

NOTICE OF BOARD MEETING

The regular meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. will be held **Tuesday, January 28, 2020 at 5:00 pm** at the Co-op's headquarters, 39 Elm Street, Delhi, New York to act on the following:

AGENDA

I. Opening Business:

- A. Call to Order
- B. Roll Call - Determination of Quorum
- C. Adoption of Agenda [packet page 1]
- D. Celebration of Governor Signing NYPA Hydro Contract Extension [packet page 2]

II. Consent Agenda:

- A. Minutes of December 17, 2019 Board Meeting [packet pages 3-7]
- B. New Memberships [packet page 8]
- C. Bad Debt Resolution and Collection Report [packet pages 9-10]
- D. Corporate Calendar Review [packet page 11]
- E. Director Compensation [packet pages 12-13]

III. Organization & Staffing Committee Report/Recommendations

IV. General Manager's Report & Safety Report [packet pages 14-18]

V. Monthly Financial Reports [distributed via e-mail and meeting handout]

VI. Headquarters Project

- A. Value Engineered Design Update [attachment to packet on 11x17 paper]
- B. Updates from HQ Committee Members Pick and Russell [oral reports for Directors Pick and Russell]

VII. Policies

- A. Clothing for Employees Working On or Near Exposed Energized Parts [packet pages 19-20]
- B. Whistleblower [packet pages 21-23]

VIII. Project Round-Up, Scholarships [discussion led by Schneider]

IX. DCEC's Energy Efficiency Programs HWH Proposal [update by Sullivan]

X. 2020 Cost of Service Study

- A. Process overview [packet page 24]
- B. Establishing goals and preferred outcomes [group discussion]

XI. Meeting Reports

- A. NYSRECA Business Meeting, 1/16/2020 [report by attendees Menke, Oles, & Pick]
- B. NYAPP Business Meeting – 1/22/2020 – 1/23/2020 [report by attendee Oles]

XII. Strategic Plan Regular Review [packet pages 25-27]

XIII. Resolution on the Continuation of CoBank Borrowing Relationship [packet page 28]

XIV. Vegetation Management Update [presentation by Sullivan]

XV. Stray Voltage Testing Update [presentation by Sullivan]

XVI. New Business:

XVII. Future Business:

- A. Next Regular Board Meeting, **Tuesday, 2/25/2020**
 - (1) Student Delegate Interviews
- B. On-Site Audit Week – 2/24/2020 – 2/28/2020
- C. NRECA Annual Meeting, 3/1/2020 – 3/4/2020, New Orleans, LA
- D. NRECA's Mike Haire on 401(k) Planning – 3/24/2020
- E. Closing on Sale of 39 Elm Street – no sooner than 3/31/2020
- F. NYAPP Annual Conference, 4/21/2020 – 4/23/2020, Saratoga Springs Hampton Inn
- G. Washington Legislative Rally, 4/26/2020 – 4/29/2020
- H. NYSRECA Meeting & Albany Advocacy Day, 5/11/2020 – 5/12/2020, Albany, NY
- I. NEAEC Annual Meeting, 5/20/2020 – 5/21/2020
- J. NYSRECA Annual Meeting, 7/23/2020, Otsego County Location TBD
- K. DCEC Family Fun Day, Friday, 8/7/2019, 5 pm, Delhi Courthouse Square
- L. NRECA Region I/IV Meeting, 9/9/2020 – 9/11/2020, Indianapolis, IN
- M. Annual Meeting of Members, 9/18/2020, Delhi, NY
 - (1) Keynote speaker selection/invitation?

XVIII. Executive Session

XIX. Adjournment

Cooperative Values

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

Cooperative Stakeholders

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



New York Power Authority Hydro Contract Extension Signed by Governor Cuomo

Governor Andrew Cuomo signed off on the NYPA hydro contract extension for all 51 municipal and cooperative Preference Customers of the Niagara Project on Friday, January 17, 2020. The following summarizes the major terms of the agreement:

- Extend contract through September of 2040 (previous contract would have expired in 2025).
- Continue cost based rates in accordance with the Niagara Redevelopment Act of 1957 and the Federal Energy Regulatory Commission (FERC) Niagara license.
- Commitment by the 51 customer utilities to energy efficiency and renewable energy programs that set aside a minimum of \$0.001 per kWh sold to their consumers (members, in the case of the Cooperative).
- Continuation of economic development efforts including the Industrial Economic Development Power (IEDP) program.
- Commitment by all parties of the contract to pursue other opportunities for clean energy project development.
- Commitment by all parties to honor the New York State Clean Energy Standard, regardless of whether the parties have a regulatory obligation to do so.

The NYPA hydro contract is a critical element of the Cooperative's ability to provide cost-effective electric service to our members. The table below summarizes the amounts that NYPA hydro contract saved the Cooperative in recent years compared to market rates:

Year	Savings
2018	\$1,453,826
2017	\$ 905,322
2016	\$ 857,907

**Delaware County Electric Cooperative
Board Meeting Minutes
December 17, 2019**

I. Opening Business: The regular monthly meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held December 17, 2019 at 39 Elm Street, Delhi, New York, 13753.

A. Call to Order: The meeting was called to order at 5:00 p.m. by President Oles.

B. Roll Call - Determination of Quorum:

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

DCEC's CEO/General Manager, Mark Schneider, DCEC's Financial Manager, Millie Faulkner, DCEC's Administrative Assistant, Alicia VanZandt, DCEC's Operations Manager Ryan Sullivan were present in-person and DCEC's Legal Counsel, Jeff Clark by phone.

C. Adoption of Agenda: The Board moved to unanimously adopt the agenda with the following changes/suggestions from CEO/General Manager Mark Schneider, under New Business add TCC Report, Closing of 39 Elm Street Property, and 2020 Cost of Service Study. Mr. Schneider also suggested to amend item D under Future Business NRECA's Mike Haire on 401(k) Planning should be 3/24/2020 not 2/24/2020.

II. Consent Agenda: Directors Burnett and Wehmeyer suggested the following editorial corrections to the November minutes:

- Page 3 of the December packet, under V. 2020 Proposed Budget-Complete Review, third paragraph should read President Oles asked if 30 years is the maximum for RUS financing
- Page 6 of the December packet, first paragraph should read President Oles would like to see an increase in the ability to "shed" during peak times as this will benefit the membership as a whole.
- Page 6 of the December packet, last bullet under XIII. New Business, item B, item i, should read Director Wehmeyer, Director Russell and Director Burnett have attained Credentialed Cooperative Director Certificate (CCD).

A motion was made by Secretary Pick to approve the Consent Agenda with the suggested amendments to the November Board Minutes as documented above. The motion was seconded by Vice President Winkler. The motion passed.

III. General Manager's Report & Safety Report: Director Wehmeyer mentioned that there is a typo on page 19 under Headquarters Project third line from the bottom of the page should read, "In consultation with DTC representative I have come to the conclusion that they cannot provide appropriate video surveillance or access control solutions." In regards to the security vendor Director Russell recommended to reach out to John Hubner in Walton of J. Hubner LLC Fire, Security, and Electric. Vice President Winkler suggested that management talk to the local police department about what to expect and what to prepare for when locating a security system.

CEO Schneider mentioned that as of today the Internal Revenue Code Section 118 bill is in the House and Senate.

Schneider updated that the small group of members that he met with to discuss the renewable opportunities was for solar energy.

IV. Monthly Financial Reports: Reviewed. Schneider stated that there are not any surprises on the income statement. Schneider remarked that under assets and other debits item number 6, non-utility property (net) includes the Kiff building. Schneider also commented that the Cooperative has less cash than last year, as 2018 had unusually high revenues and 2019's revenues were closer to normal. Schneider also noted that the large decrease in Regulatory Assets on line 27 is due to the final write-off of the LFG plant at the end of 2018. Lastly, Schneider remarked that on the balance sheet under liabilities and other credits, line item number 38 long term debt – FFB – RUS guaranteed is up and line item 40 long-term debt – other (net) down. This is consistent with the Cooperative's practice of pursuing the lowest cost debt available, which is currently available through FFB. Schneider also mentioned that the ratios are looking just fine.

V. 2020 Proposed Budget-Complete Review: Director Wehmeyer stated that there is a typo on page 23, third line down should read Budget Activity since November Board Meeting. CEO Schneider mentioned that as shown on page 25 under Vehicles/Large Equipment, a stand-on electric forklift > 1,500 pound capacity (new or used) was added for \$10,000. CEO Schneider mentioned that there was also an addition added to page 27 for \$4,400 for Federated Job Site Observations. CEO Schneider and the Board agreed that when planning the videography topics for 2020, Mrs. VanZandt should incorporate a video about the new Kiff building before and after. CEO Schneider commented that there is a typo on page 28 under the item for Member Communications Skills was spelled incorrectly. A motion was made by Secretary Pick to approve the budget as presented. The motion was seconded by Vice President Winkler. The motion passed.

VI. Headquarters Project:

A. Updates from HQ Committee Member Pick and Russell: Secretary Pick reported that on Friday the 20th the committee will go over changes and discuss how to the value engineering process can create a design within budget. CEO Schneider added that Thomas Howard will be attending the meeting. Director Russell mentioned that the committee needs to stay realistic. Secretary Pick mentioned that the employees want a raised dock but it's too expensive. CEO Schneider mentioned that HQ Project Phase one is completed. The concrete floor and pallet racks are installed in the Maintenance Pole Barn, which creates a temporary warehouse space to

be used during construction of the main construction phase of the HQ project.

B. Impact on Key Ratios of HQ Project Budget: Reviewed.

VII. Policies:

A. Alcohol and Controlled Substances: It was mentioned that there is a typo on the first page of this policy, the sentence should read Failure to comply may result in employee discipline, including, but not limited to, immediate termination. A motion was made to approve this policy as amended by Secretary Pick. The motion was seconded by Director Burnett. The motion passed.

B. Records Management, Retention, and Public Access: A motion was made to approve this policy as presented by Vice President Winkler. The motion was seconded by Director Wehmeyer. The motion passed.

VIII. Project Round-Up, Scholarships: The Board would like CEO Schneider to explain what merit-based means when it is referenced under eligibility for the Scholarship Program. Mrs. VanZandt mentioned that the Board should consider if this scholarship would be available to employee families and director families. The Board suggested to revisit this item at the next meeting once everyone has had time to review and think about CEO Schneider's Project Round-Up Proposed Scholarship Program.

IX. DCEC's Energy Efficiency Programs HWH Proposal: After reviewing the proposed Energy Efficiency Programs for Hot Water Heaters submitted by Operations Manager Ryan Sullivan the Board recommended that an upgrade be offered to members who wish to have a larger hot water heater. They suggested that if a member chooses to upgrade to a larger hot water heater that member will pay the difference out of pocket. A motion was made by Treasurer Menke to execute this giveaway with the agreed upon changes listed above. The motion was seconded by Secretary Pick. The motion passed. The Board also instructed the Management Team to make sure that the appropriate member/employee communication and policy are addressed for these programs. Also, the Board has requested an update on this program and the progress in a year.

X. Critical Task Backup in Accordance with Strategic Plan: Finance Manager Faulkner stated that this objective is still being worked on. The majority of the training is complete. Finance Manager Faulkner commented that because DCEC is a coop we can always call another coop or call NISC for help. Board asked that Finance Manager Faulkner give a presentation of progress at the end of 2020.

XI. Meeting Reports:

A. Management Internship Program – 12/2/2019 – 12/13/2019: Operations Manager Ryan Sullivan reported that he made some good contacts and networked. He stated that there were

several professions represented at the session including; Human Resources, Finance, Marketing, CEOs, and Operations Managers. Sullivan mentioned that there was a huge range in coop sizes and it was interesting to see how differently each coop is. Lastly, Sullivan mentioned that there will be session in March and June for him to complete.

XII. Good Governance Proposals:

A. Cooperative Regions Census: Reviewed.

B. Periodic Cooperative Attorney Review: Reviewed. Both the Board and the Management are satisfied with the current Cooperative Attorney.

C. Pre-Election Session: It was suggested that the Board Members invite other members to the monthly board meetings to see if they would be interested in serving on the DCEC board. It was also suggested to write an article about this topic in an upcoming newsletter.

XIII. New Business:

TCC Report: CEO Schneider stated that DCEC saved a lot of money by purchasing transmission congestion contracts (TCCs) in the period from November of 2018 through October of 2019. TCCs are a hedge against volatility in the price of transmission congestion between the Robert Moses Hydro Plant at Niagara and the Cooperative's substations in New York Independent System Operator Zone E (Mohawk Valley Zone). This insurance policy protects against temporary transmission limitations caused by events like downed power plants or failures in the transmission system. The Cooperative will be paying a higher price for TCCs throughout the period from November of 2019 through October of 2020. The price increase is due to a formula based on historic congestion prices. Like with most insurance policies, the Cooperative expects to lose money in many years, but 2018-2019 was a good year to own TCCs.

Property Closing: In accordance with the resolution by the board of directors at their special meeting on December 9, 2019, CEO Schneider signed and accepted a Contract for the Purchase and Sale of Real Property and Lease Back Agreement with the purchasers, Randy and Kimberley Shepard. The closing date will be pushed back as late as possible and will be no earlier than March 31, 2020. The signed contract clarifies insurance obligations of the purchasers and the Cooperative. The contract enumerates personal property to be left behind by the Cooperative for the benefit of the purchasers. For example, the Board table and the front office desks will be left in the building for the new owners. The contract secures the right of the Cooperative to post signage in the front lawn to inform members of the new headquarters location on North Depot Street. The purchasers completed a professional property inspection by the 3rd party and no problems were discovered. The purchasers received written clarification from the Village of Delhi stating that the intended commercial use of the property complies with village zoning as it will be a continuation of an existing commercial use. Zoning had been the contingency that concerned the purchaser the most and it has been completely resolve.

2020 Cost of Service Study: In accordance with Cooperative policy on Adjustments to Electric

Rates and Other Charges, the Cooperative will be conducting a full cost of service (CoS) study in 2020. The study will be facilitated by the Cooperative Finance Corporation (CFC) at no cost to the Cooperative. A similar process will be follows to the process utilized in 2015. The Cooperative's current financial goals and objectives will be important factors in determining the future revenue requirements of the Cooperative. The Finance Committee will be reviewing and possibly recommending modifications to the Financial Goals and Objectives at their April committee meeting. In particular, the committee will focus on the Cooperative's target for equity as a percentage of assets, often referred to simply as "equity percentage" or just "equity."

XIV. Future Business:

A. Next Regular Board Meeting, Tuesday, 1/28/2020

(1) 2019 CEO Goals and Accomplishments, Year in Review, Organization & Staffing Committee Meeting, 4 pm?

B. NYSRECA Business Meeting, 1/16/2020, Apalachin, NY

C. NYAPP Business Meeting, 1/22/2020 – 1/23/2020, Albany, NY

D. NRECA's Mike Haire on 401(k) Planning – 3/24/2020

E. On-Site Audit Week – 2/24/2020 – 2/28/2020

F. NRECA Annual Meeting, 3/1/2020 – 3/4/2020, New Orleans, LA

G. NYAPP Annual Conference, 4/21/2020 – 4/23/2020, Saratoga Springs, NY

H. Washington Legislative Rally, 4/26/2020 – 4/29/2020

I. NEAEC Annual Meeting, 5/20/2020 – 5/21/2020

J. DCEC Family Fun Day, Friday, 8/7/2019, 5 pm, Delhi Court House Square

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

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

XV. Executive Session: A motion was made by Secretary Pick to go into Executive Session. The motion was seconded by Director Wehmeyer. The motion passed. The Board invited CEO Schneider and Operations Manager Ryan Sullivan to stay for executive session. The Board excused all others. A motion was made to come out of executive session at 8:22 pm by Vice President Winkler. The motion was seconded by Director Wehmeyer. The motion passed.

XVI. Adjournment: There being no further business to be discussed by the board of directors, President Oles adjourned the meeting at 8:23 pm.

Respectfully submitted,

Edward "Rusty" Pick, Jr.,
Secretary

Delaware County Electric Cooperative, Inc.

39 Elm Street, P. O. Box 471, Delhi, New York 13753-0471
607-746-2341

NEW MEMBERSHIPS – January 28, 2020

ACCT #	LOCATION	FIRST NAME	LAST NAME	ADDRESS	CITY, STATE, ZIP	FORMER/ RENTING/ NEW SERVICE
18198-001	GI 2-59-3	Ann	Tompkins	822 South Gilboa Rd.	Stamford, NY 12167	Michele Alberti
18206-001	MA 3-14-4B	Laura	Freeman	140 Pine Hill Rd.	Unadilla, NY 13549	Robert W. Freeman
18210-001	DE 4-6-5C	Edward M. & Mary T.	Furgol	184 Rider Hill Rd.	Delhi, NY 13753	Edward M. Furgol
18207-001	JE 2-27-35	Joshua	Shaffer	176 Woodland Dr.	Jefferson, NY 12093	Nicole Feldbauer
18204-001	TO 3-77-66	Rosemarie	Ferland	1146 Martinstein Ave.	Bay Shore, NY 11706	Bruce J. Ferland
18202-001	MA 3-32-4C	Grace	Macumber	9329 Co. Rd. 20	Bainbridge, NY 13733	Angela Banas
18195-001	MD 1-17-5	Kyle	Blue	272 Willoughby Ave., 4K	Brooklyn, NY 11205	Luigi & Sandra Arcaro
18189-001	DA 1-38-3B	David	Agostinello	33 Bridle Ln.	Hicksville, NY 11801	Anthony Agostinello
18188-001	GI 2-38-8C	Justin	Bell	P.O. Box 226	Arkville, NY 12406	Jacki Ploss
18186-001	HF 2-24-19	Patrick Kaylee	Dolan Velez-Dolan	17 Delview Ter	Delhi, NY 13753	Alice Kovsca
18187-001	AN 5-62-1	Derek & Patricia	Goldin	5706 Middleburg Pl.	Greensboro, NC 27410	Blue Sky Trust
18191-001	BO 5-31-8B	Patricia	Wingate	P.O. Box 122	Cherry Valley, NY 13320	Swati Singh
18192-001	JE 2-15-9	Brian & Amy	Steiger	345 S. 3 rd St.	Lindenhurst, NY 11757	Erika A. Perz
18190-001	DE 4-18-11	Barbara	Kalb	1071 Mosefan St.	Franklin, Square, NY 11010	Edward Kalb
18184-001	MA 3-34-7E	Alaina	Wagner	11260 St. Hwy. 8	Masonville, NY 13804	Jason J. & Ellen P. Whittaker
18199-001	JE 2-15-11A	Surf & Neptune, LLC		48 Dug Rd.	New Paltz, NY 12561	James W. Easley
18216-001	KO 1-89-7A	Erik	Peterson	1191 Webster Brook Rd.	Bloomville, NY 13739	Shirley F. Munoz
18211-001	CO 4-76-4	Matt & Cara	Meadow	48 Rolling Hills Ln.	Harrison, NY 10528	Lois Jaeger
18222-001	DE 4-27-26	Francesco & Frances	Gaudio	1111 Huska Rd.	DeLancey, NY 13753	Frank Gaudio
18215-001	KO 2-62-12D	Joseph	Clavin Sr.	2345 County Highway 12	East Meredith, NY 13757	William J. Smith
18217-001	GI 2-48-6	Ilya	Terebey	485 S. Gilboa Rd.	Stamford, NY 12167	Sweet Houses, LLC
18209-001	HA 4-14-25	Walter	Campbell	45 Hutchinson Ave.	Hawthorne, NJ 07506	Audrey Campbell
18200-001	CO 4-96-11	Carlo & Nicole	Yannarelli	775 Totowa Rd.	Totowa, NJ 07512	Helmut Laemmlle
18203-001	ME 1-47-9	Paula	Kahl	42 Loring Rd.	Levittown, NY 11756	Martha Riendeua
18198-001	JE 2-37-8L	Rebecca	Myers	130 Brookview Dr.	Stamford, NY 12167	Hani Khalil
18208-001	JE 2-15-4A	Thomas Lana	Hennen, III Frantz- Hennen	1 Plaza Street West #2B	Brooklyn, NY 11277	Timothy Heady
18196-001	GI 2-38-19	Paul	Sciano	245 Steiber Rd.	Marlborough, CT 06447	Joseph Sciano



RESOLUTION

January 28, 2020

BE IT RESOLVED, THAT WE, The Board of Directors of the Delaware County Electric Cooperative, Inc., 39 Elm Street, Delhi, NY 13753, do hereby authorize the transfer of \$556.14 representing uncollectible accounts for utility customers per the following listing, to accumulated provision for uncollectible accounts.

<u>ACCOUNT</u>	<u>SER. ADD.</u>	<u>CUSTOMER</u>	<u>SEASONAL</u>	<u>RESIDENTIAL</u>
14993002	DA 1-39-20C	Adam Baldanza	\$	\$ 6.02
17110001	DA 1-39-20B	Jessica Pidgeon		25.85
14750001	DA 1-29-1F	Carolyn Levenson		185.40
3387001	GI 2-49-3A	Mary L. Callahan	255.34	
15103001	MA 3-25-12	Robert Marrone	83.53	
			\$ 338.87	\$ 217.27

January 28, 2020

EDWARD G. PICK, JR., SECRETARY



January 28, 2020

BAD DEBT COLLECTION

* **PLEASE NOTE:** The amounts below were recovered through capital credit retirements, Southern Tier Credit Center & DCEC through December 2019.

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
\$ 259.15	Michael Dutko	\$ 259.15	\$	\$	\$	\$ - 0 -
98.89	Juanita H. Condon	98.89				- 0 -

* 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.

DCEC Corporate Calendar Review

January 2020

January	
Calculate Usage and Revenue for Dec 15-31 time frame	Rosemary
Year-End Process in Billing Follow Through	Rosemary
Year-End Inventory	Betty
Financial year-End “soft close”	Millie
Financial Audit (Jan-Mar)	Millie/Mark
Year-End Accomplishments Review / Goals & Objectives Approval	Mark/Board
Employee Performance Reviews	Mark
Organization & Staffing Committee Meeting – inc. CEO evaluation	Mark/Board
Exempt Employee Salary Action	Mark
Stray Voltage Annual Report to Board	Ryan
Update PPAC “System Loss Factor” based on prior year analysis	Mark
Hazardous Waste Disposal Annual Report (kept in-house)	Ryan
Hazardous Waste Disposal Annual Document Log (kept in-house)	Ryan
Submit DEP/NYC annual pesticide permit application (secure by April)	Ryan
Legislative Youth Delegate kick-off (interviews/selection by late March)	Mark/Alicia
NYSRECA Meeting	Mark/Board
DEC pesticide annual reporting – due 2/1	Ryan
Review & Update SPCC Plan on even years	Bucky/Paul
Consider GM contract renewal/update	Mark/Board
Member-owned DG usage/generation calculation/add to historical data	Rosemary
Member-owned DG end net metering for 10-year grandfathered members	Rosemary
Vegetation Management Update to Board	Mark/Ryan
Schedule Substation Herbicide Vegetation Contractor	Betty
Complete/Post OSHA 300A	Millie/Bucky
February	
Preparation of Form 7 Report / Submit by 3/31 (RUS, CFC, NYPA, Co-Bank)	Millie/Mark
Form 990 Report Prep (Feb-Mar)	Millie
Financial Audit (Jan-Mar)	Millie/Mark
Payroll submission to NRECA (W2 for 401k calc) – due mid Feb	Millie
Policy – Estate Capital Credits Annual Review	Mark/Board
DEC Hazardous Waste Annual Report (>2,200 lbs.) due 3/1	Ryan
Confirm pesticide labels are up to date	Ryan
Provide annual notice of Herbicide Treatment in Newsletter	Ryan/Ally
NRECA Annual Meeting	Mark/Board
Substation Infrared Inspections	Ryan
Strategic Plan Review	Mark/Board
Board appoints Nominating Committee (Directors identify members)	Board
Update Standard Costs	Ryan
Member-owned DG checks to members based on prior year power costs	Rosemary/Millie
March	
Financial Audit - Report to Board	Millie/Mark
Form 990 Report Prep (Feb-Mar)	Millie
Financial (Form 7) Report / Submission by 3/31 (RUS, CFC, NYPA, Co-Bank)	Millie/Mark
Annual Meeting Kick-off Planning (incl consideration of Bylaw changes)	Mark/Alicia/Board
Legislative Youth Tour Interviews/Selection	Mark/Board
Update Truck Maps - printed	Ryan
Phase Balance Study completed	Ryan/Paul
NRECA Reliability Survey	Ryan/Paul
Dept of Energy EIA Survey	Ryan
NYSRECA Legislative Conference (tbd)	Mark/Alicia
Board decision/approval of proposed bylaw changes (for Annual Meeting)	Board
Update System Dispatch Book for Dispatchers & Office	Ryan/Paul
Nominating (Director Search) Committee Meeting	Mark/Alicia
Power Cost Risk Update to Board	Mark

2020 Director Compensation Report				Report Date:		20-Jan-2020	
<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	\$ 350.00	17	\$ 9.78	\$350.00	\$359.78
3	Menke	Yes	\$ 375.00	15	\$ 8.63	\$375.00	\$383.63
4	Oles	Yes	\$ 375.00	14	\$ 8.05	\$375.00	\$383.05
5	Pick	Yes	\$ 375.00	44	\$ 25.30	\$375.00	\$400.30
7	J. Russell	No	\$ 350.00	44	\$ 25.30	\$350.00	\$375.30
8	Wehmeyer	No	\$ 350.00	52	\$ 29.90	\$350.00	\$379.90
9	Winkler	Yes	\$ 375.00	34	\$ 19.55	\$375.00	\$394.55
TOTAL:						\$2,200.00	\$2,316.73
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.....					\$0.575
		** 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 BOARD MEETING
GENERAL MANAGER'S REPORT
December 11 – January 20, 2020

ENGINEERING & OPERATIONS

Notable Outages & Occurrences:

- The two largest outages this month both occurred at Point A on the Jefferson Substation, both on December 30, 2019, and both had a root cause of thick ice. Both outages affected 441 member locations. Combined, they added approximately 32 minutes to the SAIDI total for 2019.

Disconnections:

- No services were disconnected for non-payment this month due to the holiday moratorium.

Pole Inspections / Line Inspections / Stray Voltage Testing

- Due to winter weather, the pole inspection proceeded very slowly this month.

Continued Maintenance of 39 Elm Street Property

- The Cooperative is committed to continue to maintain the property at 39 Elm Street in its entirety through the closing date on the property.
- In addition, the Cooperative will continue to maintain the office building, which we'll be leasing back from the purchasers, until such time as we turn occupancy of the office over to the purchasers. The plan is to turn over occupancy on or about September 1, 2020. We are aware of a need to make porch roof repairs on the 2 "flat" roofs on either side of the front porch. We have arranged to have those repairs made by local contractor, Don Brown. We had hoped to complete that work in 2019, but we ran out of good weather before Don could do the work.

FINANCE & ACCOUNTING & HUMAN RESOURCES:

Staffing Changes

- When Micah Scobie moved from the Tree Crew to begin his line apprenticeship, Micah's former position on the Tree Crew was successfully back filled with Zachary McNeilly. Mr. McNeilly was a fully qualified journeyman treeman at Asplundh prior to coming to the Cooperative. Zach was hired with a non-journeyman status at the Cooperative, pending his completion of the Cooperative's journeyman test and his Class A CDL driver's license test.
- Mark Cannizzaro was selected from a pool of qualified candidates to fill the position of Chief Financial Officer (CFO). Mr. Cannizzaro will be starting mid-year in anticipation of Millie Faulkner's retirement at the end of 2020. Mr. Cannizzaro is currently the CFO at Eastern Maine Electric Cooperative and was formerly a Financial Analyst at the Delaware County Electric Cooperative.
- The Cooperative has begun an external search for a new Fleet Mechanic. Applications are due on January 31, 2020 and we have already received a number of good applications from qualified candidates. We plan to utilize the new Fleet Mechanic frequently for equipment hauling, so the successful candidate will need a Class A CDL driver's license. The Fleet Mechanic will also assist from time to time with work zone setup and traffic control.
- On January 20, 2020, I accepted, with regret, the resignation of First Class Gloving Lineman Kyle Shuman. Kyle has accepted a position as a travelling lineman with

- IBEW Local 1249 out of Syracuse. This career move creates significant earning opportunities for Kyle, but it with sadness that we see him leave.
- We anticipate that Kyle's position on the Line Crew will be filled internally on or about February 24, 2020. The new Apprentice Lineman will most likely come from our Tree Crew. Therefore, we have begun a tentative search process for a new Tree Crew member. I am quite optimistic that we will be able to attract another experienced and talented new member to the Cooperative's Tree Crew.

2020 Budget Activities

- 2020 budget line items have been rolled out to the responsible employees for execution and management. Not all budget line items are managed by senior leadership staff. For example, a number of line items related to member and public communications are handled by Administrative Assistant Alicia VanZandt.

Cyber Security Training

- All employees and directors continue to participate in cyber security training/testing administered by KnowB4. This is a service facilitated by NISC so we get preferred pricing through volume purchasing on this service.

2020 Retirements and Quazi-Retirements

- There are at least 3 employees either retiring or quasi-retiring during 2020. Due to historically low interest rates, the IRS-defined interest for calculating the cash value of pension annuities is extremely favorable to the retiring employees. The Cooperative's imminent retirees have been pleasantly shocked by the values of the retirements they have earned through their service to the Cooperative.

Annual Performance Reviews

- I have completed annual performance reviews for all of my direct reports as well as all linemen and tree men with the help of their respective foremen. This was a positive process overall, which led to a number of good conversations and follow-up actions.
- I provided 2020 goals and objectives for my direct reports based largely on the Strategic Plan, the Enterprise Risk Mitigation Plan, the 2019-2020 RESAP Safety Improvement Plan, and some assumptions about the CEO's 2020 goals and objectives.

POWER SUPPLY / PROJECT INITIATIVES:

NYPA Contract Renewal

- Governor Andrew Cuomo signed off on the contract extension on Friday, January 17, 2020.

Headquarters Project

- Sale of 39 Elm Street Property. The Contract for the Purchase and Sale of Real Property and Lease Back Agreement was executed by the Cooperative with Kimberley and Randy Shepard on December 17, 2019. The \$10,000 deposit is being held in escrow by the Cooperative's attorneys at BS&K and will be applied to the purchase price of \$210,000 at the closing. The closing will be scheduled for a date between March 31, 2020 and September 1, 2020 with 30 days notice from the purchasers. The Cooperative will lease back the office and parking lot at 39 Elm Street from the day of the closing until the day we turn over occupancy of the property to the purchasers, which is planned for ~September 1, 2020.
- The HQ core project team, with the help of Tom Howard Construction, have been engaged in value engineering analysis of the design. We have searched for ways to achieve our project goals with less expensive construction in order to achieve the most valuable project we can afford. The core project team met by conference call on Friday, January 17, 2020

to review and approve the value engineered design. The floor plan for the value engineered design is included as an attachment to your board packet this month. Additional value engineering is on-going by Tom Howard Construction and his team of sub-contractors. For example, less expensive lighting in all the high bay areas, which do not comply with the architects original requirement of being vapor tight, can save ~\$30,000 for the project.

- Kiff Corporation vacated the Kiff Building on 12/31/2019, which permitted the Cooperative to begin using the truck bays for vehicle/equipment storage.
- The Cooperative's selected general contractor, Tom Howard Construction, will be responsible for all construction/installation scope and costs except the following:
 1. Intrusion detection and alarming system.
 2. Access control system.
 3. Video monitoring system.
 4. Furnishings including furniture, white boards, monitors, etc.
- The biggest unknown with the construction cost at this point is the final NYC DEP-approved storm water design and the level of DEP funding to be awarded.
- The HQ core project team hopes to have a complete construction cost including DEP offsetting funding by the February 24, 2020 board meeting.
- Tom Howard Construction is available to start work at the beginning of March.
- Ryan Sullivan, Paul DeAndrea and I visited the recently completed renovations at AudioSears in Stamford, NY. Tom Howard Construction performed the job to the overwhelming satisfaction of the owners.

LEGAL, GOVERNANCE & LEGISLATIVE/INDUSTRY AFFAIRS:

Internal Revenue Code Section 118

- NRECA's legislative affairs group achieved a big victory this month when they successfully lobbied for the passage of the RURAL Act, which contained a fix for the unintended tax implication of the 2017 tax act.
- Tim Johnson of Otsego Electric Cooperative led the NY efforts to get the RURAL Act passed, but managers and directors from all 4 NY cooperatives contributed by writing, e-mailing, calling, and otherwise making a nuisance of ourselves for our elected representatives in the House and Senate.

NYSRECA Business Meeting, January 16, 2020 @ Apalachin, NY

- Outgoing National Director Gary Potter included a detailed report on the costs and revenues of the 2019 NRECA Region 1&4 meeting, per the request of Vice President Winkler. The regional meeting operated at a loss of \$27,380 due to poor attendance. A copy of the budget report was included with the e-mailed version of your January board packets. A hard copy will also be made available at the January 28th meeting.
- Bryant Dillon of Steuben REC reported on SREC's energy efficiency program. I was interested to hear about their "Farm Efficiency" offerings related to compressors, pumps, and lighting. They have also instituted a low income weatherization program by partnering with the Economic Opportunity Program, Inc. of Chemung and Schuyler Counties. This partnership has been challenging, but SREC is optimistic about the future of the program. We need to steal the ideas that created this success because this kind of partnership has sort of been a holy grail of our own energy efficiency program. It creates maximum benefit by assisting low income members AND contributing to the Cooperative's broader energy efficiency goals.

MEMBER SERVICES & PUBLIC RELATIONS:

Energy Efficiency Programs for Members

- Operations Manager Ryan Sullivan continues to incorporate details on the planned roll-out of the Cooperative's next energy efficiency program related to hot water heaters and load control. At the January 28th meeting, Ryan will share plans with the board related to member communications, employee communications, and policy implications related to the new program.

SAFETY REPORT:

Injury Report:

- No injuries or near misses to report this month. ☺

Mayday Training Exercise

- On December 18, 2019, most Cooperative staff participated in a mayday training exercise including the use of the Cooperative's radio system and phone system to relay critical information from field personnel to a 911 dispatcher. This real-world training exercise creates a very realistic and stressful experience for participating employees.
- This training constitutes an exercise of our emergency response plan, as required in my annual goals and objectives.

Safety Committee Activity

- The safety committee completed their analysis of the safety manual's requirements for work zone protective grounding as compared to industry standards and regulations. The safety manual has been amended to give qualified linemen the option to choose either equipotential grounding or bracket grounding, with both methods being acceptable. If bracket grounding is utilized, the Line Crew is required to place both bracket grounds as close as practical to the work zone, especially on the "source" or "line" side of the work zone. Protective grounds limit the exposure of line workers voltage caused by inadvertent energization of de-energized lines. Accidental energization can be caused by:
 - Human error leading to the closing of a switch, fused door, or recloser into the work zone.
 - Improperly connected backup generator at a member location causing feedback onto the primary line.
 - Contact by a neighboring utility's line with the Cooperative's line. For example, a car crashing into a pole with both Cooperative and NYSEG lines on the same pole could cause the NYSEG line to contact the Cooperative's line. Note that this has actually happened.
 - Induced voltage from a live line proximal to the Cooperative's line, particularly high voltage transmission lines.
- The safety committee reviewed secondary service specifications, which govern the installation of new electric services to our members' homes, farms, and businesses. To reduce the frequency of "double wood" situations in the future, the committee has recommended a change to the underground service specification. Double wood situations arise when the Cooperative replaces an older pole by installing a new pole right next to it. Double wood situations persist until all other attachments to the old pole move their attachments over to the new pole. This commonly requires the cooperation of communications attachers like DTC, MTC, Frontier, Spectrum, or Verizon. If a member has an underground service connected to a meter on the Cooperative's pole, then the member must move their service to the new pole at the member's cost. The committee recommends requiring future underground services to run to a pedestal 15 feet from the base of the Cooperative's pole.

Safety Delegation Travel to Pennsylvania

- A safety delegation consisting of Jim Green, Mike Pietrantoni, Mike Schafer, and Larry Soule traveled to Sullivan REC and Adams REC, both in Pennsylvania to exchange ideas about protective grounding, truck grounding/barricading, and other safety topics.
- The DCEC delegation came home from PA feeling very confident about our safety programs, policies, and practices. The delegation then contributed to the safety committee's deliberations about safety manual improvements, as described above.

Securing Loads on Bucket Trucks in Accordance with 2018-2019 Safety Improvement Plan

- Ryan Sullivan and Mike Pietrantoni are working diligently to complete this task in January, although it should have been completed by 12/31/2019 in accordance with my 2019 goals and objectives.



POLICY

SUBJECT: Clothing for Employees working on or near exposed Energized Parts

POLICY: It shall be the policy of the Cooperative to comply with OSHA Federal Register 29 CFR Part 1910.269 (L) (6) Apparel; *“The employer shall ensure that each employee who is exposed to the hazards of flames or electric areas does not wear clothing that, when exposed to flames or electric areas, could increase the extent of the injury that would be sustained by the employee.”*

Delaware County Electric Cooperative Inc. will require the following:

1. Employees who are exposed to the hazards of flames or electrical arcs shall remove all exposed conductive articles such as keys, watch, chains, rings, cell phones, wristwatches or bands.
2. Employees who are exposed to the hazards of flames or electrical arcs will not wear clothing that, when exposed to flames or arcs, could increase the extent of injury that would be sustained by the employee.
 - a) Employees exposed to flames or electric arcs will wear only fire retardant rain-suits. The Cooperative will supply these rain-suits.
 - b) Clothing made from the following types of fabrics, either alone or in blends, is prohibited; acetate, nylon, polyester or rayon.
 - c) In addition to rain-suits, clothing made from natural fabrics such as 100% wool or cotton may be worn from the waist down.
 - d) All OUTER garments worn above the waist must be with ONLY flame resistant fabric.
 - e) The employee is responsible for maintaining clothing in clean and laundered state, per the manufacturer’s instructions for the garment. Tattered clothing shall not be worn.

PROCEDURE: The Line Foreman and Operations Manager shall ensure compliance of this policy. The Cooperative will provide benefits related to the supply of clothing as outlined in the relevant collective bargaining agreement(s).



RESPONSIBILITY: General Manager and employees working near exposed energized parts.

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by the Board of Directors	Jun 27, 1995
Revised by Board of Directors	Sep 28, 1999
Revised by Board of Directors	Apr 23, 2002
Revised by Board of Directors	Aug 23, 2011
Revised by Board of Directors	Mar 24, 2015
Revised by Board of Directors	Dec 27, 2016
<u>Reviewed by Board of Directors</u>	<u>Jan 28, 2020</u>



POLICY

SUBJECT: Whistleblower

POLICY: It shall be the policy of the Delaware County Electric Cooperative (the "Cooperative") to maintain an effective, easy-to-use mechanism for employees to raise concerns regarding potentially unlawful or unethical behavior within the organization and that ensures protection against retaliation for the whistleblower.

PROCEDURE:

It is Cooperative's policy that no retaliation shall occur against any employee who internally reports a concern about potentially unlawful or unethical conduct ("Whistleblower"). Each employee has an obligation to report in accordance with this Whistleblower Policy: (a) questionable or improper accounting or auditing practices, (b) suspected unlawful conduct, and (c) violations or suspected violations of the Cooperative's Articles of Incorporation, Bylaws, or policies (collectively referred to as "Concerns" from this point forward).

A. No Retaliation

This policy is intended to encourage and enable employees to raise Concerns for prompt internal investigation and appropriate action. **No employee who in good faith reports a Concern shall be subject to retaliation in any form for making the report.** An employee who retaliates against someone who has made a good faith report about a Concern is subject to the Cooperative's progressive disciplinary process up to and including termination of employment.

B. Reporting Concerns

In most cases, employees should first discuss their Concern with their immediate supervisor. If, after speaking with his or her supervisor, the Whistleblower continues to have reasonable grounds to believe the Concern is valid and the supervisor is not responsive, the Whistleblower should then report the Concern to the CEO/General Manager.

If the supervisor is a subject of the Concern, or if the Whistleblower is uncomfortable speaking with his or her supervisor for any reason, or if the CEO/General Manager is the subject of the Concern, the Whistleblower should report his or her Concern to the Cooperative's attorney or a Director of the Board.



C. Handling of Reported Concerns

1. Investigation Procedure: All Concerns will be dealt with promptly and in a manner intended to protect confidentiality, consistent with the need to conduct a full and fair investigation.

- a. Concerns Not Involving the CEO/General Manager: Following a preliminary assessment, if the individual initially receiving the Concern believes the Concern warrants further investigation, then the Cooperative's attorney shall be responsible for investigating the Concern and reporting the results of this further investigation to the referring supervisor/manager or to higher level management or the Board as appropriate.

If the investigation indicates that there has been or likely has been a violation of law, accounting or audit standards, or Cooperative Articles of Incorporation, Bylaws, or policy, then the individual who receives the report of the results of the investigation shall consult with the CEO/General Manager to determine the appropriate follow-up action and conclusion.

- b. Concerns Involving the CEO/General Manager: If the CEO/General Manager is the subject of Concern, the Cooperative's attorney or Director who initially receives the Concern, shall conduct a preliminary assessment. If the preliminary assessment reveals that the Concern warrants further investigation, then the Cooperative's attorney or Director shall report the Concern directly to the Board President. The Board President will then report to the full Board and engage the Cooperative's attorney to further investigate the Concern and report back to the Board on the results of the investigation for appropriate follow-up action and conclusion.

2. Follow-Up with Whistleblower. The Whistleblower will be informed of the progress and/or outcome of the investigation unless: (1) the Whistleblower indicates his or her preference not to be informed, (2) this would be detrimental to the Whistleblower, Cooperative or the investigation, or (3) there are other, sound reasons not to inform the Whistleblower. The CEO/General Manager is responsible for determining whether follow-up with the Whistleblower would be detrimental or whether other reasons exist not to inform the Whistleblower unless the General Manager is the subject of the concern. If the CEO/General Manager is the subject of the concern, then the Cooperative's attorney is responsible for determining whether follow-up with the Whistleblower is appropriate. This individual is also responsible for informing the Whistleblower if the Concern has been settled or closed.



3. Cooperation. All employees are required to cooperate in the investigation of Concerns, which may include steps such as personal interviews and requests for and review of documents. Employees must not discuss the investigation, including any interviews or document requests, with anyone unless specifically instructed that they may do so.

D. Acting in Good Faith

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the information provided in a reported Concern indicates a violation of law, accounting or audit standards, or Cooperative Articles of Incorporation, Bylaws, or policy.

E. Confidentiality

Reports of Concerns, and any investigations regarding Concerns, shall be kept confidential to the extent possible and lawful, consistent with the need to conduct an adequate investigation.

F. Responsibility

The CEO/General Manager shall ensure that this policy is implemented. It is the responsibility of all directors, officers and employees to comply with this policy and report Concerns in accordance with this policy. The Board shall review this policy periodically.

RESPONSIBILITY: CEO/General Manager

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Dec 23, 2008
Revised by Board of Directors	May 27, 2014
Revised by Board of Directors	July 26, 2016
<u>Reviewed by Board of Directors</u>	<u>Jan 28, 2020</u>



2020 Cost of Service (CoS) Study

The Cooperative's policy on Changes to Electric Rates and Other Charges requires that the Cooperative conduct a full CoS study every 5 years. A full CoS is a set of analyses that produce 2 main work products:

- 1) Revenue requirement, and
- 2) Proposed rate design to equitably achieve the necessary revenue, primarily through electric rates.

CoS Team:

- CEO Mark Schneider (project lead)
- Finance Manager Millie Faulkner
- Billing Specialist Rosemary Alwine
- Engineering Manager Paul DeAndrea
- CoS Subject Matter Expert from Cooperative Finance Corporation (CFC), Rate Analyst Kerry Rollins
- CFC Regional Vice President Jim Meiers

Timeline for CoS:

- January – February of 2020, data collection and delivery to CFC.
- March – April of 2020, completion of Form 7 and audited financial statements
- May – June of 2020, analysis and reporting
- ~January of 2021 – implementation of rates

Key Inputs:

- Financial Goals and Objectives
- Historical budget/cost data
- Work Plan / Investment Plan / Borrowing Plan
- Historical trends in kWh consumption, # of members in each class
- Boar philosophies and preferences



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, NYSEERDA, 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

<p>Goal: Improve and enhance member communications, implement plans to deepen DCEC's engagement with its members.</p>
<p>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.</p>
<p>Task 2: CEO and Administrative Assistant will incorporate annual events targeting newer members, separate from the annual meeting.</p>
<p>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</p>

#4 – Employee Cross-Training

<p>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.</p>
<p>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.</p>
<p>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.</p>
<p>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.</p>
<p>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.</p>

#5 – Facilities Planning

<p>Goal: Craft and execute a comprehensive facilities plan.</p>
<p>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.</p>
<p>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.</p>
<p>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.</p>
<p>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.</p>

Quantifiable Strategic Trends

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

Weaknesses

- Culture issues
- Limited growth opportunities in number of members
- Members are disengaged
- We tend to be reactive in member communications, not proactive
- 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

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



RESOLUTION

Continuation of CoBank Borrowing Relationship

January 28, 2020

WHEREAS, the board of directors of the Delaware County Electric Cooperative, Inc. (the "Cooperative") resolved on March 8, 2015 to establish a borrowing relationship with CoBank, ACB ("CoBank"), a federally-chartered instrumentality of the United States; and

WHEREAS, the Cooperative established a master loan agreement with CoBank dated as of March 2, 2015; and

WHEREAS, the Cooperative established a revolving credit promissory note dated as of March 2, 2015 with a credit limit of \$1,000,000; and

WHEREAS, the Cooperative established a single advance term promissory note dated as of March 2, 2015 for \$128,000 to finance a portion of the purchase of bucket truck 72; and

WHEREAS, the Cooperative will benefit from a continued borrowing relationship with CoBank, including the continuation of the line of revolving credit and the continuation of the single advance term promissory note;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the CEO/General Manager to sign and accept the following updated credit documents from CoBank:

- Credit Agreement dated September 20, 2019,
- Amended and Restated Revolving Credit Promissory Note dated September 20, 2019, and
- Amended and Restated Single Advance Term Promissory Note dated September 20, 2019; and

BE IT FURTHER RESOLVED, that the Board of Directors authorizes the Cooperative's President, Vice President, Treasurer, Secretary, and CEO/General Manager to sign an updated CoBank incumbency certificate indicating that they are the duly elected or appointed authorized officers of the Cooperative; and

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

CERTIFICATE OF SECRETARY

I, Edward G. Pick, Jr., certify that I am Secretary of the Delaware County Electric Cooperative, Inc. Board of Directors and that the above is a true excerpt from the minutes of the regular board meeting of the Board of Directors of Delaware County Electric Cooperative, Inc., held on the 29th day of January, 2020 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Delaware County Electric Cooperative, Inc. this 28th day of January, 2020.

(Seal)

(Signature of Secretary)