

NOTICE OF BOARD MEETING

The regular meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. will be held **Tuesday, April 27, 2021 at 5:00 pm** at the Co-op's office, 5 North Depot Street, Delhi, New York to act on the following agenda.

AGENDA

I. Opening Business:

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

II. Consent Agenda:

- A. Minutes of March 23, 2021 [packet pages 2-6]
- B. New Memberships [packet page 7]
- C. Bad Debt Collection Report [packet page 8]
- D. Director Compensation [packet pages 9-10]
- E. Corporate Calendar [packet page 11]

III. Monthly Financial Reports: [packet pages 12-14]

IV. Report from Stanley "Mike" Roseberry, CPA at Fiore Fedeli Snyder Carothers [oral report]

V. Finance Committee Report: [oral report from Committee Chairman Menke]

VI. General Manager's Report [packet pages 15-18]

VII. Resolutions from CoBank [handout/display]

VIII. Resolutions from RUS [handout/display]

IX. NRECA Legislative Conference Meeting Report [oral report from attendees]

X. Virtual April NYAPP Meeting Report [oral report from attendees]

XI. COVID-19 Report/Update [packet pages 19-23]

XII. Update from Operations – Visit from Federated [oral report from Sullivan]

XIII. CEO Review Process [discussion]

XIV. Strategic Plan Review & Revision [packet pages 24-26 & discussion]

XV. Policies

- A. Directors Qualifications and Responsibilities, 2nd reading [packet pages 27-33]
- B. Cyber Security [packet pages 34-45]

XVI. Northeast Association of Electric Cooperative, Virtual Meeting, Thursday, May 20, 2021 from 10 am – 12 pm

- A. Official Annual Meeting Announcement already emailed to entire board on 3/29/21
- B. Voting Delegates need to be determined and submitted by 5/13/21
- C. Interested board members need to RSVP by 5/13/21

XVII. Approval of Clean Version of Minutes of Special Meeting on March 16, 2021 and Resolution attached to Minutes [packet pages 46-48]

XVIII. Vegetation Management Update [oral report from Sullivan]

XIX. Annual Meeting Kick-off Planning including consideration of Bylaw changes [discussion]

XX. New Business:

XXI. Future Business:

- A. NYS ACRE Donations – Collected at April 27th meeting, suggested amount \$125
- B. Regular Board Meeting, Tuesday, 5/25/21 @ 5 pm
- C. NYSRECA Virtual Business Meeting, May 3, 2021 9:30 am to 11:30 am & Albany Virtual Advocacy Day, May 4-7, 2021. Details emailed by Ally on 4/19/21. **Rsvp needed**
- D. NEAEC Annual Meeting, May 20th, 10:00 am – 12:00 pm, virtual meeting, details emailed by Ally on 3/29/21. **Rsvp needed**
- E. NYSRECA Annual Meeting, July TBD
- F. DCEC Family Fun Day, 8/6/21 at 5 pm, Delhi, NY
- G. Report and update on RESAP from Operations after visit from PREA (August board meeting, 8/24/21)
- H. NRECA Regions 1 & 4, 9/8/21 – 9/10/21, National Harbor, MD (Dates subject to change)
- I. DCEC's Annual Meeting, 9/10/21
- J. CFC Strategic Planning, week of October 18th, details need to be confirmed.
- K. CoBank facilitated Strategic Planning Discussion, date, TBD, Delhi, NY

XXII. Executive Session

XXIII. Adjournment

Cooperative Stakeholders

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

**Delaware County Electric Cooperative
Board Meeting Minutes
March 23, 2021**

I. Opening Business: The regular monthly meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held March 23, 2021 at the Co-op's office, 5 North Depot Street, Delhi, New York.

A. Call to Order: The meeting was called to order at 4:35 p.m. by President Oles.

B. Roll Call - Determination of Quorum:

Stephen Oles	P
Edward Pick Jr.	P
Paul Menke	P
Laurie Wehmeyer	P
Kimberly Tosi	P
Steve Burnett	P
Jeffrey Russell	P

DCEC staff members that participated in-person were, soon to be DCEC's new CEO/General Manager Christopher Evans, DCEC's Interim CEO/General Manager Millie Faulkner, DCEC's CFO Mark Cannizzaro and DCEC's Operations Manager Ryan Sullivan. DCEC's Director Kimberly Tosi and DCEC's Legal Counsel Jeffrey Clark from Bond, Schoeneck and King participated via phone conference.

C. Adoption of Agenda: A motion was made by Treasurer Menke, to adopt the agenda with the following additions under XV. New Business, A. Bank Signature Cards, B. Legislative Conference Handout, C. New CEO/General Manager Christopher Evans Media Announcement, and D. ARCE Checks. The motion was seconded by Vice President Russell. The motion passed.

II. Consent Agenda: A motion was made to approve the Consent Agenda by Treasurer Menke. The motion was seconded by Vice President Russell. The motion passed. Interim CEO/General Manager handed out corrected Director Compensation reports.

III. Monthly Financial Reports:

- A. **2020 YE Financials:** CFO Mark Cannizzaro reported that the Paycheck Protection Program (PPP) loan has had no impact on the final numbers. CFO Mark Cannizzaro discussed various lines of the income statement including line item 28 Extraordinary Items which exhibits the gain on the sale of 39 Elm Street. CFO Cannizzaro remarked that this is a very historical event as this type of transaction may never show on our financial reports in the future. CFO Cannizzaro reported that line item 11 on the income statement Administrative and General Expense is higher than previous year and the budget due to expenses relating to the new building.

- B. **January 2021 Financials:** CFO Mark Cannizzaro reported that the approved budget has been uploaded and that on the balance sheet line item 20 Accounts Receivable – Sales of Energy (Net) is higher due to more kWhs sold. Mr. Cannizzaro added that the budget billing balance due to New York Power Authority (NYPA) is growing due to the colder months. CFO Cannizzaro remarked that line item on the balance sheet Accounts Payable shows the amount DCEC owes NYPA.

- C. **February 2021 Financials:** CFO Mark Cannizzaro remarked that on the income statement line item one, Operating Revenue and Patronage Capital reached one million. CFO Mark Cannizzaro commented that prior to this meeting when reviewing the financials with Billing Specialist Rosemary Alwine that she remarked she never saw that before. CFO Mark Cannizzaro presented an analysis of the revenue increase of January and February of 2021 compared to January and February of 2020. CFO Cannizzaro remarked that the result of the study shows an increase ranging from 11% to 33% across service class one (SC-1) and service class two (SC-2).

IV. General Manager's Report: The following items within the General Manager's Report were discussed in further detail.

The board instructed Mrs. Faulkner regarding the moratorium on disconnects of electric service for non-payment that they wish to follow the lead of what other utilities that are regulated by the Public Service Commission (PSC) are doing and not reconvene disconnects until it seems reasonable and ethical to do so.

Interim CEO/General Manager Millie Faulkner drew the board's attention to the NYAPP: Annual Informational Filing of NYPA Formula Transmission Rate and reviewed the attached report from DCEC's Engineering & Technology Manager Paul DeAndrea entitled Summary of Anticipated Adjustment of NYPA's NTAC (NYPA Transmission Access Charge) Filing.

V. Student Delegate Scholarship Program Interview: The board instructed Interim CEO/General Manager Millie Faulkner to reach out to Ms. Bryanna Rittlinger and Ms. Payton Pietrantoni and advise them that they were not selected for the scholarship but to reward them

with a \$100 gift certificate each for their effort. The board of directors elected Alexis Rockefeller as the winner of the 2021 scholarship.

VI. CEO Search Committee Report: See attached report from Chairman Oles. Chairman Oles reported that the CEO Search Committee met on February 25th and March 4th. Director Burnett made a motion to approve the report as submitted by Chairman Oles. The motion was seconded by Secretary Pick. The motion passed. It was recommended that the board consider quarterly appraisal review of new CEO to be further discussed in Executive Session.

VII. NRECA Annual Meeting Report: Attendees Director Wehmeyer, Secretary Pick, and Director Tosi reported on various sessions attended. Secretary Pick reported that he attended the NRTC, SEDC, and the ACRE business meetings. Director Wehmeyer attended the opening session with Co-founder and CEO of Team Rubicon Jake Wood. Director Tosi and Director Wehmeyer both commented that Mr. Wood was an exceptional keynote speaker. Director Wehmeyer remarked that she attended sessions on AMI, fiber, cyber security, and a session called “Staying in the Game” with speakers Jim Matheson CEO of NRECA, Curtis Wynn NRECA President and North Carolina Director and best-selling author Simon Sinek. Director Tosi mentioned that she attended the Women in Power session, a cooperative case study on residential electric vehicle charging, AMI, Solar, and member engagement.

VIII. NRECA CCD Director Training: Director Tosi reported on the director training session she attended on February 16th and February 17th. Tosi remarked that it was interactive, and she learned that it is important to ask questions during board meetings. Director Tosi mentioned that her next class on board duties and roles is in April.

IX. COVID-19 Report/Update: Interim CEO/General Manager Millie Faulkner presented the COVID-19 report/update and highlighted the time of leave. DCEC’s Attorney Jeffrey Clark commented on length employee/employer responsibilities, choices and requirements for the COVID-19 vaccine.

X. Current AMI Metering: See attached report from Operations Manager Ryan Sullivan.

XI. Line Extension Policy Review: The board agreed to table this policy.

XII. Strategic Planning Scheduling: President Oles instructed Interim CEO/General Manager Millie Faulkner to contact Jim Meiers of National Rural Utilities Cooperative Finance Corporation for a tentative date for Strategic Planning in the September or October timeframe and to also mention the need for a Cost-of-Service Study.

XIII. Policies:

A. Directors Qualifications and Responsibilities: The board agreed to table this policy until the April 27th board meeting. DCEC's Attorney Jeffrey Clark recommended that further discussion is needed regarding the process by which a vacancy is caused by member removal.

B. Compensation for Board of Directors: A motion was made to approve the policy as presented by Secretary Pick. The motion was seconded by Director Burnett. The motion passed.

XIV: Revised Budget Presentation: CFO Mark Cannizzaro presented the revised budget that included changes previously approved.

XV. New Business:

A. Bank Signature Cards: Reviewed.

B. Legislative Conference Handout: Report attached.

C. New CEO/General Manager Christopher Evans Media Announcement: Reviewed.

D. ARCE Checks: Reviewed.

XVI. Future Business:

A. Finance Committee Meeting, Tuesday, 4/27/21 @2 pm

1. Presentation of 2020 Financials by Stanley "Mike" Roseberry
2. Presentation of Compass Modeling by Mark Cannizzaro
3. Review of Financial Goals & Objectives
4. Review of Formulary Rate Adjustment
5. Review of Revised Budget

B. Regular Board Meeting, Tuesday, 4/27/21 @ 5 pm

1. NYS ACRE Donations

C. Legislative Conference, 4/19/21 – 4/23/21, online

D. Virtual April NYAPP Meeting, 4/21/21 to 4/22/21, 10am -12pm both days

E. NYSRECA Business Meeting & Albany Advocacy Day, TBD

F. NEAEC Annual Meeting, May 20th, 10:00 am – 12:00 pm, virtual meeting, details to be emailed by Lee Ann Hoad from Steuben

G. NYSRECA Annual Meeting, July TBD

H. DCEC Family Fun Day, 8/6/21 at 5 pm, Delhi, NY

I. Report and update on RESAP from Operations after visit from PREA (August board meeting, 8/24/21)

J. NRECA Regions 1 & 4, 9/8/21 – 9/10/21, National Harbor, MD (*Dates subject to change*)

K. DCEC's Annual Meeting, 9/10/21

L. CoBank facilitated Strategic Planning Discussion, date, TBD, Delhi, NY

XVII. Executive Session: A motion was made to go into executive session at 8:31 p.m. by Secretary Pick. The board invited the following attendees to join executive session; DCEC's soon to be CEO/General Manager Christopher Evans, DCEC's Interim CEO/General Manager Millie Faulkner, DCEC's Operation Manager Ryan Sullivan, and DCEC's CFO Mark Cannizzaro. The motion was seconded by Director Burnett. The motion passed. A motion was made to come out of executive session at 8:56 p.m. by Secretary Pick. The motion was seconded by Director Wehmeyer. The motion passed.

XVIII. Adjournment: There being no further business on the agenda, President Oles adjourned the meeting at 9:38 p.m.

Respectfully submitted,

Edward "Rusty" Pick, Jr.,
Secretary

Delaware County Electric Cooperative, Inc.

5 North Depot Street, P. O. Box 471, Delhi, New York 13753-0471
607-746-2341

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NEW MEMBERSHIPS – April 27, 2021

ACCT #	LOCATION	FIRST NAME	LAST NAME	ADDRESS	CITY, STATE, ZIP	FORMER/ RENTING/ NEW SERVICE
18604-001	DE 4-28-20	Christopher	Dragotakes	379 Tanglewood Lane Rd.	DeLancey, NY 13752	Timothy C. Townsend
18601-001	DA 1-27-7G	Christopher	Guastello	167 Reid Way	Paramus, NJ 07652	Thomas & Irene Wilson
18607-001	DE 1-95-2	Kimberly	Izzo	285 Sutherland Rd.	Delhi, NY 13753	Cecil Davis II
18582-001	KO 1-59-6A	Ursula	Thompson	3526 State Route 364	Canandaigua, NY 14424	Richard Kathmann
18595-001	DA 1-27-2B	William	Chiappetta	84-64 265 St.	Floral Park, NY 11001	Phil J. Mendence
18598-001	DA 1-18-15	Karen	Palmiero	350 N. Water St. 2 – 8	Newburgh, NY 12550	Rose Bennice
18588-001	KO 2-22-9D	Joseph	Fenice	72-61 113 St. Apt. M16	Forest Hills, NY 11375	Gary A. Barrett
18591-001	KO 1-49-5A	Allison	Townsend	2704 Kelso Rd.	East Meredith, NY 13757	Clark Sanders
18596-001	JE 2-6-2A	Cassidy	Price	920 Clapper Hollow Rd.	Jefferson, NY 12093	Peter Daempfle
18587-001	WA 3-27-4B	Stephanie	Snyder	2372 Loomis Brook Rd.	Walton, NY 13856	Misty L. Phoenix
18589-001	ME 1-58-9A	Joan	Burger	9084 Turnpike Rd.	Delhi, NY 13753	Everett K. Burger
18594-001	CO 4-77-2	Andrew Allison	Sohn Rabinowitz	22 Caton Pl #2K	Brooklyn, NY 11218	Scott Revis
18593-001	MA 3-25-4A	Michael	Bicchetti	138-40 63 Ave.	Flushing, NY 11367	Joyce Bryceland
18576-001	DA 2-11-3A	Klever	Sanchez	221 Claremont Ave.	W. Babylon, NY 10123	Todd Feldman
18577-001	HA 4-34-1C	Tesaen	Chazis	4564 Dryden Rd.	Walton, NY 13856	Sonia Breganti
18584-001	AN 4-48-11D	Paul	Boccaccio	478 Beaver Creek Hollow Rd.	DeLancey, NY 13752	Fred Burnett
18536-001	DA 1-28-13A	John	Cole	5825 Charlotte Creek Rd.	Davenport, NY 13750	Brockway Trucking, LLC
18438-001	BO 5-1-3E	Andee	Mc Connell	372 Jefferson Ave., Apt. 3	Brooklyn, NY 11221	New Service
18585-001	JE 2-37-9C	Patricia & John	Mulligan	842 Cape Horn Rd.	Stamford, NY 12167	James Goetz
18578-001	DE 4-27-6E	Catherine	Gardner	348 Bob Holloway Rd.	DeLancey, NY 13752	Helen A. Groves
18581-001	TO 3-36-6	Lacey	Steele	25 Higley Rd.	Sidney Center, NY 13839	Kevin McGrath
18579-001	DA 1-27-3C	Corey Whitney	Hood Morse-Hood	3970 Charlotte Creek Rd.	Davenport, NY 13750	Kenneth N. Ogborn
18572-001	HA 4-45-18	Kara	Mullins	12 Crawford Rd.	Hamden, NY 13782	Michelle Pike



April 27, 2021

BAD DEBT COLLECTION

* **PLEASE NOTE:** The amounts below were recovered through capital credit retirements, Southern Tier Credit Center & DCEC through March 2021.

Original Amount Turned Over For Collections	Name	**Amount Collected CC to UA	Amount Collected from So. Tier	Amount Collected from DCEC	Commission Paid this Month *	Balance Due
\$ 31.14	Stephen Scanlan-Yerly	\$ 31.14	\$	\$	\$	\$ - 0 -
209.76	Lori Faillace	209.76				- 0 -
280.43	Kevin Briggs	196.62				83.81
114.05	Casady Gifford	114.05				- 0 -
81.58	Harry Kovsky	81.58				- 0 -
193.34	Joan Moser	193.34				- 0 -
1,303.57	Carmen Cappiello	861.85				441.72

* Commission is 30% of the total amount collected last month. 50% if legal services are required. If payment is made directly to us, the commission will be the following month.

** Under \$30.00 does not get reported to Southern Tier Credit Center.

*** Billing department did a small balance write off for the balance due amount.

**** Capital credits are applied on a discounted basis towards outstanding debt per the Capital Credits Applied to Bad Debt Policy.

Director Compensation Report

2021 Director Compensation Report				Report Date:		22-Apr-2021		
	<u>Director</u>	<u>Officer</u>	<u>CCD</u>	<u>Per Diem</u>	<u>Pers Mileage*</u>		<u>Comp YTD**</u>	<u>Balance Due (YTD)</u>
1	Burnett	No	Yes	\$ 350	17	\$ 9.52	\$ 3,000.00	\$ 719.04
2	Menke	Yes	Yes	\$ 375	15	\$ 8.40	\$ 3,350.00	\$ 766.80
3	Oles	Yes	Yes	\$ 375	14	\$ 7.84	\$ 4,100.00	\$ 765.68
4	Pick	Yes	Yes	\$ 375	44	\$ 24.64	\$ 4,875.00	\$ 799.28
5	J. Russell	No	Yes	\$ 375	44	\$ 24.64	\$ 4,100.00	\$ 799.28
6	K. Tosi	No	No	\$ 300	20	\$ 11.20	\$ 4,600.00	\$ 622.40
7	Wehmeyer	No	Yes	\$ 350	52	\$ 29.12	\$ 6,000.00	\$ 758.24
	TOTAL:						\$ 27,025.00	\$ 4,511.68
NOTES:		1) Board policy identifies \$300 per diem compensation + \$25 for officers + \$50 for CCD directors.						
		* 2) Mileage to/from regular meetings @ IRS per mile rates of.....						\$0.560
		** 3) Compensation YTD reflects total taxable amount earned (excludes reimburseable expenses such as mileage)						
		4) Compensation for co-op-related "Short Activities" @ \$100 per meeting (per Jan2013 Board Resolution)						

DCEC Corporate Calendar Review

Last Updated 4/20/2021

March	
Financial Audit - Report to Board	Cannizzaro/Evans
Form 990 Report Prep (Feb-Mar)	Cannizzaro
Financial (Form 7) Report / Submission by 3/31 (RUS, CFC, NYPA, Co-Bank)	Cannizzaro/Evans
Annual Meeting Kick-off Planning (incl consideration of Bylaw changes)	Evans/VanZandt/Board
Legislative Youth Tour Interviews/Selection	Evans/Board
Update Truck Maps - printed	Sullivan
Phase Balance Study completed	Sullivan/DeAndrea
NRECA Reliability Survey	Sullivan/DeAndrea
Dept of Energy EIA Survey	Sullivan
NYSRECA Legislative Conference (tbd)	Evans/VanZandt
Board decision/approval of proposed bylaw changes (for Annual Meeting)	Board
Update System Dispatch Book for Dispatchers & Office	Sullivan/DeAndrea
Nominating (Director Search) Committee Meeting	Evans/VanZandt
Power Cost Risk Update to Board	Evans
April	
NYS ORPS Equalization & Assessment report (4/15)	Cannizzaro/Sullivan
Submission of Audited Financials to RUS - due 4/30	Cannizzaro
Form 990 Report - Board Approval/Submission to IRS (due by 5/15)	Cannizzaro
DEC Pesticide Business/Agency Registration (April/May, tri-annual, next in 2022)	Sullivan
Finance Committee Meeting (Apr/Jul/Oct)	Cannizzaro/Evans/Board
Vegetation Management Update to Board	Evans/Sullivan
Shop Fence Walk-Thru and Repairs	Sullivan/Fisher
Schedule Bucket Truck Testing	Ives/Sullivan
Confined Spaces Gas Tester Calibration	Sullivan
May	
Form 990 Report - Board Approval/Submission to IRS (due by 5/15)	Cannizzaro
Prelim communication of Annual Meeting (w/ bylaw changes if any)	Evans/VanZandt
NEAEC Annual Meeting	Evans/Cannizzaro
Confirm Spring Crew Visits are Complete	Soule/Evans
Capital credits allocation - prior year	Alwine
Capital credits member notification via bills – prior year	Alwine
Strategic Plan Review	Evans/Board
Organization & Staffing Committee Meeting	Evans/Board

04/19/2021 10:57:44 pm

General Ledger

Financial And Operating Report Electric Distribution

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INCOME STATEMENT FOR MAR 2021

Item	Year - To - Date		Period - To - Date	
	Last Year	This Year	Current	Budget
1. Operating Revenue and Patronage Capital	2,522,747	2,776,752	924,104	844,871
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	509,910	693,876	203,135	239,949
4. Transmission Expense	0	0	0	0
5. Regional Market Expense	0	0	0	0
6. Distribution Expense - Operation	359,513	347,409	115,148	125,117
7. Distribution Expense - Maintenance	272,580	265,257	112,795	109,014
8. Customer Accounts Expense	68,873	65,663	22,808	27,012
9. Customer Service and Informational Expense	3,318	3,390	1,118	2,260
10. Sales Expense	0	0	0	213
11. Administrative and General Expense	423,216	374,723	121,050	113,373
12. Total Operation & Maintenance Expense (2 thru 11)	1,637,409	1,750,318	576,053	616,939
13. Depreciation & Amortization Expense	251,663	274,417	93,105	93,838
14. Tax Expense - Property & Gross Receipts	1,000	1,000	1,000	1,000
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	145,486	119,060	39,523	39,549
17. Interest Charged to Construction - Credit	0	0	0	0
18. Interest Expense - Other	84	89	29	25
19. Other Deductions	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	2,035,641	2,144,884	709,711	751,351
21. Patronage Capital & Operating Margins (1 minus 20)	487,106	631,868	214,394	93,520
22. Non Operating Margins - Interest	28,863	2,666	885	900
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	27,262	-460	-882	300
26. Generation and Transmission Capital Credits	0	0	0	0
27. Other Capital Credits and Patronage Dividends	10,885	12,140	12,140	10,250
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	554,116	646,213	226,537	104,970
Operating - Margin	487,206	631,768	214,394	93,520
Non Operating - Margin	66,910	14,445	12,143	11,730
Times Interest Earned Ratio - Operating	4.35	6.31		
Times Interest Earned Ratio - Net	4.81	6.43		
Times Interest Earned Ratio - Modified	4.73	6.33		

General Ledger
Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAR 2021

ASSETS AND OTHER DEBITS

	Last Year	This Year	Variance
1. Total Utility Plant in Service	34,568,891	37,605,853	3,036,961
2. Construction Work in Progress	374,771	400,678	25,906
3. Total Utility Plant (1 + 2)	34,943,662	38,006,530	3,062,868
4. Accum. Provision for Depreciation and Amort.	12,372,232	12,869,658	497,426
5. Net Utility Plant (3 - 4)	22,571,431	25,136,872	2,565,441
6. Non-Utility Property (Net)	0	0	0
7. Invest. in Subsidiary Companies	0	0	0
8. Invest. in Assoc. Org. - Patronage Capital	332,476	341,906	9,430
9. Invest. in Assoc. Org. - Other - General Funds	116,134	1,300,000	1,183,866
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	245,005	236,442	-8,564
11. Invest. in Economic Development Projects	0	0	0
12. Other Investments	8,301	2,564	-5,737
13. Special Funds	34,000	0	-34,000
14. Total Other Property & Investments (6 thru 13)	735,916	1,880,912	1,144,996
15. Cash - General Funds	421,917	794,973	373,055
16. Cash - Construction Funds - Trustee	100	100	0
17. Special Deposits	0	0	0
18. Temporary Investments	0	0	0
19. Notes Receivable (Net)	0	0	0
20. Accounts Receivable - Sales of Energy (Net)	646,095	705,932	59,837
21. Accounts Receivable - Other (Net)	295,498	244,285	-51,214
22. Renewable Energy Credits	0	0	0
23. Material and Supplies - Electric & Other	873,896	945,941	72,045
24. Prepayments	355,536	317,479	-38,057
25. Other Current and Accrued Assets	307,888	306,525	-1,363
26. Total Current and Accrued Assets (15 thru 25)	2,900,930	3,315,233	414,304
27. Regulatory Assets	1,081,440	874,306	-207,134
28. Other Deferred Debits	633,317	503,767	-129,550
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	27,923,034	31,711,091	3,788,056

General Ledger
Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAR 2021

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	59,250	60,735	1,485
31. Patronage Capital	8,695,668	8,815,621	119,953
32. Operating Margins - Prior Years	425,105	419,411	-5,694
33. Operating Margins - Current Year	487,206	631,768	144,562
34. Non-Operating Margins	66,910	14,445	-52,465
35. Other Margins and Equities	1,159,925	1,303,693	143,768
36. Total Margins & Equities (30 thru 35)	10,894,065	11,245,673	351,608
37. Long-Term Debt - RUS (Net)	0	0	0
38. Long-Term Debt - FFB - RUS Guaranteed	11,382,795	12,466,178	1,083,384
39. Long-Term Debt - Other - RUS Guaranteed	0	0	0
40. Long-Term Debt - Other (Net)	3,165,428	2,659,671	-505,756
41. Long-Term Debt - RUS Econ. Devel. (Net)	0	0	0
42. Payments - Unapplied	-2,052,477	0	2,052,477
43. Total Long-Term Debt (37 thru 41 - 42)	12,495,745	15,125,849	2,630,104
44. Obligations Under Capital Leases - Noncurrent	0	0	0
45. Accumulated Operating Provisions	0	0	0
46. Total Other Noncurrent Liabilities (44 + 45)	0	0	0
47. Notes Payable	0	464,218	464,218
48. Accounts Payable	234,829	476,652	241,823
49. Consumers Deposits	53,173	51,658	-1,515
50. Current Maturities Long-Term Debt	0	0	0
51. Current Maturities Long-Term Debt - Econ. Devel.	0	0	0
52. Current Maturities Capital Leases	0	0	0
53. Other Current and Accrued Liabilities	382,355	435,878	53,522
54. Total Current & Accrued Liabilities (47 thru 53)	670,357	1,428,406	758,049
55. Regulatory Liabilities	0	0	0
56. Other Deferred Credits	3,862,868	3,911,163	48,295
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	27,923,034	31,711,091	3,788,056
Current Assets To Current Liabilities	4.33	to 1	2.32
Margins and Equities To Total Assets	39.01	%	35.46
Long-Term Debt To Total Utility Plant	35.76	%	39.80

**DCEC BOARD MEETING
CEO/GM REPORT
18 MARCH 2021 – 22 APRIL 2021**

Due to CEO transition, most of the detailed information is from 2 April 2021

Safety Report:

Injury Report: 3 minor injuries were reported to the HR department this month.

Safety Committee Activity: Meeting of Thursday 4/22/21 for continued review of safe work practices and discussion about 20 April outage.

Engineering & Operations:

Notable Outages and Occurrences: Insulator failure caused an outage and some burning on a pole just outside the Dryden Substation on 3/31/21 Crews were able to restore power in ~3.5 hours but 673 members were affected contributing 142676 member minutes and around 27 minutes to our SAIDI. Wind on 3/26/21 caused lines to slap together and twist causing an outage at PT D Kortright Substation putting two phases and 250 members out for ~6 hours. This caused damage to a step transformer just outside the substation. Animal contact on NYSEG interrupted Amphenol on 4/4/21 09:40-19:40. On 4/20, NYSEG Sherwood rd. sub... There was a fault 9 miles out which appears to have been a tree contact and broke 5 crossarms. This fault destroyed the LA's and Primary bushings on the ground bank at Sherwood Rd as well. Unfortunately, we will be fed out of Stilesville again for now (42.6 circuit miles of NYSEG exposure). A new ground bank that was scheduled to go in Norwich was suggested be put in here instead if, after testing, unit was more damaged than simply replacing bushings.

New Services / Disconnections: No services have been disconnected for non-payment this month. Rosemary, Mark, Chris and Ryan attended a follow up call with NYPA and are waiting to get some suggestions on how to deal with potential extensions and other specific cases.

Pole Inspections / Line Inspections / Stray Voltage Testing: No stray voltage testing has been completed at this time. Pole and Line inspections have resumed, DCEC's contractor Bob Coager has tested nearly 400 poles and done line inspections during that time.

Right of Way Crew: Full Vegetation Management Report available for April, time permitting.

Headquarters: Clean up work on storm water features and site work scheduled to be done early next week. Paving will be completed when the plants are back opened, the early April date was disrupted by plant issues.

Work Order / Infrared Inspections: Paul continues with WO and IR inspections and working on other reports, studies and filings requiring Form 7 information.

Dryden Substation Spare Transformer Due to vandalism at OMEC, DCEC loaned a unit. Payne's Cranes/Dexheimer said that they would plan to arrive at Dryden substation with the 1,250 kVA replacement transformer at ~08:00 hrs. on Tuesday, April 29. Sandy at Payne's indicated that they plan to use a crane to offload the transformer at the substation and subsequently rig the transformer onto the foundation with both the 46 kV and 12.47 kV bus remaining energized.

Solar Storage: Weekly calls continue.

POWER SUPPLY

NYISO:

Letter requesting we extend our Historic Fixed Price Transmission Congestion Contracts (HFTCC or TCC) for 1 November 2021 through 31 October 2022.

NYPA: NYPA advises no anticipation of reduction in firm hydro energy sales for 1 May 2021 through 31 May 2021. Present estimates show no shortages for June through November as well. However, should generation become insufficient, substitute energy will be purchased for customers with signed agreement for substitute energy.

FINANCE, ACCOUNTING & HR

2020 Audit: The auditors of Fiore Fedeli Snyder Carothers, LLP completed the 2020 audit and have delivered the draft financial statements. As of Thursday, April 22nd, the draft 990 is still in progress but is expected to be presented along with the financials during the board meeting.

When we receive a copy of the 990, directors are encouraged to carefully review Part VII which pertains to director time commitments and compensation for 2020.

2020 Workers Comp Audit: The workers comp audit was completed virtually and performed by a third party of Federated. The audit process was quite smooth, and the conclusion was an overall positive outcome for the Cooperative, resulting in a refund from prior premium charges.

2020 NRECA Audit: The NRECA audit is being performed by Mike Roseberry with Fiore Fedeli Snyder Carothers, LLP beginning on April 27th, 2021.

2020 Form 7: The completion of Form 7 is underway and expected to be submitted by the end of April. DCEC received an extension to submit Form 7 due to timing, transition, and access for certification.

Co-op Credit Card: The Co-op's Mastercard was compromised from charges occurring on April 15th and the card was terminated on April 16th. This put the Co-op in a tough position of operating, only the Visa remained with a limit of \$500. In an effort to still perform business functions as usual, Mark requested an increase to \$10,000 on the Visa for the time being. As of 4/21/2021, the new Mastercard cards are in hand. The limit of the Visa will most likely stay increased until this cycle is over.

Mark had been inquiring credit card options for the Co-op as the credit card program utilized has been in place for quite some time. This event exposed the Co-op, having 98% of available credit to one card number could leave the Co-op with a deficiency. Management is planning to review the Procurement Policy and potentially reconfigure the Co-op's credit card structure to provide better oversight of charges, less potential exposure, and more efficiency.

Small Business Administration (SBA) Payroll Protection Program (PPP) Loan Forgiveness Application: We have not had any further communication from Dee Hillis from The Delaware National Bank since previously reported which was March 2021.

COVID

No new cases reported but policy updated to reflect present CDC exposure guidance for those inoculated.

CFC:

Interest payment on subordinated certificates \$5249.89

MEMBER SERVICES & PUBLIC RELATIONS

<u>Open House:</u>	TBD
<u>Family Fun Day:</u>	8-6-2021
<u>Annual Meeting:</u>	9-10-2021

LEGAL, GOVERNANCE & LEGISLATIVE/INDUSTRY AFFAIRS**DELHI SENIOR LIVING**

I am working with Jeff Clark on complaint

NRECA

DCEC had technical issues from outage during was still able to support OEC, SREC and OMEC.

NYAPP

I reviewed emails on green new deal and second 'Annual Energy Deployment Report'.

I attended meeting which included member roundtable, mutual aid update, committee reports and discussion about various regulatory and physical changes to the grid.

Government Affairs reported moratorium is extended to December 31, 2021. Also, about state and local aid that did not apply to us but covered items of interest such as renter assistance with increases to LIHEAP to pay utility bills and a homeowner assistance fund to cover utility bills as well. Emergency payroll tax credit for emergency paid sick/family leave for March 2021 through September 2021.

NYSERDA

I sent letter to newly appointed NYSERDA President/ CEO Doreen Harris welcoming her to her full appointment and reminded her of legacy and interest in continued collaboration and participation. As of this report, no response from the organization

NYSRECA

I attended Government Relations Committee conference call where Covid and HR2244 was discussed.

DWGP

I reviewed the "Look Ahead" Webinar that was held earlier in the year about the Biden administration plans.

4/20, NY State Senator Parker introduced legislation that does not help cooperatives as written. The plan calls for all arrearages to be forgiven 50% by stockholders and 50% from federal funds in exchange for no service termination/disconnections.

CFC

I attended CFC webinars on Form 7 spreadsheet updates and EV planning strategies. The Form 7 class was very good. However, the EV meeting was rather disappointing in that it appeared only soft prearranged questions were addressed and the rate design mirrored what I had proposed to Mark earlier in the month.

ACRE

I attended informational session on new reporting, formatting and handling of donations. NRECA has fully transitioned to our new PAC software platform, EveryAction. Since January, the ACRE Team has held weekly trainings with more than 175 ACRE professionals attending. The trainings focused on how to submit the new template for ACRE contributions and how to request a subscription report detailing your co-op's ACRE membership. The trainings also included live demonstrations of the EveryAction platform.

RUS:

Finalizing CEO transition paperwork

FEDERATED:

I met virtually with Scott Campbell for an annual review of our policy. After review, we discussed increases to real property limit to reflect new HQ and system updates as well as adding coverage for flood and underground storage. Deductible levels were also reviewed.

I also submitted our OSHA300 data.

CEO CALENDAR

Monday	Tuesday	Wednesday	Thursday	Friday
29	30	31	Apr 1	2 8:30am STAFF MEET & GREET
5 10:30am Set UP GVC; webex; Jordan Ziman	6 8:30am Employee & Director Meet & Greet; Line Crew High Bay Area 10:00am Weekly? Managers' Meeting; Boardroom; Chris Evans 11:00am HQ Walkthrough w/ Ryan; HQ	7 Rosemary leaving at 8 am returning in about an hour	8 8:00am Delhi Senior Apartment Complaint 10:00am Vigna pole complaint 6:00pm 2021 First Nominating Committee Meeting via Zoom; Meeting will be held via Zoom	9 Rosemary out of the office 7:15am staff one-to-ones - Mike P; hi bay 9:30am staff one-to-ones - Steve I; hi bay 11:00am staff one-to-ones - JakeM; hi bay 1:30pm NYSRECA's Government Relatio... 4:00pm Jeff Clark - Neighbor
12 8:30am NRECA PAC ACRE Training 8:45am Jeff Clark - Neighbor 11:15am Benefits signup w/ Mark	13 6:30am Cooperative Lineworker Appreciation Day 10:00am Managers' Meeting; boardroom; Chris Evans 2:00pm April Board Meeting Review; Chris's Office; Alicia VanZandt	14 8:00am DGWP New Admin Webinar 10:00am Federated Policy Review 10:30am staff one-to-one- Ally 1:00pm CFC EV planning webinar 2:00pm Delaware County Chamber	15 Tara leaving at 1 pm 8:00am staff one-to-ones- Zack; hi bay 1:30pm DCEC - Disconnect Moratorium Status; Microsoft Teams Meeting; J At Your Own Work Station; Jacobs, Darryl	16 8:00am Steve Watkins; Office Room? 1:30pm Delhi Sub Ride - Ryan; TBD 3:00pm staff one-to-ones- Ryan; TBD 3:30pm staff one-to-ones - Mike D & S; TBD
19 11:00am Materials for Legislative Conference 11:45am NRECA Legislative Conference Key Issues Update #1; Virtual 1:00pm NRECA Legislative Conference Effective Virtual Advocacy Strategies #1 ... 3:00pm CFC Form 7 Training	20 12:30pm Topic: Congressman Reed-David Bridges Meeting (SREC & DCEC); ... 1:00pm Topic: Congressman Suozzi and Danielle Hupper Meeting (SREC & OME... 2:00pm Topic: Congressman Delgado Meeting (DCEC & OEC); Virtual Meetin... 3:00pm Topic: Meeting with Congressw...	21 10:00am NYAPP Virtual April Mtg (4/21-4/22); Agenda Attached; https://zo... 12:00pm Follow-up discussion of yesterday's events; Board room; Mark C... 1:00pm Topic: Congresswoman Tenney's Office George Iverson Meeting (OMEC ... 2:00pm Topic: Meeting w/ Congressma...	22 8:30am Safety Committee Meeting; Board / Meeting Room; Ryan Sullivan 10:00am NYAPP Virtual April Mtg (4/21-4/22); Agenda Attached; https://zoom.us/j/91942959190; Pamela ... 6:00pm DCEC Nominating Committee; ZOOM	23 9:00am DCEC New General Manager/CEO Introduction; Microsoft Teams Meeting; Jacobs, Darryl
26 5:00pm DCEC Finance Committee Meeting; DCEC Board Room	27 5:00pm DCEC - April Board Meeting; DCEC Board Room	28 IEEE REPC (Rural Electric Power Conference) 10:00am Introductory Visit - DCEC CEO and CFC RVP; Microsoft Teams Meeting; Jim Meiers	29 8:00am DCEC - Office Safety Meeting; Member Service Office Area 9:30am CEO Meeting 3:00pm CFC Exec Mtg - Future of CFC	30 Ally leaving at 1:30 PM for Appointment 7:00am staff one-to-ones; TBD

STRATEGIC PLAN**4/20/21 Outage:**

Comments and lessons learned...

Construction Work Plan:

PSE submitted bid for new CWP but need to discuss present CWP and Long Range Plan (LRP)System Performance:

2021 System YTD Reliability	Power Supply	Major Event	Planned	All Other	Total
2021 - TMED: 135.75716					
Number of Outages	4	0	24	197	225
Number of Consumers Affected	24	0	870	2567	3461
Consumer Hours	72.3	0.0	590.8	10172.4	10835.5
Consumer Minutes	4339.4	0.0	35445.5	610345.8	650130.7
Average Number of Consumers	5465	5465	5465	5465	5465
SAIDI	0.8	0.0	6.5	111.7	119.0

2020 System Reliability	Power Supply	Major Event	Planned	All Other	Total
2020 - TMED: 115.41935					
Number of Outages	3	15	90	634	742
Number of Consumers Affected	1850	1500	4966	13193	21509
Consumer Hours	8112.2	27249.5	9181.2	42949.3	87492.1
Consumer Minutes	486731.4	1634970.0	550871.3	2576955.6	5249528.2
Average Number of Consumers	5434	5434	5434	5434	5434
SAIDI	89.6	300.9	101.4	474.2	966.1



Employee Plan in Response to COVID-19 Virus
Last updated 04/20/2021

Purpose of the Employee Plans

These plans are intended to minimize transmission of the COVID-19 virus between employees, so that employees and those they come into contact with outside the workplace are safer. The plans have been developed based on Governor Cuomo's executive orders and subsequent NYS laws. The Cooperative is obligated to uphold any and all NYS and Federal laws, and also follows current CDC guidelines. As more is learned about the virus, these guidelines are subject to change.

This plan allows us to continue to serve the most critical needs of members, including answering the phone and responding to outages. Also, critical office functions like payroll processing will be maintained under this plan.

This plan also outlines procedures in the event that employees have extended time away from the office due to a COVID related illness.

Furlough

There is no plan to utilize employee furlough based on the current region's ranking put forth by the Governor's office. If there is a new executive order or state of emergency, then employee furlough will be reconsidered. Individual Furlough (Quarantine), is considered in the event that an employee may have been exposed to the virus. In such cases, employees may be entitled to paid leave.

Maintaining Social Distance

Social distancing is absolutely required to limit possible exposure and subsequent contamination, in the event another employee may be a-symptomatic and be positive for the virus.

Required Precautions

While at work, the following precautions shall be taken by all employees:

- 1) Attempt to maintain a distance of 6 feet between employees whenever practical.
- 2) If practical, utilize your badge rather than your finger/thumb print to punch in and out with the time clock.
- 3) Whenever practical, clean and disinfect shared surfaces by utilizing disinfect wipes and cleaners provided by the Cooperative. Shared surfaces include time clocks, bathroom fixtures, door handles, steering wheels of shared vehicles, gas pumps, etc.
- 4) Wash hands thoroughly as often as possible and after contact with surfaces that may not be sanitized. Avoid touching your face with your hands.



- 5) Utilize hand sanitizer when unable to wash hands after touching surfaces that may not be disinfected. The Cooperative has provided sanitizers in all areas of the office, and disposable sanitizing wipes and liquid are available for all trucks and offices.
- 6) When vehicles are shared, employees within the shared vehicle must wear face coverings. Sanitize all trucks before and after using.

Face Masks

We are required to wear facemasks in any situation where we may not be able to maintain social distancing with members of the public or with each other as employees. For this reason, the Cooperative has provided all employees and guests with disposable face masks. FR face masks have been supplied to those who work in and near the energized space. Please let us know if you are in need of FR masks or any other PPE. All employees must deny access to Cooperative property to anyone that refuses to wear a mask, and will be denied from the Cooperative or use of its property if they themselves do not wear a mask.

Suspected COVID-19 Exposure Procedure

All employees are required to notify their immediate supervisor and/or CEO/GM if they suspect or are notified that there was a possible exposure to the virus. In some cases, the possible exposure to the virus may be remote, but it still needs to be reported as soon as you have knowledge of the possible exposure.

Possible Outcomes per CDC Guidelines and NYS Department of Health (DOH) at this time:

- 1) **FOR INDIVIDUALS EXPOSED TO COVID-19 WHO ARE NOT FULLY VACCINATED OR HAVE NOT RECOVERED FROM COVID-19 IN THE PREVIOUS 3 MONTHS.** Individuals who have been exposed to someone with confirmed or suspected COVID-19, who are not fully vaccinated or have not recovered from COVID-19 in the previous 3 months, are required to quarantine for 10 days after exposure. Testing is not required to end quarantine if no symptoms have been reported during the quarantine period. However, a test should be sought immediately if any symptoms develop during the 14 days after exposure.
- 2) **FOR VACCINATED INDIVIDUALS EXPOSED TO COVID-19.** Asymptomatic individuals who have been fully vaccinated against COVID-19 do not need to quarantine after exposure to COVID-19. Fully vaccinated individuals exposed to COVID-19 who are experiencing related symptoms must isolate themselves, be clinically evaluated for COVID-19, and tested for COVID-19 if indicated. This guidance applies to all fully vaccinated people. However, individuals should be encouraged to consult with their healthcare provider if they have any questions about their individual situation, such as immunocompromising conditions or other concerns.
- 3) **FOR PREVIOUSLY RECOVERED INDIVIDUALS EXPOSED TO COVID-19.** Asymptomatic individuals exposed to COVID-19 who have been previously diagnosed with laboratory confirmed COVID-19, and have since recovered, are not required to retest and quarantine provided the new exposure is within 3 months after the date of



symptom onset from the initial COVID-19 infection or date of first positive diagnostic test if asymptomatic during illness.

- 4) As of April 1, 2021, asymptomatic domestic travelers, including healthcare providers, arriving in New York State from other U.S. states and territories are not required to test or quarantine. Domestic travelers do not need to quarantine if they are fully vaccinated or have recovered from laboratory confirmed COVID-19 within the previous 3 months. However, while not required, quarantine, consistent with the CDC recommendations for international travel, is still recommended for all other asymptomatic domestic travelers for either 7 days with a test 3-5 days after travel or 10 days without a test.

COVID-19 Infection Procedure

All employees are required to notify their immediate supervisor and/or CEO/GM if they exhibit symptoms of having contracted the COVID-19 virus after a known exposure.

Possible Outcomes per CDC Guidelines and NYS Department of Health (DOH) at this time:

- 1) If an employee has symptoms and has received a positive test result, they can return to work after the following conditions are met:
 - a) 10 days since symptoms first appeared **and**
 - b) 24 hours with no fever without the use of fever-reducing medications **and**
 - c) Other symptoms of COVID-19 are improving*

**Loss of taste and smell may persist for weeks or months after recovery and need not delay the end of isolation*

- 2) If an employee tested positive but has no symptoms, they can return to work after 10 days of having received the positive result if they are still not exhibiting symptoms.
- 3) If an employee is subject to an Order of Quarantine by a state agency or health department, or has a positive COVID-19 test, the Cooperative will pay the employee for up to 10 days of leave, consisting of the ten 10 days beginning on the date of the start of the Order of Quarantine or the date of the positive test.
- 4) If an employee has met the 10 day requirement and/or has reached the end of a county or state mandated quarantine, but still cannot report to work due to illness, the employee will be required to use sick time or other appropriate forms of PTO for continued leave. If the sick time is longer than 3 days, the employee will be required to obtain and submit a directive from a medical professional verifying the need for leave and setting forth a return to work date. The Cooperative may also require that a medical professional and/or the employee submit documentation that deems the employee safe and able to return to work.

In addition, an employee who has been out of work pursuant to an order of quarantine or isolation and who tests positive a second time for COVID-19, must submit verification of the positive test result to their immediate supervisor. In such cases, the Cooperative the



employee may receive an additional 5 days of paid leave, and would also be eligible for 5 days of PFL / DBL. Employees wishing to apply for PFL/DBL should contact Human Resources or Guardian insurance as soon as possible to receive appropriate forms. This same procedure and leave would apply in the event that the same individual tests positive for COVID-19 a third time.

The employee is not entitled to leave more than three times, and any subsequent leave must comply with the Cooperative's existing leave policies.. Employees can also apply for NYS DBL/PFLA through our insurance carrier, Guardian, for an additional 5 days paid by the insurance carrier per positive test.

For example:

Exposure or Positive Test	Employer paid up to 10 days	
2 nd Positive Test	Employer paid up to 5 days	PFL/DBL paid up to 5 days
3 rd Positive Test	Employer paid up to 5 days	PFL/DBL paid up to 5 days

- 5) If an employee does not have or exhausts all sick time, they may utilize the sick leave donation program outlined in the union contract, if eligible.
- 6) If the employee is still unable to return to work after having exhausted all PTO and sick time, the employee will be transitioned to short term disability for a maximum of 26 weeks. If the employee cannot return to work after 26 weeks being on short term disability and is still unable to return to work, the employee will be transitioned to long term disability.
- 7) Employees that are in their probationary period and therefore, do not have any PTO, are eligible to apply for NYS statutory short term disability but not the enhanced short term disability benefits provided by the Cooperative. Any days beyond the NYS statutory short term disability, will be taken as unpaid leave.

Please note: All "days" refer to calendar days and not workdays. Also, all Department of Health mandated quarantine days will be paid by the employer and not subject to employee's PTO. Employees that need to care for a family member are eligible to apply for Family Care through Paid Family Leave, and should see Human Resources or Guardian Insurance for the appropriate forms.

The Cooperative is considered to employ essential employees, and as such, reserves the right to evaluate and consult with each individual employee on a case by case basis to arrive at a mutual course of action for each scenario.

Collective Bargaining Agreements

It is not the intention of the Cooperative's management to violate any collective bargaining agreement in implementing these emergency measures. If an issue arises with respect to



contractual terms or conditions of employment, management is committed to sitting down with union representatives as soon as practical to work in good faith to address any issues.

This plan is being sent to IBEW Local 10 for their informational purposes. Management will be open to discuss any issues that may be identified by the Union. In the meantime, the plan will be implemented out of concern for our employees and members of the public.



STRATEGIC PLAN SUMMARY

2017-2020

Mission

DCEC is committed to safely, reliably, and cost effectively providing electric energy and related services to our members.

Values

- Safety
- Service
- Open Communications (internal/external)
- Integrity/Honesty
- Professionalism
- Respect

Stakeholders

- Members
- Employees
- Community
- Business Partners (suppliers, RUS, CFC, Federated, other distribution co-ops, NYSEDA, NISC, UUS, CoBank, etc.)
- Government and Regulators

Planning and Execution Timeline

This strategic plan (“the Plan”) was developed by the Cooperative’s Board of Directors and Management on May 31, 2017. The Plan will be reviewed and modified, if appropriate, by the Board on a quarterly basis. The strategic goals are to be achieved over a 3 or 4-year period ending on December 31, 2020. The Board anticipates a major update to the Plan in the spring of 2020.

Responsibility

The Cooperative’s CEO/General Manager (“the CEO”) is responsible for execution of the Plan and for reporting quarterly to the Board on progress toward the strategic goals. The CEO’s Annual Goals and Objectives, which are utilized by the Board to evaluate the CEO’s performance, shall be consistent with and serve the Strategic Goals in the Plan.

Prioritized Strategic Goals

#1 - Reliability

Goal: Identify and implement measures designed to improve transmission and distribution system reliability.

Task 1: Operations Manager will coordinate the addition of fused cut-outs for each tap and distribution transformer fed from each 3-phase distribution feeder throughout the service territory.

Task 2: Engineering Manager will monitor NYSEG transmission reliability, identify root causes for significant reliability impacts, and hold NYSEG accountable for preventable reliability impacts through direct communications when possible and PSC involvement otherwise.

Quantifying Success:

SAIDI Total Excluding Transmission and Major Storm¹ (KRTA #144 - #140 - #141) improves from 5-yr avg of 398 to 1-yr value 378 (benchmarked on a 5% improvement to our 5-yr avg)

SAIDI Transmission (KRTA #140) improves from 5-yr avg of 156 to 1-yr value of 44 (benchmarked on 5-yr avg of median value for Northeast cooperatives)

#2 - Operating Cost Efficiencies

Goal: Develop and implement a plan of action to achieve greater operating cost efficiencies, specifically focusing on staffing levels, engagement of contractors and shared service opportunities with other cooperatives.

Task 1: CEO will use attrition and re-organizational opportunities to reduce total Cooperative staffing in accordance with feedback by Organization & Staffing Committee of Board.

Task 2: CEO will monitor work practices and implement changes as appropriate to reduce inefficiency.

Task 3: CEO and Finance Manager will seek and implement shared services with NY cooperatives.

Quantifying Success:

Full time employee count (KRTA #4) reduced from current 25 to 22

Total Controllable Expenses per Consumer (KRTA #87) reduced from current \$775/consumer to \$700/consumer (compare to NYS median \$695)



STRATEGIC PLAN SUMMARY

2017-2020

#3 - Member Communications

Goal: Improve and enhance member communications, implement plans to deepen DCEC's engagement with its members.

Task 1: CEO and Administrative Assistant will create an 18-month editorial calendar incorporating appropriate modes of member contact, including practical/operations issues such as vegetation management or facilities investment as well as member affinity issues such as "the cooperative difference" or "linemen appreciation" for review/approval by Board.

Task 2: CEO and Administrative Assistant will incorporate annual events targeting newer members, separate from the annual meeting.

Quantifying Success:

For each monthly member communications priority, connect with members 7 different times, 7 different ways with a consistent message.

Annual event targeting engagement of newer members, particularly families

#4 – Employee Cross-Training

Goal: Develop and implement a program to cross-train DCEC employees in a manner that enhances employee value and mitigates the risks associated with unexpected absences or position vacancies.

Task 1: CEO, Finance Mgr. and Ops. Mgr. will develop a prioritized matrix of key staff functions, the normal responsible individual, and current/proposed backup individuals for each key function for review/approval by Board.

Task 2: CEO, Finance Mgr. and Ops. Mgr. will develop a multi-year training and re-training plan to assure that individuals with back-up responsibilities are appropriately trained and practiced so that they can seamlessly perform key back-up functions.

Task 3: CEO, Finance Mgr. and Ops. Mgr. will develop a list of key CEO responsibilities that require Board involvement in the absence of the CEO, and provide appropriate documentation of such to the board.

Quantifying Success:

Each and every key task has a trained and practiced back-up person, which allows for the absence of any staff person, including the CEO, without interruption to the smooth operation of the Cooperative's business.

#5 – Facilities Planning

Goal: Craft and execute a comprehensive facilities plan.

Task 1: CEO and Operations Manager will document the qualities, features, capabilities, and required space for all the Cooperative's existing and foreseeable functions at a consolidated headquarters facility.

Task 2: CEO and Operations Manager will manage the performance of due diligence including flood certification, engineering feasibility study (including layout, storm water, waste water, power supply, zoning, and budgetary costs), appraisals, and all employee input for any site(s) that may be pursued by the Cooperative and meet the requirements described in Task 1.

Task 3: CEO & Operations Manager will coordinate engineering & design documentation, consistent with aforementioned requirements, pending board approval, for a single selected site for a consolidated headquarters facility. Documentation will be appropriate for a bid package.

Quantifying Success:

Completion of requirements document and presentation to the Board.

Completion of due diligence documentation and presentation to the Board.

Completion of a bid package and presentation to the Board.

Quantifiable Strategic Trends

Year	'15	'16	'17	'18	'19	'20 *covid
SAIDI Transmission, KRTA #140 (<44 min.)	1	519	82	47	136.2	89.6
SAIDI Total minus Transmission and Major Storms, KRTA #144 – KRTA #140 – KRTA #141 (<270 minutes)	422	378	482	447	676	576
# Employees, KRTA #4 (<22)	27	27	25	24	22	21
Controllable Expenses per Consumer, KRTA #87 (<\$700)	743	775	789	827	908	907
# Months met Member Comm. Goals (=12)	0	0	0	12	12	7*
# Newer Member Events (=1 event)	0	0	0	1	1	0*
# Key Duties Backed Up (=all, value from matrix to be developed by Finance Manager)	No Data	No Data	40%	50%	63%	63%*



STRATEGIC PLAN SUMMARY

2017-2020

Strengths

- Good board, management and staff
- Our ability to critically look at our weaknesses
- Noted that strengths outweighed the weaknesses
- Our strategic plan is a working - document routinely reviewed by board
- Board works well together through mutual respect
- Distribution system is in excellent condition
- The cooperative network
- NYPA hydro contract through 2040
- NYAPP consumer owned utility network

Weaknesses

- Culture issues
- Limited growth opportunities in number of members
- Members are disengaged
- Not sure we're always good at effective communication
- Overstaffing

Opportunities

- New members and younger members are an engagement opportunity
- Shared services and ability to contract services
- Broadband expansion
- Better use of technology
- Extend hydro contract through 2040
- More political involvement to change laws to be more cooperative friendly
- Beneficial electrification

Threats

- Limited growth, flat or negative growth
- Increasing costs
- Reliability of transmission service
- Changing member demographics
- State and Federal regulations
- Uncertainty of energy prices
- Not effectively communicating cooperative values to new members and members as a whole
- Cyber security/physical security



POLICY

SUBJECT: Directors Qualifications and Responsibilities

POLICY: It shall be the policy of the Cooperative to elect and retain directors who meet and maintain certain minimum qualifications. As outlined in the Cooperative's Bylaws and in this policy, a director shall:

1. Be a bona fide resident in the areas serviced by the Cooperative;
and
2. Not be employed by, or financially interested in, a competing enterprise of a business primarily engaged in selling electric energy or plumbing appliances, fixtures or supplies to the members of the Cooperative; and
3. Not be a close relative of another director or active employee of the Cooperative (defined as being within the third degree of consanguinity or affinity); and
4. Not have been a former employee of the Cooperative within ~~thirty~~ ~~sixty-four~~ (3624) months prior to being elected or appointed to serve on the Board, and
5. Not have been convicted of a felony crime, and
6. Not have owed to the Cooperative an amount outstanding more than ninety (90) days in arrears.

Further, it shall be the responsibility of directors to:

1. Comply with applicable requirements of law, the Cooperative Articles of Incorporation and Bylaws, the Cooperative's duly adopted policies and the Cooperative's duly made decisions;
2. Assume a fiduciary duty to act, in good faith, in the best interests of the Cooperative and its members;



-
3. Be loyal to the Cooperative and not have any conflicting commercial or personal interests;
 4. Be possessed of the minimum knowledge and skills necessary to govern the affairs of the Cooperative and to stay current in industry developments and issues through ongoing education and engagement, which shall include completing the Certified Credentialed Director (CCD) training offered by the National Rural Electric Cooperative Association (NRECA) by the end of the second term of service as director;
 5. Be willing to devote such time and effort to the duties of a director as may be necessary to govern the Cooperative's affairs;
 6. Be able to represent the entire membership on an impartial basis;
 7. Be willing and able to attend regularly scheduled and special meetings of the Board;
 8. Not use or cause to be used, the position as director to further any personal political or business ambition or to advance special interests of an individual member;
 9. To put forth effort to understand the Cooperative's problems and to provide the judgment needed to reach decisions in constantly changing circumstances;
 10. To support all official decisions and actions made or taken by a majority of the Board;
 11. To conscientiously study the information contained in reports submitted or provided to the Board;
 12. To keep informed as to the ideals, objectives and strategic plans of the Cooperative and to further study and analyze the policies, plans and problems which result from efforts to achieve such ideals and objectives;
 13. To keep informed of, alert to, and aware of the attitudes of the members, the employees, and general public toward the Cooperative's objectives and policies;
 14. To inform the membership and all other interested parties about the Cooperative's ideals, objectives, programs and services;



15. To conduct oneself in the eyes of the general public in such a manner as will reflect positively on the Cooperative and personify the position of trust held by the director, including refraining from such conduct which would subject the director to indictment for a felony or crime of moral turpitude or from conduct representing disregard of the standard of behavior which the members can rightfully expect from a director; and
16. Be prepared to serve at a minimum a term of three (3) years except in situations where appointments are made to complete unexpired terms of service.

PROCEDURE:

This policy shall be implemented as follows:

1. It shall be disseminated and explained to any potential Cooperative Board member. The Nominating Committee appointed by the Board shall screen all persons considered for nomination as directors to ensure that they are qualified in accordance with this policy. In cases of established directors, the Chief Executive Officer and the Cooperative's attorney shall advise the Board President of circumstances where seated directors are not in compliance with this policy. The Board President shall then bring this information to the attention of the Board at a Board meeting, or if there is insufficient time to act at a Board meeting, to the attention of a committee appointed by the Board authorized to act on its behalf.
2. The Board, in filling a vacancy occurring on the Board, shall ensure that a proposed director is qualified to be appointed and is apprised of this policy before appointment.
3. All persons nominated, either by the Nominating Committee or by petition, or who are being considered for appointment as director by the Board shall, prior to election or appointment, read this policy and execute the Affirmation Form attached hereto confirming that they comply with all director eligibility requirements and other terms of this policy.

RESPONSIBILITY:

The Board is responsible for the enforcement of this policy in accordance with Cooperative bylaws. If any member challenges the qualifications of any director by filing charges in the manner set forth in the bylaws, the Board shall notify the director in writing of the



charges at least five days prior to the next regular or special meeting of the members, and shall present the matter to the membership at such meeting for consideration and vote. The director thus charged shall have the opportunity prior to vote to be heard in person or by counsel and to present evidence in respect to the charges, and the person or persons bringing the charges against the director shall have the same opportunity. If by vote of the membership the director is removed from office, the vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the bylaw provisions with respect to nominations.

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Mar 1, 1961
Reviewed by Board of Directors	Jun 16, 1971
Reviewed by Board of Directors	Nov 27, 1984
Reviewed by Board of Directors	Jan 24, 1989
Reviewed by Board of Directors	Feb 28, 1995
Revised by Board of Directors	May 4, 2005
Revised by Board of Directors	May 26, 2008
Revised by Board of Directors	May 31, 2012
Revised by Board of Directors	Sept 24, 2013
Revised by Board of Directors	Oct 27, 2015
Reviewed by Board of Directors	Sep 25, 2017
<u>Reviewed by Board of Directors</u>	<u>April 27, 2021 March 23,</u>
<u>2021</u>	

2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members, or the waiver or waivers of notice of reading, as the case may be, and the taking of necessary action thereof.
4. Presentation and consideration of reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

Directors

Section 1. *General Powers.* The business and affairs of the Cooperative shall be managed by a board of seven directors selected from the Northern, Central and Southern Regions of the Cooperative (as hereinafter described), which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

Section 2. *Qualification, Election and Tenure.* Two directors represent the Northern Region, three directors represent the Central Region and two directors represent the Southern Region.

At each annual meeting, a number of directors, equal to the number of directors whose terms expire at the time of such meeting, shall be elected to hold office for a 3-year term.

In order to achieve a balanced rotation of Central Region directors with one Central Region director elected each year, a one-time exception to the 3-year director term shall take place for directors elected at the 2019 Annual Meeting of the Members, at which two Central Region directors shall be elected in accordance with this Article. The Central Region director candidate receiving the most votes at the 2019 Annual Meeting of the Members shall serve a term of 3 years. The Central Region director candidate receiving the second most votes at the 2019 Annual Meeting of the Members shall serve a term of 2 years.

Directors shall be elected by a plurality vote of members. No person shall be eligible to become or remain a director, or to hold any position of trust in the Cooperative, who:

- (a) is not a member; or

- (b) is in any way employed by, or was a former employee of within thirty-six (36) months, or materially financially interested in, a competing enterprise of a business primarily engaged in selling electric energy to the members of the Cooperative; or
- (c) is a close relative of another director or active employee of the Cooperative (as defined as being within the third degree of consanguinity or affinity); or
- (d) was a former employee of the Cooperative within thirty-six (36) months prior to the vote; or
- (e) has been convicted of a felony crime; or
- (f) who currently has amounts owed to the Cooperative for more than 90 days in arrears; or
- (g) is not a natural person (excludes entities such as firms, associations, corporations, business trusts, estates, partnerships, federal agencies, state or political subdivisions or agencies thereof or any body politic).

When a membership is held jointly by a married couple, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative, unless both shall meet the qualifications hereinabove set forth.

Nothing contained in this section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

Section 3. Nominations. It shall be the duty of the board of directors to appoint, not less than ninety (90) days nor more than two hundred (200) days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five nor more than eleven members who shall be selected from different sections of the project area so as to insure equitable representation. No member of the board of directors may serve on such committee.

The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Cooperative at least sixty (60) days before the meeting a list of nominations for directors, comprised of at least two nominees per vacancy from each region or area of the Cooperative having one or more vacancies on the board. Any fifteen or more members acting together may make other nominations by petition not less than forty-five (45) days prior to the meeting and the Secretary shall post such nominations at the same place the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting or separately, but at least seven days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee on nominations and also the nominations made by petition, if any. Additional nominations made by petition shall be for the respective region having vacancies on the board to be filled at the annual election. At the meeting, members shall each cast one vote for every vacancy in each region. If, for example, there are two vacancies in the Northern Region, each member may cast one vote for each of two nominees on the list, for a total of two votes. The

nominee, or in the case of multiple vacancies, nominees, in each region receiving the most votes cast shall be deemed elected to the board of directors. In the multiple vacancy example, that would mean that the nominee receiving the most, and the nominee receiving the second most votes would become directors. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

Such regions and the area of each such region are numbered and defined as follows:

1. Northern Region

Schoharie County – Towns of Gilboa, Jefferson and Summit

Delaware County – Towns of Davenport, Harpersfield and Stamford

Otsego County – Town of Maryland

2. Central Region

Delaware County – Towns of Bovina, Delhi, Franklin, Hamden, Kortright and Meredith

3. Southern Region

Delaware County – Towns of Andes, Colchester, Masonville, Middletown, Sidney, Tompkins and Walton.

Chenango County – Town of Bainbridge

Section 4. *Removal of Directors by Members.* Any member may bring charges against a director by filing such charges in writing with the Secretary, together with a petition signed by at least ten per centum of the members and request the removal of such director by reason thereof. The director against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

Section 5. *Removal of Directors by the Board of Directors.* The majority of the board of directors, acting pursuant to a duly made and seconded motion at a duly noticed regular or special meeting of the board of directors, may remove a director from the board if that director has failed to meet an objective qualification or requirement prescribed by these bylaws. The director against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges.



POLICY

SUBJECT: Cyber Security

OVERVIEW & PURPOSE

Delaware County Electric Cooperative (DCEC) is committed to protecting DCEC employees, stakeholders and the company from illegal or damaging actions by individuals, either knowingly or unknowingly. Internet/Intranet/Extranet-related systems, including but not limited to computer equipment, software, operating systems, storage media, network accounts providing electronic mail, Internet Web browsing, and FTP, are the property of DCEC. These systems are to be used for business purposes in serving the interests of the company, and our customers in the course of normal operations. DCEC's intentions in publishing a Cyber Security Policy are not to impose restrictions that are contrary to DCEC's established culture of openness, trust and integrity.

Effective security is a team effort involving the participation and support of every DCEC employee and affiliate who deals with information and/or information systems. It is the responsibility of every computer user to know these guidelines, and to conduct their activities accordingly.

The purpose of this policy is to outline the acceptable use of computer equipment and Information Technology (IT) infrastructure at DCEC. These rules are in place to protect the employee's and DCEC. Inappropriate use exposes DCEC to risks including computer virus attacks, compromise of network systems and services, and legal issues. The policy balances the employee's ability to benefit fully from information technology with the company's need for secure and effectively allocated IT resources.

This policy applies to employees, contractors, consultants, temporaries and other workers at DCEC, including all personnel affiliated with third parties. This policy applies to all equipment, software and/or applications that are owned, licensed or leased by DCEC.

POLICY

A. General Use and Ownership

1. While DCEC's board of directors and managers desire to provide users with reasonable access to IT infrastructure to accommodate both the demands of the work environment and permitted personal use, users should be aware that data they create on the corporate systems remains the property of DCEC. Because of the need to monitor the internal network (Intranet) in order to protect DCEC's IT resources and information, management cannot guarantee the confidentiality of personal information stored on any network device belonging to DCEC or in files on the DCEC Intranet.



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2. Employees are responsible for exercising good judgment regarding the reasonableness of personal use. DCEC owned IT equipment and computers and related services may be used for incidental personal use during break periods provided that:
 - Usage is reasonable and does not interfere with work productivity.
 - Does not directly or indirectly interfere with DCEC business operations, IT facilities or electronic mail services.
 - Does not burden DCEC with noticeable incremental cost.
 - If there is any uncertainty as to what constitutes acceptable personal use, employees should consult their supervisor or the General Manager who will make the determination.
 3. Since Internet activities may be monitored, all personnel accessing the Internet shall have no expectation of privacy.

B. Security and Proprietary Information

1. Users may not encrypt any emails without obtaining written permission from their supervisor and DCEC's General Manager. If approved, the encryption key(S) must be made known to DCEC's General Manager.
2. Data residing on DCEC corporate IT systems may be classified as either confidential or not confidential, as defined by corporate confidentiality guidelines. Examples of confidential information include but are not limited to: company private, corporate strategies, competitor sensitive, trade secrets, specifications, and member lists. Employees should take all necessary steps to prevent unauthorized access to this information.
3. For security and network maintenance purposes, authorized individuals within DCEC may monitor equipment, systems and network traffic at any time, with prior authorization of the General Manager.
4. DCEC reserves the right to audit networks and systems on a periodic basis to ensure compliance with this policy.
5. Employees must use extreme caution when opening e-mail attachments received from unknown senders, which may contain viruses, e-mail bombs, or Trojan horse code. DCEC utilizes Anti-Virus software on each workstation and server as well as filtering all inbound email through an outside security firm, but some unsafe attachments may still find their way through the defenses. Users are expected to use reasonable caution in reviewing incoming emails, looking for any indication that the sender may differ than as represented. If there are ever any questions or if an individual is unsure, please contact the General Manager prior to opening the attachment.
6. Because information contained on approved portable and laptop computers is especially vulnerable, special care should be exercised to protect both the computer and its information.



7. Employees shall not use DCEC e-mail, or other facilities to post to news groups, message boards, or websites unless the posting is in the course of business duties.
8. The General Manager shall report any known breaches of cyber security to the Board of Directors as soon as practical after discovery, no later than the next regular meeting of the Board of Directors. If no known breaches of cyber security become known to the General Manager within a calendar year, then the General Manager shall certify to that fact in the annual Red Flag Report to the Board of Directors.

C. Passwords

1. Passwords are used for various purposes at DCEC. Some of the more common uses include: user-level accounts, web accounts, email accounts, screen saver protection, and router logins. Since very few systems have support for one-time tokens (i.e. dynamic passwords which are only used once), everyone should know how to select strong passwords
2. Poor, weak passwords have the following characteristics:
 - The password contains less than eight characters
 - The password is a word found in a dictionary (English or Foreign)
 - The password is a common usage word such as:
 - Names of family, pets, friends, co-workers, fantasy characters, etc.
 - Computer terms and names, commands, sites, companies, hardware, software.
 - The words "REA", "DCEC", "Delhi", or any derivation.
 - Birthdays and other personal information such as addresses and phone numbers.
 - Word or number patterns like aaabbb, qwerty, zyxwvuts, 12321, etc.
 - Any of the above spelled backwards.
 - Any of the above preceded or followed by a digit (e.g. secret1, 1secret)
3. Strong passwords have the following characteristics:
 - At least eight alphanumeric characters long.
 - Contain both upper and lower case characters (e.g., a-z, A-Z)
 - Have digits and punctuation characters as well as letters (e.g., 0-9, !@#\$%^&*()_+|~=\{\}\[\],',<>?)
 - Not a word in any language, slang, dialect, jargon, etc.
 - Not based on personal information, names of family, etc.
 - Try to create a password that can be easily remembered. One way to do this is create a password based on a song title, affirmation or other phrase. For example, the phrase might be: "This may be one way to remember" and the password could be: "TmB1w2R!" or "Tmb1W>r~" or some other variation.
4. Password Creation
 - All user-level and system-level passwords must conform to the guidelines for strong passwords described above.



- Users shall never use the same password for DCEC accounts as for other non-DCEC access (for example, personal ISP account, option trading, benefits, and so on).
- User accounts that have administrator/system-level privileges must have a unique password from all other accounts held by that user.
- Where Simple Network Management Protocol (SNMP) is used, the community strings must be defined as something other than the standard defaults of public, private, and system and must be different from the passwords used to log in interactively. SNMP community strings must meet password construction guidelines.

5. Password Change

- All system-level passwords (for example, root, enable, Windows Domain admin, application administration accounts, and so on) must be changed on a reasonable periodic basis.
- All user-level passwords (for example, email, web, desktop computer, and so on) must be changed at least every 90 days.
- Password cracking or guessing may be performed on a periodic or random basis by the General Manager or a designee. If a password is guessed or cracked during one of these scans, the user will be required to change it to be in compliance with the Password Construction Guidelines.
- Passwords may be required to be changed upon identification or notification of a cybersecurity incident or threat.

6. Password Protection

- Passwords must not be shared with anyone, including administrative assistants, secretaries, managers, co-workers, and/or IT contractor without the permission of the General Manager. In cases where a password is shared with another employee or IT contractor for a specific purpose and defined time period as approved by the General Manager, the password shall be changed by the password's owner at the conclusion of the approved activity or time period, whichever ends first.
- Passwords must never be shared with anyone other than General Manager approved employees or IT contractors, including friends and/or family members.
- Passwords must not be inserted into email messages or other forms of electronic communication.
- Do not reveal a password on questionnaires or security forms.
- Do not hint at the format of a password (for example, "my family name").
- Do not write passwords down and store them in an unlocked location in your office. Do not store passwords in a file on a computer system or mobile devices (phone, tablet) in clear text.
- Do not use the "Remember Password" feature of applications (for example, web browsers).
- Any user suspecting that his/her password may have been compromised must report the incident to DCEC's General Manager and change all passwords.

D. Anti-Virus Protection And Prevention



1. Virus Protection Overview

All computing systems, both physical and virtual, connected to the Cooperative network shall have an anti-virus and anti-malware application installed, configured, activated and updated with the latest threat definitions. The Cooperative network shall include the office headquarters and any location connected via virtual private network tunnel to the office headquarters (e.g., operations shop and substations). This anti-virus and anti-malware software application must be capable of real-time scanning protection of files and applications running on the target system.

2. Guidelines

- Employees shall be instructed NOT to trust any other source for virus protection patches.
- Ensure that the current version is installed with anti-virus updates as they become available. Updates shall be no more than four weeks out of date.
- The anti-virus and malware software should be configured so as to always scan removable media and devices attached to cooperative computers prior to use. If this is not an available option, this can be accomplished by opening the anti-virus client software and selecting the appropriate media and manually executing a scan.
- Whenever new threats are identified, and determined by the General Manager to be of sufficient concern to cooperative business, the General Manager shall notify all corporate computer users about the new threat and appropriate measures to take, if any.
- Virus or malware infected computers must be isolated from the Cooperative's network until they are verified as virus-free.
- Employees will be educated about safe anti-malware practices such as, but not limited to;
 - Not opening unexpected attachments
 - Not downloading files from unknown sources
 - Deleting spam, chain mails, junk emails
- To expedite the recovery from any virus/malware threats the General Manager shall ensure that all critical network data and system configurations are backed up in accordance with this policy.

E. Backup and Recovery

1. Backup Overview

DCEC requires that server computer systems be backed up on a regular basis and that the backup media is located/stored in a secure off-site location. The purpose of the systems backup is to provide a means to restore the integrity of the computer systems in the event of a hardware/software failure or physical disaster and provide a measure of protection against human error or the inadvertent deletion of important files. Systems backups are not intended to serve as an archival copy or to meet records retention requirements.

- The frequency and extent of backups must be in accordance with the importance of the information and the acceptable risk as documented in this policy.



- DCEC information technology backup and recovery processes for each system and service should be annually reviewed by the General Manager.
- Backup procedures should be periodically tested to ensure that the IT resource is recoverable.
- Procedures for the offsite backup storage should be reviewed periodically.
- Backup media must be readily identified by appropriate labeling, and noted in a centralized log as to its physical storage location.
- All critical information used on workstations should be placed on networked file server drives for backup.

2. Network Storage Structure

DCEC has network servers in place in Delhi, NY. DCEC management and staff have file storage folders allocated for their account on network servers. These storage areas are usually referred to as the users "X: drive", where X denotes a mapped storage area on a network server as described below;

H: Drive - Users personal folder on the network server

When the user successfully logs on to their workstation, network connections are established to these folders, which can then be accessed as the "X: Drive" in Windows Explorer, Microsoft Word, Excel, and other software programs. Files can be copied from the user's workstation to their "X Drive", or software programs may be configured to save files directly to these mapped drives. These mapped drives are backed up to network storage and removable media. The removable media shall be rotated to an off-site storage facility and securely stored to provide for security and disaster recovery.

3. Storage of User Data Files

In order to be able to recover lost data, management and staff should store essential data files requiring backup to one of the network mapped drives. Data files on the user's local workstation will generally not be recoverable if the drive fails. Appropriate use of network storage will ensure ample capacity for archival storage of user data files. Users should store and maintain data files (or current copies) that are important to the company and that would be costly or impossible to recreate, on the network mapped drives. Users should not store non-business or non-essential data files on the network drives. No data files should be stored on thumb drives or other portable data storage devices and removed from DCEC facilities, except as authorized by the General Manager.

4. Backup Schedule

The systems backups will consist of regular full and incremental backups in accordance with Appendix A, "DCEC Backup Schedule by System".

5. Documentation

DCEC information technology backup and recovery processes for each system and service must be documented by the General Manager.

- Backup documentation includes identification of all critical data, programs, documentation, and support items that would be necessary to perform essential tasks during a recovery period.



- Documentation of the restoration process must include procedures for the recovery from single-system or application failures as well as a total data center disaster scenario.
- Backup and recovery documentation will be reviewed and updated annually to account for new technology, business changes, and migration of application to alternative platforms. Recovery procedures will be tested on an annual basis where feasible.

6. Backup verification

Test restores from backup archives must be performed at least annually where feasible. This ensures that both the archive media and backup procedures work properly. It must at least once be proven that complete data restoration is possible. This ensures reliable testing as to whether:

- Data restoration is possible
- The data backup procedure is practical
- There is sufficient documentation of the data backup process, thus allowing a substitute to carry out a data restoration if necessary
- The time required for the data restoration meets the availability requirements

7. Offsite Storage

In order to provide disaster recovery capability, backup media are rotated to an offsite storage location from the backup source. Backup media are maintained in offsite storage according to the schedule outlined in Appendix A, DCEC Backup Schedule by System"

8. File Recovery

In order to have a file restored from the backup archive, the user should contact the General Manager and provide the date of the last known good version of the file – this will help identify the set of backup media to use in attempting to restore the file.

Files can usually be restored within a few hours or less. DCEC cannot restore data files which were not archived on the network servers. As the media is rotated, users should request restoration of data files as soon as possible to prevent data being overwritten on the backup media.

9. Open Data Files

The backup server software is unable to archive data files which are open at the time the backup is run. Each user should ensure that all files that are to be archived are closed at the end of each business day.

10. Backup Failures

All backup failures will be logged and investigated as soon as practical upon detection.

F. Unacceptable Use



The lists below are by no means exhaustive, but attempt to provide a framework for activities which fall into the category of unacceptable use. The following activities are strictly prohibited, with no exceptions:

1. System and Network Activities

- Under no circumstances is an employee of DCEC authorized to engage in any activity that is illegal under local, state, federal or international law, while utilizing DCEC owned resources.
- Violation of the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations, including but not limited to, the installation or distribution of “pirated” or other software products that are not appropriately licensed for use by DCEC.
- Unauthorized copying of copyrighted material including, but not limited to, digitization and distribution of photographs from magazines, books or other copyrighted sources, copyrighted music, and the installation of any copyrighted software for which DCEC or the end user does not have an active license is strictly prohibited.
- Exporting software, technical information, encryption software or technology, in violation of international or regional export control laws, is illegal. The appropriate management should be consulted prior to export of any material that is in question.
- Introduction of malicious programs into the network or server (e.g., viruses, worms, Trojan horses, e-mail bombs, etc.)
- Using DCEC computing assets to actively engage in procuring or transmitting material that is in violation of sexual harassment or hostile workplace laws in the user’s local jurisdiction.
- Making fraudulent offers of products, items or services originating from any DCEC account.
- Making statements about warranty, expressly or implied, unless it is a part of normal job duties.
- Effecting security breaches or disruptions of network communication. Security breaches include, but are not limited to, accessing data of which the employee is not an intended recipient or logging into a server or account that the employee is not expressly authorized to access, unless these duties are within the scope of regular duties. For purposes of this section, “disruption” includes, but is not limited to, network sniffing, pinged floods, packet spoofing, denial of service (DOS), and forged routing information for malicious purposes.
- Port scanning or security scanning is expressly prohibited unless prior notification to General Manager is made.
- Executing any form of network monitoring which will intercept data not intended for the intercepting employee, unless the activity is a part of the employee’s normal job/duty.
- Circumventing user authentication or security of any computer, network or account.
- Interfering with or denying service to any user other than the employee’s computer (for example, denial of service attack).
- Using any program/script/command, or sending messages of any kind with the intent to interfere with, or disable, a user’s terminal session, via any means, locally or via the Internet/Intranet/Extranet.
- Providing information about, or lists of, DCEC employees or members to parties outside DCEC without prior approval of the General Manager.



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- Viewing, storing, disseminating, or printing pornography.

2. Email and Communications Activities

The e-mail system is the property of DCEC and as such shall not be misused in any of the following manner:

- Sending unsolicited email messages, including the sending of “junk e-mail” or other advertising material to individuals who did not specifically request such material (e-mail spam), unless part of a corporate approved targeted marketing campaign.
- Any form of harassment via email, telephone, or paging, whether through language, frequency, or size of messages
- Send or forward e-mails including any of the following: disruptive or offensive messages, still images, audio, or video images, including but not limited to offensive comments about race, gender, disabilities, age, sexual orientation, pornography, religious beliefs and practice, political beliefs, or national origin. If you receive an email of this nature, promptly notify your immediate supervisor or manager.
- Forge or attempt to forge e-mail messages.
- Disguise or attempt to disguise your identity when sending e-mail.
- Send e-mail messages using another person’s e-mail account unless authorized to do so.
- Copy a message or attachment belonging to another user without permission of the originator.
- Creating or forwarding “chain letters”, “Ponzi” or other “pyramid” schemes of any type.
- Posting the same or similar non-business-related messages to large numbers of Usenet Newsgroups, or message boards.

3. Internet Access Activities

The following uses of the Internet, either during working hours or personal time, using DCEC equipment or facilities, are strictly prohibited:

- Access, retrieve, or print text and graphics information, which exceeds the bounds of generally accepted standards of good taste and ethics.
- Access, retrieve, store, disseminate, or print pornography.
- The Internet may not be used to access other systems for which the user has no authorization.
- The Internet or Internet connections shall not be used to access or transfer information that is in violation of Local, State, Federal, or copyright laws, or that contradicts the intent or spirit of these policies and procedures.
- Engage in personal commercial activities on the Internet, including offering services or merchandise for sale.
- Engage in any activity which would compromise the security of any DCEC computer or system.
- Endorse any product or services, participate in any lobbying activity, or engage in any active political activity. The prohibition against engaging in any political activity or fundraising activity does not apply to employees who engage in such activities during the performance of their job responsibilities.
- Employees and contractors working for DCEC are prohibited from initiating non-work-related Internet sessions using DCEC information resources from remote locations. That is,



employees shall not connect into DCEC resources from home or other non-DCEC locations for the purpose of participating in non-job-related Internet activities.

- Employees and contractors working for DCEC shall not engage in the transmittal of DCEC information or data for non-business purposes and/or personal gain or benefit.

G. Compliance

1. Compliance Measurement

The General Manager will verify compliance to this policy through various methods, including but not limited to, business tool reports, internal and external audits.

2. Exceptions

Any exception to the policy must be approved by the General Manager in advance.

3. Non-Compliance

An employee found to have violated this policy may be subject to disciplinary action in accordance with the Cooperative's employee relations policies.

H. Related Standards, Policies, and Processes (cross references to industry standards)

Adapted from the work of the Kentucky Association of Electric Cooperatives (KAEC) Information Technology Association, which was likewise derived from

- "Acceptable Use Policy" @ <http://www.sans.org/security-resources/policies/general/doc/acceptable-use-policy>
- "Malware Defenses" @ <http://www.sans.org/critical-security-controls/control/5>

I. Definition of Terms

- **Chain Letter** – Chain letter (email) is a term used to describe emails that encourage you to forward them onto someone else
- **Malware** – a general term used to refer to a variety of forms of hostile or intrusive software such as; computer viruses, worms, Trojan horses, ransomware, spyware, adware, scareware, and other malicious programs
- **Ponzi** – A Ponzi scheme is a fraudulent investment operation that involves paying returns to investors out of the money raised from subsequent investors
- **Pyramid Scheme** – A fraudulent scheme in which people are recruited to make payments to the person who recruits them while expecting payments from the persons they recruit
- **Simple Network Management Protocol (SNMP)** - is a popular protocol for network management. It is used for collecting information from, and configuring, network devices, such as servers, printers, hubs, switches, and routers on an Internet Protocol (IP) network.
- **Single Sign On** - a session/user authentication process that permits a user to enter one name and password in order to access multiple applications.



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- **Spam** – Unauthorized and/or unsolicited electronic mass mailings
 - **Spyware** – malware that aids in gathering information about a person or organization without their knowledge and that may send such information to another entity without the consumer's consent, or that asserts control over a computer without the consumer's knowledge.
 - **Virus** – a computer program or piece of code that is installed on, or executed by any computer without the knowledge of the owner and runs against the owner's wishes. Viruses are often destructive and malicious.

RESPONSIBILITY: General Manager

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by the Board of Directors May 26, 2015

Revised by the Board of Directors Jun 27, 2017

[Reviewed by the Board of Directors](#) [April 27, 2021](#)



 Appendix A: DCEC Backup Schedule by System

System	Responsible Party	Schedule
iVUE ABS CIS OMS Admin Cash Register	NISC Technical Services	Nightly Backup to an offsite location.
GIS Database	ISD Contractor – configures backup executable DCEC Admin Assistant – Changes Tape Daily DCEC Finance Manager – takes tape to bank safe deposit box weekly	Nightly Backup to Windows Server and indirectly to on-site removable media. Weekly transfer of backup tape to off-site safety deposit box.
Windows Server	ISD Contractor – configures backup executable DCEC Admin Assistant – Changes Tape Daily DCEC Finance Manager – takes tape to bank safe deposit box weekly	Nightly Backup to on-site removable media. Weekly transfer of backup tape to off-site safety deposit box.
SCADA (Survalent) Server	ISD Contractor – configures backup executable	Nightly Backup to Windows Server, which is then backed up as described above.
NISC Call Capture Interactive Voice Response (IVR) Server	NISC Technical Services	No regular backup. All member-specific data is written directly to the CIS database and backed up. The IVR software itself could be recreated from images managed by NISC.

Individual workstations, portable computers, and hand-held devices are not backed up. Only those files stored on DCEC's central servers are backed up in accordance with this schedule.



Minutes of the Board of Directors Special Meeting

A Special Meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. ("Cooperative") was held on March 16, 2021 at 6:34 p.m. at the offices of the Cooperative.

All of the Directors of the Cooperative were present via teleconference:

Stephen Oles
Edward Pick
Jeffrey Russell
Paul Menke
Steve Burnett
Laurie Wehmeyer
Kimberly Tosi, not present

The following were present by invitation:

Millie Faulkner, Interim CEO/General Manager
Mark Cannizzaro, CFO
Ryan Sullivan, Operations Manager
Jeffrey Clark, outside counsel

Stephen Oles, President of the Board of Directors, directed the meeting. Edward Pick acted as Secretary.

Item 1: Waiver of Notice of Meeting

All Directors acknowledged receipt of notice of the Special Meeting, a motion was made by Secretary Pick to waive any further notice requirement. The motion was seconded by Vice President Russell. The motion passed.

Item 2: Special Meeting per Diem

All Directors acknowledged that according to policy named "Compensation for Board of Directors" #1 d, this meeting constitutes a "Short Activities" meeting and compensation will be paid accordingly.

Item 3: Appointed CEO Employment Contract Review and Approval

All Directors reviewed the employment contract for Christopher N. Evans and a motion to approve was made by Secretary Pick and seconded by Director Wehmeyer.

Item 5: Resolutions adopted:

A motion was made by Secretary Pick to adopt all attached and listed below resolutions. The motion was seconded by Treasurer Menke. The motion passed.

- 1) Christopher N. Evans Appointment Resolution
- 2) Christopher N. Evans RDUP Authorization Resolution

Item 6: Word of Thanks: President Oles mentioned that he wanted to thank the Search Committee for their time spent to find a new CEO.

There being no further business, upon motion duly seconded, the meeting was adjourned at 7:06 p.m. Motion made by Secretary Pick seconded by Vice President Russell. Motion passed.

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 special board meeting of the Board of Directors of Delaware County Electric Cooperative, Inc., held on the 16th day of March, 2021 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 16th day of March, 2021.

(Seal)

(Signature of Secretary)

SECRETARY'S CERTIFICATE

I, Edward G. Pick, Jr. do hereby certify that: I am the Secretary of Delaware County Electric Cooperative, Inc. (hereinafter the "Corporation;") that the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Corporation at the regular meeting held March 23, 2021, and effective April 2nd, 2021 at 4:00pm, entered in the minute book of the Corporation; that the meeting was duly and regularly called and held in accordance with the bylaws of the Corporation; and that none of the following resolutions has been rescinded or modified:

I FURTHER CERTIFY THAT each member of the Board of Directors of the Corporation was furnished with notice of said meeting in compliance with the bylaws of the Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Corporation this 23rd day of March, 2021.

Secretary

(Corporate Seal)

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We are an equal opportunity provider and employer.