meeting Date Changes:** Due to the fact that this board meeting is teleconference it was recommended to split the March meeting into two meetings so all attending participants won't be on the phone for several hours at a time. The entire board moved to change the April board meeting at 5 pm and Finance Committee meeting at 3:30 pm, to April 28<sup>th</sup> instead of May 5<sup>th</sup> due to the fact that the Legislative Conference in Washington D.C. was cancelled. The board moved to approve all above mentioned changes. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

**XIII. Future Business:**

**A. Next Regular Board Meeting, Tuesday, 5/5/2020 [can be moved to 4/28/2020, consider shorter, more frequent conference calls]**

**B. Closing on Sale of 39 Elm Street – tentatively scheduled for 3/31/2020**

**C. NYAPP Annual Conference, 4/21/2020 – 4/23/2020, Saratoga Springs Hampton Inn [CANCELLED]**

**D. Washington Legislative Rally, 4/26/2020 – 4/29/2020 [CANCELLED]**

**E. NYSRECA Meeting & Albany Advocacy Day, 5/11/2020 – 5/12/2020, Albany [ADVOCACY DAY LIKELY TO BE CANCELLED]**

**F. NEAEC Annual Meeting and NRECA Course 953.1 Improving Board Decision Making, 5/20/2020 – 5/21/2020 [LIKELY TO BE CANCELLED OR MOVED TO FALL]**

**G. CoBank-facilitated Strategic Planning Discussion, 5/28/2020, Delhi, NY**

**H. June update to board on truck grounding and/or barricading**

**I. NYSRECA Annual Meeting, 7/23/2020, Otsego County Location TBD**

**J. DCEC Family Fun Day, Friday, 8/7/2020, 5 pm, Delhi Courthouse Square**

**K. NRECA Region I/IV Meeting, 9/9/2020 – 9/11/2020, Indianapolis, IN**

**L. Annual Meeting of Members, 9/18/2020, Delhi, NY**

**XIV. Executive Session:** None.

**XV. Adjournment:** There being no further business on the agenda, President Oles adjourned the meeting at 6:59 pm.

Respectfully submitted,

Edward “Rusty” Pick, Jr.,  
Secretary



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**COVID-19 Cooperative Response**  
**Updated April 2, 2020**

The employee segregation plan put in place by the Cooperative on March 18, 2020 is still in place. The employee segregation plan divides and separates the workforce into 2 approximately equal groups so that only ~50% of all employees report to work at any given time. There are no reported or suspected cases of COVID-19 among employees or their families at this time.

We have begun slowly and cautiously rolling out Virtual Private Network (VPN) access for employees to utilize at home. This provides them all of the computing capability they have in the office, including access to all NISC iVue software, shared server files, and even printing. We've prioritized employees based on unique abilities or responsibilities related to critical task completion. Currently Rosemary Alwine, Paul DeAndrea, and Millie Faulkner have VPN access. If all continues to go well, we will roll out VPN access to Tara Rifenbark and Ryan Sullivan next week.

The purpose of this update is to describe what the Cooperative would do in the event of possible scenarios that could unfold within or near the Cooperative's service territory.

Scenario A: Employee comes in contact with another person who tested positive for COVID-19, but has not tested positive themselves.

Employees will be instructed that if an employee becomes aware that they have come in contact with another person who has tested positive for COVID-19, the employee should immediately inform their supervisor or another manager and stay away from work until they test negative or remain symptom free for 14 days. The remainder of the staff will be notified, but no other change will be made to the existing employee segregation plan.

Scenario B: Employee tests positive for COVID-19.

Employees will be instructed that if an employee tests positive for COVID-19, the employee should immediately inform their supervisor or another manager and stay away from work. All employees will be notified. In accordance with public health directives, other employees who have been exposed to the employee who tested positive will also be asked to be tested, subject to the availability of tests. Most employees will be asked to stay home:

1. All field staff, including the Fleet Mechanic, will be instructed to stay home in paid furlough mode except in emergencies such as power outages, 911 call-outs, or safety critical emergent situations.
2. All hourly office staff will be instructed to stay home in "work from home" mode unless called upon to respond to an emergency. An employee's ability to be productive will be affected by whether they have VPN access or not.
3. One or two management employees will be activated from the opposite group as the employee who tested positive. For example, if the employee who tested positive was in Group A, then one or two managers from Group B will be activated. The activated



managers will report to work at the office. They will handle emergency phone calls, and to the extent practical they will also perform critical office tasks such as payroll and accounts payable. The activated management employees will still hand off the phones to C&T Dispatch for all hours outside of regular business hours of 7:30 am to 400 pm.

4. Management staff in the same group as the employee who tested positive would be instructed to stay home in “work from home” mode unless called upon to respond to an emergency.
5. The on-call sheet will be modified to exclude any field employees from the on-call schedule if they are from the same employee group as the employee who tested positive. Until these employees can be tested and verified to be negative for COVID-19 or until such employees remain symptom free for 14 days, they will not be allowed to report to work, even in emergencies including all hands on deck outages.
6. For outages that can be handled by a single crew, the on-call crew as designated on the on-call sheet will be called upon to restore power. If a second crew is needed, the next crew on the on-call sheet will be called. Note that only ~½ of the linemen will be on the on-call sheet, because all linemen in the same employee group as the employee who tested positive would have been temporarily removed from the on-call schedule.
7. In the event of an all-hands on deck outage, employees will be called to help restore the outage from employee groups A and B. Employees from the same employee group as the employee who tested positive will not be able to report, even in an all hands on deck outage, until they either test negative or they remain symptom free for 14 days.

Scenario C: An external authority such as a federal or state regulator requires us to go to absolute minimum staffing levels, as required to maintain safe utility operations.

If instructed by an external authority to go to absolute minimum staffing levels, then we would enter the same staffing mode described in bullets 1 through 7 under Scenario B above.

Questions Requiring Additional Research or Analysis:

1. Under what conditions would the Cooperative want or need to provide protective masks to employees.
2. To what extent and how will we perform tasks such as mail pickup or member payment processing if we are operating under scenarios B or C? These are important, but they are not critical in the short term to keeping the lights on.






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**RESOLUTION**

**Suspension of Certain Provisions of the Cooperative's Policy on Public Participation in Board Meetings until End of COVID-19 State of Emergency**

**April 7, 2020**

**WHEREAS**, the Cooperative's members are currently managing the threats and impacts caused by the COVID-19 virus pandemic; and

**WHEREAS**, Delaware County Board of Supervisors has declared a COVID-19 State of Emergency<sup>1</sup>; and

**WHEREAS**, the Delaware County COVID-19 State of Emergency and recommendations from the US Center for Disease Control encourage appropriate social distancing during the COVID-19 pandemic;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby temporarily modifies the following provisions of the Cooperative's policy on Public Participation in Board Meetings until the COVID-19 State of Emergency declared by the Delaware County Board of Supervisors has been lifted:

- Members who wish to attend and observe a board meeting shall be required to participate via teleconference, but may not attend in-person at 39 Elm Street in Delhi, NY.
- Members who wish to attend and present to the board shall be asked to defer their participation until after the COVID-19 State of Emergency is lifted.
- Members who have an urgent and critical need to present to the board shall be required to present to the board via teleconference, but may not present in-person at 39 Elm Street in Delhi, NY.

; and

**BE IT FURTHER RESOLVED**, that the Board of Directors hereby restores the Cooperative's policy on Public Participation in Board Meetings to its full force and effect upon the lifting of the COVID-19 State of Emergency by the Delaware County Board of Supervisors; and

**BE IT FURTHER RESOLVED**, that the Board of Directors directs management to take any and all appropriate steps to carry out the intent of this resolution.

**CERTIFICATE OF SECRETARY**

I, Edward G. Pick, Jr., certify that I am Secretary of the Delaware County Electric Cooperative, Inc. Board of Directors and that the above is a true excerpt from the minutes of the regular board meeting of the Board of Directors of Delaware County Electric Cooperative, Inc., held on the 7<sup>th</sup> day of April, 2020 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of Delaware County Electric Cooperative, Inc. this 7<sup>th</sup> day of April, 2020.

(Seal)

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(Signature of Secretary)

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<sup>1</sup> The Cooperative also serves members in Chenango, Otsego, and Schoharie counties. If states of emergency in any of those counties persist beyond the Delaware County State of Emergency, then the suspensions of in-person participation in board meetings by members in those counties would be extended as appropriate.



## **RESOLUTION**

### **Temporary Authorizations Granted to Operations Manager, Ryan Sullivan**

**April 7, 2020**

**WHEREAS**, the Delaware County Electric Cooperative, Inc. (the “Cooperative”) is currently managing the threats and impacts caused by the COVID-19 virus pandemic; and

**WHEREAS**, the Cooperative has implemented an Employee Segregation Plan in Response to the COVID-19 Threat (the “Plan”), which took effect on Thursday, March 19, 2020 and which is subject to change from time to time by the CEO/General Manager as public information, orders from government authorities, and electric utility industry guidance evolves; and

**WHEREAS**, the Plan requires all employees, including the CEO/General Manager to work from home during so called furlough periods; and

**WHEREAS**, the CEO/General Manager’s ability to perform certain duties specific to the CEO/General Manager may be limited while working from home; and

**WHEREAS**, there is a possibility that the CEO/General Manager could become incapacitated for a period of time if exposed to the COVID-19 virus; and

**WHEREAS**, the CEO/General Manager may engage in travel that would limit his ability to perform certain duties; and

**WHEREAS**, the Operations Manager is well informed of all the duties and current activities of the CEO/General Manager;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors temporarily authorizes the Operations Manager to act in the place of and with the authority of the CEO/General Manager, subject to the limitations described herein, exclusively under the following circumstances:

- 1) The CEO/General Manager is furloughed and the CEO/General Manager’s ability to perform his duties are limited because he is working from home; or
- 2) The CEO/General Manager is incapacitated by his own illness, the illness of a family member, or the need to be quarantined due to exposure to others suspected or confirmed to be carrying the COVID-19 virus; or
- 3) The CEO/General Manager’s travel limits his ability to perform his duties; and

**BE IT FURTHER RESOLVED**, that this temporary authorization, as applicable, starts on April 7, 2020 and ends on July 31, 2020 unless extended by further action by the Board of Directors; and

**BE IT FURTHER RESOLVED**, that this temporary authorization does not include the authority to hire, fire, or issue disciplinary action involving loss of pay to any employee; and

**BE IT FURTHER RESOLVED**, that the Operations Manager is required to notify the President of the Board and the CEO/General Manager via e-mail, each instance<sup>1</sup> when the Operations Manager exercises this temporary authority; and

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<sup>1</sup> Examples of instances in which the Operations Manager could exercise this temporary authority include, but are not limited to signing check(s) in amount exceeding the Operations Manager’s normal signing limits, authorizing purchase orders in excess of those same limits, or granting PTO requests to staff members other than the direct reports of the Operations Manager.




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**BE IT FURTHER RESOLVED**, that the Operations Manager is instructed to use his professional judgement and defer actions related to the duties of the CEO/General Manager when a delay would not negatively impact the safe, efficient and effective operations of the Cooperative; and

**BE IT FURTHER RESOLVED**, that the Board of Directors directs management to take any and all appropriate steps<sup>2</sup> to carry out the intent of this resolution.

#### **CERTIFICATE OF SECRETARY**

I, Edward G. Pick, Jr., certify that I am Secretary of the Delaware County Electric Cooperative, Inc. Board of Directors and that the above is a true excerpt from the minutes of the regular board meeting of the Board of Directors of Delaware County Electric Cooperative, Inc., held on the 7<sup>th</sup> day of April, 2020 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of Delaware County Electric Cooperative, Inc. this 7<sup>th</sup> day of April, 2020.

(Seal)

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(Signature of Secretary)

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<sup>2</sup> Appropriate steps would include, but not be limited to adjusting procurement and disbursement thresholds within the NISC Accounting and Business Solutions software and notifying all employees to direct certain requests to the Operations Manager that would normally go to the CEO/General Manager.




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**RESOLUTION**

**Deferral of Planned Increase in Fixed Monthly Service Charge until End of COVID-19 State of Emergency**

**April 7, 2020**

**WHEREAS**, the Delaware County Electric Cooperative, Inc. (the "Cooperative") developed a 5-year electric rate plan for the years 2016 through 2020 based on the full cost of service study conducted in 2015; and

**WHEREAS**, the rate plan included a \$0.50 increase to the fixed monthly service charge for all residential, seasonal, and small commercial member service locations, scheduled to take effect on members' April, 2020 bills; and

**WHEREAS**, the Cooperative's members are currently managing the threats and impacts caused by the COVID-19 virus pandemic; and

**WHEREAS**, New York Governor Andrew Cuomo has ordered the New York Public Service Commission (PSC) to defer rate increases scheduled by certain PSC regulated utilities where those rate increases were previously scheduled to take effect on April 1, 2020; and

**WHEREAS**, the board of directors has customarily adopted policies and implemented electric rates that take into consideration the spirit and intent of PSC orders;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors directs the CEO/General Manager to defer implementation of the \$0.50 increase to fixed monthly service charges for small electric consumers until the COVID-19 State of Emergency declared by the Delaware County Board of Supervisors<sup>1</sup> has been lifted; and

**BE IT FURTHER RESOLVED**, that the Board of Directors directs the CEO to implement the planned \$0.50 increase to fixed monthly service charges in the first member billing that occurs following the lifting of the state of emergency; and

**BE IT FURTHER RESOLVED**, that the Board of Directors directs management to take any and all appropriate steps to carry out the intent of this resolution.

**CERTIFICATE OF SECRETARY**

I, Edward G. Pick, Jr., certify that I am Secretary of the Delaware County Electric Cooperative, Inc. Board of Directors and that the above is a true excerpt from the minutes of the regular board meeting of the Board of Directors of Delaware County Electric Cooperative, Inc., held on the 7<sup>th</sup> day of April, 2020 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of Delaware County Electric Cooperative, Inc. this 7<sup>th</sup> day of April, 2020.

(Seal)

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(Signature of Secretary)

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<sup>1</sup> The Cooperative also serves members in Chenango, Otsego, and Schoharie counties. If states of emergency in any of those counties persist beyond the Delaware County State of Emergency, then the deferral of the planned rate increase would be extended as appropriate.




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**RESOLUTION**

**Suspension of Late Payment Penalties and Disconnections for Non-Payment  
until End of COVID-19 State of Emergency**

**April 7, 2020**

**WHEREAS**, the Cooperative's members are currently managing the threats and impacts caused by the COVID-19 virus pandemic; and

**WHEREAS**, New York Governor Andrew Cuomo has ordered the New York Public Service Commission (PSC) to suspend late payment penalties and disconnections for non-payment by PSC regulated utilities during the COVID-19 state of emergency; and

**WHEREAS**, the board of directors has customarily adopted policies and implemented service rules and regulations that take into consideration the spirit and intent of PSC orders;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors directs the CEO/General Manager to suspend the application of late payment penalties and disconnections for non-payment until the COVID-19 State of Emergency declared by the Delaware County Board of Supervisors<sup>1</sup> has been lifted; and

**BE IT FURTHER RESOLVED**, that the Board of Directors authorizes the CEO or his designee to resume the application of late payment penalties and disconnections for non-payment no sooner than the lifting of the COVID-19 State of Emergency declared by the Delaware County Board of Supervisors, at a time deemed by the CEO or his designee to be in the best interest of the Cooperative, or as directed by future resolutions of the Cooperative's Board of Directors; and

**BE IT FURTHER RESOLVED**, that the Board of Directors directs the CEO to authorize extended payment arrangements on past due amounts incurred during the COVID-19 State of Emergency by financially distressed members for a period up to six (6) months after the COVID-19 State of Emergency has lifted by the Delaware County Board of Supervisors; and

**BE IT FURTHER RESOLVED**, that the Board of Directors directs management to take any and all appropriate steps to carry out the intent of this resolution.

**CERTIFICATE OF SECRETARY**

I, Edward G. Pick, Jr., certify that I am Secretary of the Delaware County Electric Cooperative, Inc. Board of Directors and that the above is a true excerpt from the minutes of the regular board meeting of the Board of Directors of Delaware County Electric Cooperative, Inc., held on the 7<sup>th</sup> day of April, 2020 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

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(Seal)

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(Signature of Secretary)

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<sup>1</sup> The Cooperative also serves members in Chenango, Otsego, and Schoharie counties. If states of emergency in any of those counties persist beyond the Delaware County State of Emergency, then the suspensions of penalties and disconnections for members in those counties would be extended as appropriate.




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**Headquarters Project Regulatory Approvals and Permitting Status Update**  
**Updated April 2, 2020**

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SHPO Approval: Complete – Memorandum of Agreement signed by all required parties.

RUS Approval

There's been a small snag in the RUS approval process. We continue to get outstanding support from the environmental professionals at RUS, who have exceeded all expectations with their review turn-around times and their efforts to communicate proactively within RUS and with us. However, another staff change in the RUS organization has introduced a dissenting opinion about our project. The new environmental analysts' supervisor comes from Housing & Urban Development and is not familiar with the environmental regulations applied to commercial property development (non-residential) in New York State. She has asked us to get a letter of "no further action" from the NYS Brownfield Office. There are 2 problems with that request:

- 1) There is no such office as the NYS Brownfield Office.
- 2) There is no branch of the NYS Department of Environmental Conservation (DEC) that provides advisory opinion letters.

In summary, she has asked us to get something that doesn't exist from an office that also doesn't exist. It is noteworthy that the environmental professionals working for this supervisor agree with us, but the supervisor is sticking to her position.

Our environmental consultants from GZA prepared and submitted a "technical memorandum" that explained these issues to the supervisor, but that did not change her opinion. We discussed 4 options with RUS staff:

- 1) Use our legal counsel to explain to the RUS supervisor that she is asking for something that does not exist in NYS and that she is overstepping her regulatory authority in doing so.
- 2) Use GZA's contacts within the NYS DEC Region 4 to attempt to get an e-mail or participation on a conference call with the RUS supervisor to help explain that what is being requested does not exist.
- 3) "Call in a spill" to the DEC hotline and report our highest levels of contamination. This would result in the DEC issuing a "close-out ticket" on the spill report with no action required. However, this is a bit of a manipulation of the DEC's process in a way that was not intended.
- 4) Try to argue to the DEC that we qualify for their Brownfield Program, although we clearly do not. This might result in a written statement of some form stating that we do not qualify for the program, but it will not produce a letter of "no further action."
- 5) Submit evidence that all sampled soils on our property meet the requirements as acceptable commercial property fill material under Solid Waste regulation part 360 governing fill material. Under those regulations, the soil on our project site could be hauled to any commercial property to be used as fill material with no requirement for any environmental mitigation measures.

We are currently focused on options 1 and 2 above and we have a conference call scheduled with the RUS supervisor for Tuesday, April 7, 2020.



### Headquarters Project Member Communications Plan – April 7, 2020

Frequency/Topics	Facebook & Website	Newsletter	Bill Insert	Family Fun Day	Newspapers	E-Mail Blast
Frequency	Semimonthly (Starting April)	Bimonthly (Starting May)	Bimonthly (June & August)	1-time, August 7, 2020	1-time, 1 week prior to move	1-time, 1 week prior to move
HQ Project – What is it? <ul style="list-style-type: none"> <li>• Cost</li> <li>• What we're building</li> <li>• Location</li> </ul>	Yes – each communication	Yes – each communication	Yes – in June	Yes	Yes	Yes
Why we are doing it - benefits to members.	Yes – each communication	Yes – each communication	Yes – in June	Yes	Yes	Yes
Move logistics – <ul style="list-style-type: none"> <li>• Move dates</li> <li>• Member services location</li> </ul>	Yes - starting 1 month prior to move	Yes - starting 1 month prior to move	Yes – in August	Yes	Yes	Yes
Celebrating history of the Cooperative at 39 Elm Street.	One time	One time	No	Yes	No	No
COVID-19 and impacts on HQ project, particularly schedule uncertainty.	Yes – each communication until COVID-19 matter settled	Yes – each communication until COVID-19 matter settled	No	No – hopefully COVID-19 is done by August.	No	No

Mrs. VanZandt will be primarily responsible for detailing and implementing a plan consistent with this high level overview. Although less critical, Mrs. VanZandt will also have a plan for vendors, contractors, service providers, etc.





## POLICY

SUBJECT: Auditing of Cooperative Books, Records and Accounts

POLICY: The Cooperative books, records and accounts shall be audited annually on the calendar year basis corresponding with the financial close of the Cooperative.

The audit shall be done by a certified public accountant selected and approved by the Board of Directors of the Cooperative. In the interest of gaining fresh insights into the Cooperative's accounting practices and judgements, the Board of Directors shall consider the benefits of periodically changing the Cooperative's auditing firm, but the Board of Directors shall not be bound to a specific auditing firm rotation cycle.

The audit shall be conducted, and a report thereof distributed, in accordance with Article XI of the Cooperative's bylaws.

PROCEDURE: The Finance Committee of the Board shall discuss candidate auditors during their September-October meeting each year and recommend to the Board an auditor for the Cooperative to retain to conduct the annual audit. The Board shall approve an auditor in time to allow contractual engagement for work to proceed in December of the year for which the audit is to be performed.

RESPONSIBILITY: Board of Directors

### DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Mar 17, 1965
Reviewed by Board of Directors	Mar 19, 1975
Reviewed by Board of Directors	Oct 24, 1989
Revised by Board of Directors	Apr 26, 2011
Reviewed by Board of Directors	Sep 23, 2014
Reviewed by Board of Directors	Nov 22, 2016
<u>Revised by Board of Directors</u>	<u>Apr 7, 2020</u>





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## POLICY

SUBJECT: Safety

POLICY: The Board of Directors and management of the Delaware County Electric Cooperative, Inc. ("Cooperative") recognizes that safety of all Cooperative employees, members, and the general public is of paramount importance to the success and sustainability of the Cooperative. The Cooperative holds safety as an essential organization value. The need to complete a job efficiently should never take priority over the need to perform it safely. The Board of Directors therefore supports establishing an enterprise-wide safety culture at the Cooperative, including but not limited to, participation in the Rural Electric Safety Achievement Program (RESAP).

PROCEDURE: The Board of Directors and management embrace the commitment to ~~achieve~~ maintain RESAP certification through a review of internal safety practices, identification of improvement areas and a commitment to improve safe work practices.

The Cooperative Managers and Supervisors are responsible for maintaining safe working conditions and to implement effective safety programs.

The General Manager, after consulting with Cooperative staff, shall present an annual Safety Improvement Plan to the Board of Directors. The General Manager shall coordinate the full implementation of the Cooperative's annual Safety Improvement Plan.

All employees of the Cooperative must take an active role in protecting themselves, fellow employees, Cooperative members and the general public from unsafe conditions. Employees are required to follow safe work practices and procedures and adhere to all Cooperative safety rules. The current safety rules of the Cooperative shall be documented in the Delaware County Safety Manual, which shall be provided to all Cooperative employees in printed and electronic format after modifications to the Manual.

RESPONSIBILITY: Board of Directors, General Manager and all employees



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Revised by Board of Directors

Nov 25, 2014

Revised by Board of Directors

Sep 27, 2016

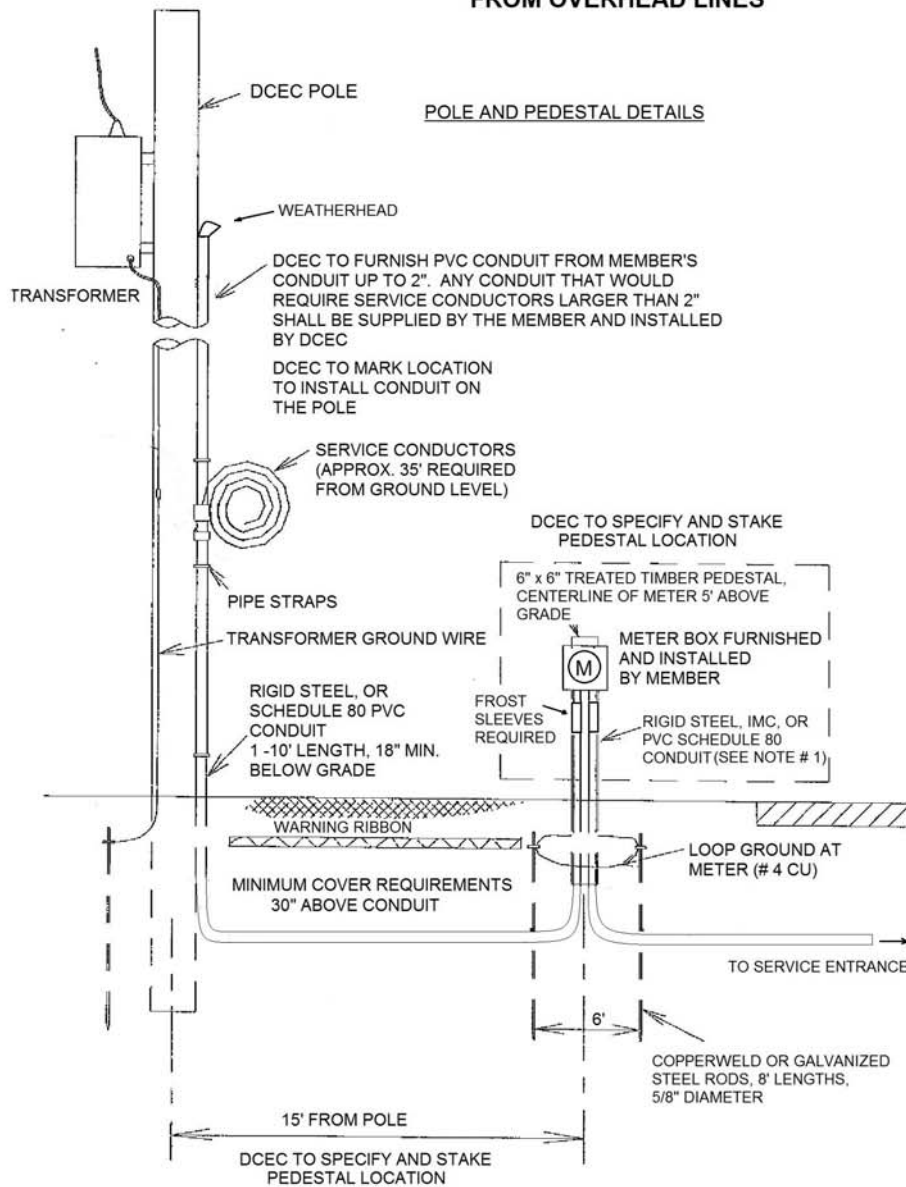
Revised by Board of Directors

Apr 7, 2020

# UNDERGROUND SERVICE CONNECTIONS FROM OVERHEAD LINES

DRAFT

(3/12/2020)

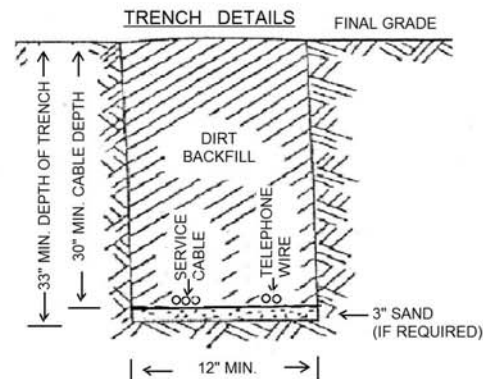


## NOTES:

1. RIGID STEEL OR IMC TO BE BONDED AT METER BOX AND SERVICE ENTRANCE PANEL

## POLE AND PEDESTAL DETAILS

FIGURE 1



## TRENCH DETAILS

FIGURE 2

DCEC SYSTEM  
UNDERGROUND SERVICE  
CONNECTIONS FROM OVERHEAD  
LINES

3/12/2020

PD

3/24/2020 DRAFT

**MINIMUM REQUIREMENTS: METER LOCATIONS ON PEDESTALS – WITH UNDERGROUND**

SINGLE PHASE, 120/240 VOLTS, 3 WIRE SERVICE, 200 AMPERE, MINIMUM

**GENERAL**

The member shall purchase a meter base from the Cooperative or purchase an approved meter base and install it on the pedestal at member's expense (See FIGURE 1).

All service entrance equipment from the meter box to the house is to be supplied and installed by the member, including proper size conduit from the meter base to 30" below ground level. **A frost sleeve is required between the meter pan and ground level** (See FIGURE 2).

Conduit from the meter base to 30" below ground level shall be rigid, galvanized steel or rigid non-metallic conduit or Schedule 80 PVC. It shall be of proper size as indicated, below, and securely fastened to the pedestal and the side of the house with suitable clamps.

The main switch or service panel shall be located at a readily accessible location nearest the point of entrance of the service entrance conductors in the house as stated in the National Electric Code.

Prior to the installation of the new service, contact an electrical inspection agency approved by the Cooperative if you have any questions.

**GROUNDING**

Ground wire shall be one continuous length without a splice or joint from the main switch to the grounding electrode. Ground clamps must connect the ground wire securely on the two driven grounding electrodes which are to be located a minimum of 6' apart in undisturbed earth.

Driven grounding electrodes must be 5/8" x 8' copper clad rod or 5/8" x 8' solid, galvanized rod. PVC conduit installed on the pedestal and or the house requires a 3-wire cable from the pedestal to the house. If a disconnect is located beneath the meter box, then a four 4-wire cable shall be installed between the meter box and the house. If metal conduit is used on either end, it must be bonded to either the meter box and or the main service panel.

If a continuous run of metallic conduit is installed from the meter box on the pedestal to the house main panel, then bonding bushings must be used to bond the meter box and main panel together. In this case, a 3-wire cable may be used between each point.

For all of the above, two (2) grounding electrodes must be installed at the house.

**NOTES**

1. All installations to be made according to the diagram.
2. All material to be approved by Underwriters Laboratory.
3. All wiring to be in accordance with the National Electric Code and certified by a Cooperative approved inspection agency.
4. Always have a qualified electrician take care of your wiring needs.
5. Members not following these minimum requirements may be refused service connection.
6. Service connections and/or meter removal shall be done only by authorized Cooperative personnel.
7. A reduced neutral conductor may be allowed.
8. All service entrances will be located by Cooperative personnel. Any change to the service entrance location without the authorization of Cooperative personnel may cause an additional expense to the member.

## Service entrance conductor and grounding conductor schedule.

ITEM	MATERIAL	100 Ampere Service		150 Ampere Service		200 Ampere Service		300 Ampere Service		400 Ampere Service		600 Ampere Service	
1	Service Entrance Cable, Type SEU Copper Wire	#2/0		#2/0		#2/0							
2	Service Entrance Cable, Type SEU Aluminum Wire		#4/0		#4/0		#4/0						
3	Copper wire, Type THW in Conduit	#2/0		#2/0		#2/0		350 MCM		500 MCM		6-350 MCM	
4	Aluminum Wire, Type THW in Conduit		#4/0		#4/0		#4/0		500 MCM		750 MCM		6-500 MCM
5	Minimum Conduit Size	2"	2"	2"	2"	2"	2"	3"	3"	3"	3 ½"	4"	4"
6	Minimum Conduit Size for UG Service Conductors	2"	2"	2"	2"	2"	2"	3"	3"	4"	4"	4"	4"
7	Copper Ground Wire to Driven Grounding Electrode	#4	#4	#4	#4	#4	#4	#1/0	#1/0	#1/0	#1/0	#1/0	#1/0



## Project Roundup Next Steps

3/24/2020

The board of directors reviewed a number of options to implement Project Roundup for our membership. The board decided to implement a project roundup scholarship program with the following general characteristics:

- Members will opt in if they want to contribute rather than having to opt out if they don't want to contribute. Based on the experience of other cooperatives around the country, opt in programs have produced approximately 15% participation after a number of years of the program.
- Participating members will "round up" the amount of each of their monthly bills to the next whole dollar amount, resulting in an average annual contribution from participating members of \$6. Annual program contributions through monthly billing after 10 years are estimated at approximately \$4,800.
- Additional off-bill contributions (checks) may be accepted also, but they will not be tax deductible for the contributors because the board has opted not to establish a 501(c)3 subsidiary for this purpose.
- Scholarships for the pursuit of post-secondary education in any field in any kind of institution including trade schools, colleges, and universities.
- Eligibility requires Cooperative membership of a parent/grandparent.
- Award a small number of "competitive" scholarships rather than offer a large or unlimited number of "entitlement" scholarships.

The board asked me to propose next steps, so here goes:

I propose the following implementation timeline:

Board approval of program details	June, 2020 board meeting.
Member education and contribution solicitation	Beginning in August of 2020 and quarterly thereafter, with special emphasis once per year in the Cooperative's editorial calendar.
Solicit first student applications as an enticement to student legislative delegate applicants.	January of 2021.
Select the 2021 student delegate, who would then also be the 2022 scholarship awardee.	March of 2021.
Award 1 <sup>st</sup> scholarship	Summer of 2022 for the period starting July of 2022 and ending June of 2023.
Repeat student applications and awards.	Annually.

I propose the following eligibility requirements for scholarship recipients:

- Applicant eligibility identical to student delegate eligibility requirements.
- Eligibility for continued receipt of annual awards conditional upon continuing in good status within the selected educational program.

I propose the following financial commitment on behalf of the Cooperative as a business:

- Commit \$1,000 per year for one to four years of post-secondary education for each awardee, even if scholarship amounts exceed the Project Roundup funds collected.
- Highest possible annual cost would could grow by year 2025 to 4 awardees simultaneously receiving \$1,000 for a total of \$4,000.



**Power Costs Risk Update**  
**3/24/2020**

This power cost risk report will break down the elements of the Cooperative's wholesale power costs and comment on the risk of volatility and high pricing in each power cost category.

Power Cost Category	Volatility Risk In Next 6 Months	High Price Risk In Next 6 Months	Comments
NYPA hydro energy and demand	None	None	Current hydro contract provides cost-based rates through the year 2040. Semi-annual rate stabilization reserve meetings provide insight into NYPA operating and capital costs performance in the previous and future years.
Market based energy	Medium	Very Low	Overall economic conditions in the near term will result in lower state-wide demand, which lowers prices. Also, in the long term, increases in renewable generation will result in more hours where the market clears at or near \$0.00 per kWh for energy.
NYISO bulk transmission losses	Low	Very Low	Low levels of economic activity will result in lower bulk transmission flows and lower bulk transmission losses.
NYSEG Transmission Service Charges (TSC)	Medium	Medium	NYSEG transmission charges for wheeling our energy through their low-voltage transmission and sub-transmission lines are inherently volatile because they are formula-based rates. As other sources of revenue for NYSEG's transmission system go up and down, the rates we pay do the opposite. Many of the costs in the NYSEG TSC are fixed, so we expect to pay higher TSC rates in 2020 as the overall energy volume across the NYSEG system are reduced.
NYISO congestion charges	Low	Very Low	Low economic activity will also suppress congestion costs. We continue to "insure" against congestion costs with Transmission Congestion Contracts (TCCs) for 7 Megawatt of congestion. Unlike 2019, I anticipate we will "lose" on our TCCs in 2020.
New York State Clean Energy Standard costs including Renewable Energy Credits (RECs) and Zero Emissions Credits (ZECs)	Medium	Medium	RECs still constitute a small portion of our overall power cost, but ZECs actually constitute a large and growing portion. ZEC prices are set by the PSC in order to guarantee certain nuclear plants a guaranteed revenue stream. As overall energy prices fall, we can expect ZEC prices to increase to make up for it. There is no standard hedge available for ZEC prices and I'm certain nobody is betting on lower ZEC prices. Therefore, any hedging activity by the Cooperative would have to be very creative and rely upon investments in



			financial instruments not directly related to the energy market. Such investments would be difficult to explain to the typical member and to our auditors. I recommend against taking any action to mitigate ZEC cost risk at this time.
NYISO Ancillary Services and "Uplift"	High	Medium	Ancillary Services are things like fast ramping capability and voltage support. Uplift is how the NYISO spreads administrative and general costs to all the Load Serving Entities (LSEs) in the state. These costs don't go down proportionally with lower energy sales. Therefore, we'll pay more per kWh for these services under the current economic conditions. This cost category represents a low percentage of our overall wholesale power costs and therefore does not require any specific mitigation measure.
Member-owned distributed generation	Very Low	None	At the present time, this risk is very low due to the low volume of purchases from member-owned distributed solar/wind owners. Also, the price we pay to members is calculated based on the whole year's average wholesale cost per kWh, so the price is inherently stable.
National Grid borderline energy for single member	Medium	Very Low	The price we pay to National Grid for energy will be proportional to the overall market energy price in NY.

Overall the Cooperative is in a great position with respect to wholesale power cost risk. No action is recommended at this time.





### Available Funds for Draw-Down from RUS

Updated April 2, 2020

The table below summarizes the funds we have available to draw down from RUS in the very near future:

Funds Status	Amount Available
Previously submitted work orders and subsequent funds available per RUS Report for drawdown (through September 2018)	\$1,423,315.65
Work Orders inspected and signed by Paul available for submission (October 2018 through October 2019 excluding June of 2019)	\$526,531.78
Work Order inspected and signed by Paul but needs a director signature (June 2019)	\$23,891.74
Remaining Work Orders to be inspected and signed by Paul (November & December 2019)	\$368,718.20
Total funds available for draw-down from RUS within 30 – 45 days.	\$2,342,457.37

Paul DeAndrea, P.E. is currently working on inspection of the November and December 2019 work orders so that he can sign off on them and prepare those 219s for submission. Once those inspections are done, Millie Faulkner can submit 219s to RUS for all work completed in June of 2019 through December of 2019.

Total new debt needed in 2020 is \$3 million. If we borrow \$2.3 million very soon, we could borrow the remaining \$700k in the 3<sup>rd</sup> quarter, once we close additional work orders, including portions of the headquarters work orders.

Current RUS interest rates for 30-year debt are set at 1.145%. Wow!