



May 19, 2020

MEMO TO: DCEC DIRECTORS

MEMO FROM: MARK SCHNEIDER

SUBJECT: MAY 26, 2020 BOARD MEETING

Important information about the May 26, 2020 board meeting:

- Dial-in Number: (866) 316-1519 Passcode: 963796#
- The Finance Committee will meet at 4:15 pm prior to the regular board meeting. The committee will review and discuss the CFC Compass 10-year Financial Forecast models.
- We will take a short break at the conclusion of the Finance meeting before President Oles calls the regular board meeting to order.
- I wish to express my gratitude to Mrs. VanZandt, who contributed many elements of this board packet related to member engagement and events.
- I also wish to acknowledge the contribution of Mrs. Rifenbark, who has been creating and mailing board packets for Mrs. VanZandt and I while we have been working from home due to the employee segregation plan.
- Directors, senior staff, and consultants who wish to make an optional contribution to the New York State Action Committee for Rural Electrification (NYS-ACRE) may mail a check to the office. Contributions are not mandatory and are not tax deductible. The NYS-ACRE executive treasurer let us know that contributions in the range of \$150 would align well with the current NYS-ACRE budget.

NOTICE OF BOARD MEETING

A regular meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. will be held **Tuesday, May 26, 2020 at 5:00 pm.** In light of the declared state of emergency in Delaware County due to the COVID-19 virus, directors and other meeting participants are encouraged to participate via telephone:

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

The board of directors will act on the following:

AGENDA

I. Opening Business:

- A. Call to Order
- B. Roll Call - Determination of Quorum
- C. Adoption of Agenda [packet page 2]

II. Consent Agenda:

- A. Minutes of May 12, 2020 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. General Manager's Report [packet pages 14-17]

IV. COVID-19 Impacts on Revenues and Accounts Receivable [report by CEO Schneider]

V. COVID-19 Cooperative Response Update

- A. Operational and Member Services Response [oral report by CEO Schneider]
- B. Planning for possible 2020 Annual Meeting during COVID-19 Pandemic [packet pages 18-23]
- C. Planning for possible 2020 Family Fun Day during COVID-19 Pandemic [packet pages 24-25]
- D. Planning for Youth Delegate Activities during COVID-19 Pandemic [oral report by Mrs. VanZandt and CEO Schneider]
- E. Cooperative Participation in Payroll Protection Program
 - 1. Latest SBA/Treasury Guidance [packet page 26]
 - 2. Loan Forgiveness Considerations [packet page 27]
- F. Continuation of Suspension of Disconnects for Non-Payment and Penalties [proposal by CEO Schneider]

VI. Headquarters Project [packet pages 28-29]

VII. Policies

- A. Last Day Worked Policy [packet pages 30-33]
- B. Wage and Salary Action for Non-Union Employees Policy [packet page 34]

VIII. NEAEC Bylaws Change to Allow Block Island, RI Membership [packet pages 35-45]

IX. New Business:

X. Future Business:

- A. Next Regular Board Meeting, Tuesday, 6/23/2020 @ 5:00 pm [Board Group Photo @ 4:30 pm]
- B. NEAEC Annual Business Meeting Teleconference, Wednesday, 5/27/2020 @ 10 am
- C. June update to board on truck grounding and/or barricading
- D. NYSRECA Annual Meeting, 7/23/2020, Otsego County Location TBD
- E. DCEC Family Fun Day, Friday, 8/7/2020, 5 pm, Delhi Courthouse Square [Cancellation Considered]
- F. CoBank-facilitated Strategic Planning Discussion, date TBD, Delhi, NY
- G. NRECA Region I/IV Meeting, 9/9/2020 – 9/11/2020, Indianapolis, IN
- H. Annual Meeting of Members, 9/18/2020, Delhi, NY
- I. NYAPP Annual Conference rescheduled, 10/20/2020 – 10/22/2020, Saratoga, NY
- J. Youth Leadership Conference, 11/7/2020 – 11/11/2020, Washington, DC

XI. Executive Session

XII. Adjournment

Cooperative Stakeholders

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

Cooperative Values

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

**Delaware County Electric Cooperative
Board Meeting Minutes
May 12, 2020**

I. Opening Business: A special meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held May 12, 2020. Due to the declared state of emergency in Delaware County because of the COVID-19 virus, the meeting was held via phone conference.

A. Call to Order: The meeting was called to order at 5:01 p.m. by President Oles.

B. Roll Call - Determination of Quorum:

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

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

C. Adoption of Agenda: There being no suggested changes to the agenda, President Oles declared that the agenda stands as originally published in the board packets.

II. Minutes of April 28, 2020 Board Meeting: CEO/General Manager Mark Schneider made the clarification that Operations Manager Ryan Sullivan was not at the April 28th board meeting and that the minutes need to be amended to reflect so. The board approved the minutes with the above mentioned amendment by unanimous consent.

III. COVID-19 Cooperative Response Update:

A. Operational and Member Services Response: Director Russell inquired if the Tree Crew is for the most part, riding in the same trucks together and if they are, are they wearing masks? CEO/General Manager Schneider replied that they have frequently been riding in the same trucks and until just recently were not wearing masks. They are now wearing masks whenever they cannot maintain social distancing, including in cases where they have to ride in the same vehicle. The requirement to wear masks had, until recently, been limited to times when employees came into contact with persons outside of their immediate work crew. For example, members of the Tree Crew only wore masks if they came in contact with a person not on the Tree Crew. More recent guidance related to the planned re-opening of NYS requires employees to mask up any time they cannot maintain social distancing from any other person, including their close crew team members. Schneider also reported that additional masks were recently distributed to the Tree Crew members. Schneider also remarked that because the state will be

slowly re-opening DCEC employees are at an increased risk because the number of day to day people interactions has increased as well.

B. Planning for possible 2020 Annual Meeting during COVID-19 Pandemic: CEO/General Manager Schneider reviewed the proposed plan on page 7 of the board packet. Schneider also mentioned that members will be encouraged to vote via absentee ballot and special communications about restrictions due to COVID-19 and the 2020 annual meeting will be clearly and often distributed to the membership as the date approaches.

C. Planning for possible Continuation of Remote Board Meetings: President Oles remarked that there is a typo on page 10, under “NOW, THEREFORE, BE IT RESOLVED, that telephonic participation by directors in regular Cooperative board meetings shall be deemed adequate modified performance of the directors’ obligation of in-person attendance at regular meetings of the board effective March 18, 2010 until the date of the 2020 Annual Meeting of Members of the Cooperative; and”, the date should be March 18, 2020. A motion was made to approve this resolution as amended by Director Russell. The motion was seconded by Director Burnett. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

D. Cooperative Participation in Payroll Protection Program: President Oles requested that there be an item added to the May 26th agenda for a critical discussion about payroll protection program (PPP) and loan forgiveness. CEO/General Manager Schneider stated that he will be able to present estimated cost differences, cost categories and allowances. Schneider also stated that he will provide a narrative that explains and describes the methodology that DCEC could utilize to calculate a loan forgiveness request amount. CEO/General Manager Schneider added that the loan forgiveness dollar amounts, collections and capturing direct COVID-19 related expenses will all be reported at the May 26th meeting.

Vice President Winkler asked about any concerns related to rural electric cooperatives applying for and receiving PPP funds. CEO/General Manager Schneider assured the board that both he and DCEC’s Attorney Jeffrey Clark did their due diligence in examining and authenticating the eligibility and qualifications of this loan as well as the requirements. CEO/General Manager also remarked that the facts and circumstances pertaining to the PPP loan application are well documented. The documentation gathered includes all the materials that would be necessary in the event of a government audit.

President Oles also requested CEO/General Manager Schneider report at the May 26th meeting the status of DCEC’s account receivables and the accounts that are in arrears due to members struggling to pay their electric bills because of COVID-19 related financial problems.

IV. Headquarters Project: CEO/General Manager Schneider reported that he has applied for and is awaiting approval of the building permit. Schneider remarked that the DEP storm water approval still seems to be a minor risk. Schneider commented that DCEC doesn’t have a contract with Tom Howard Construction yet, but DCEC does have a set of construction drawings by SEI. CEO/General Manager Schneider mentioned that there is approximately a \$100,000 gap in budget funds currently. The gap is because of code related costs that may be avoidable if the

additions are designed and build to be structurally sound by themselves. Schneider reported that this is known as an Emseal, flexible building system. Schneider continued to explain that the contractors and pre-engineered building companies believe that there are more affordable flexible building systems to meet code requirements and industry standards. CEO/General Manager Schneider added that if this is not a possibility he will cut or reduce other items in the budget so that the Cooperative does not exceed their approved budget. Schneider remarked that oil is significantly low right now due to the pandemic impact and maybe cost can be cut on items such a pavement, due to their correlation with oil prices. #

V. Policy – Member Owned Distributed Generation: A motion was made to approve the policy as written by Vice President Winkler. The motion was seconded by Secretary Pick. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

VI. Preview of New Service Specification: Reviewed. Secretary Pick recommended to edit the new service specification to clearly display required depth of the warning ribbon. CEO/General Manager Schneider advised the board that he would take all recommendations back to the Operations Department and the specification will be modified as deemed appropriate.

VII. Project Roundup Next Steps: The board advised the CEO/General Manager Mark Schneider to move forward with this plan as written. President Oles remarked that he would like board updates about this project when applicable.

VIII. Meeting Report - NRECA Annual Meeting:

A. NRECA Annual Meeting: Secretary Pick reported that the meeting was relatively quiet. Pick added that several states are cutting back on coal plants because the market is making them do so, there is a lot of talk about electric cars and several states are ahead of New York in that regard.

Treasurer Menke reported that he and Secretary Pick were fortunate to travel to and out of New Orleans before the virus was a big issue there. Menke mentioned that he and other directors were discussing the attendance at their annual meetings and how to increase the numbers. Menke stated that one cooperative from South Carolina offered their members a free dinner and a \$10 credit to their bill which resulted in very high attendance numbers. Menke remarked that maybe DCEC should look into the cost of doing something similar to increase attendance. Treasurer Menke added that after much discussion with other cooperatives it seems that DCEC's strategic plan for member engagement and communication goals are right on track, especially in regards to items like Member Advisory Groups and Family Fun Day.

President Oles added that all courses from this conference and any NRECA conference are all available online at Cooperative.com if anyone is interested.

B. NYSRECA Business Meeting Teleconference on 5/11/2020: CEO/General Manager Schneider, President Oles and Secretary Pick all reported that all NY cooperatives are very focused on their responses to COVID-19. It was stated that many cooperatives are struggling with their current segregation plans and that Otsego Electric Cooperative is hiring additional

staff to help with the fiber based business. President Oles reported that Block Island is interested in joining the Northeast Association of Electric Cooperative. It was also reported that NYSRECA Annual Meeting may have to be postponed.

IX. Power Cost Risk Update: Reviewed.

X. New Business:

A. 2020 Family Fun Day: The board has requested that CEO/General Manager Schneider and Administrative Assistant Alicia VanZandt present a comprehensive plan related to preparations for the possibility of COVID-19 impacts on the 2020 Family Fun Day at the May 26th board meeting.

B. Youth Leadership Tour and DCEC's Student Delegate: Vice President Winker remarked that the NRECA Youth Leadership Tour has been re-scheduled for the beginning of November 2020. Vice President Winkler also commented that he would like a board discussion for a future date about DCEC's Student Delegate and what kind of scholarship or alternative trip DCEC could offer her based on the fact that the 2020 Legislative Conference was canceled. CEO/General Manager Schneider remarked that he will add this item to the May 26th agenda and that he will present some recommendations to the board about some of the proposals he has been considering.

C. Committee Meeting Prior to the May 26th Board Meeting: CEO/General Manager Schneider discussed with both Chairman of the Organization and Staffing Committee Frank Winkler and the Chairman of the Finance Committee Paul Menke and it was determined that there is no need for an Organization and Staffing Committee meeting in May and instead a Finance Committee meeting is needed with a CFC Compass 10-year financial forecast. The board agreed to a Finance Committee meeting at 4:15 pm on May 26th. CEO/General Manager Schneider recommends that the board call in for both the regular board meeting and the Finance Committee meeting on the 26th of May.

D. NEAEC Annual Business Meeting Teleconference, Wednesday, 5/27/2020: President Oles nominated Secretary Pick to be the voting delegate for the upcoming NEAEC Annual Business Meeting Teleconference on Wednesday, May 27th. President Oles nominated himself to be the alternate voting delegate. There being no objections and hearing none from the board, the board approved the voting delegates by unanimous consent.

E. CoBank-facilitated Strategic Planning Discussion: The board decided to postpone the May 28th meeting with CoBank and reschedule for a time that is better suited for the Cooperative and CoBank.

F. NYS ACRE: CEO/General Manager Schneider reminded the board that NYS ACRE checks are traditionally collected at the May board meeting. Schneider remarked that if members of the board would like to contribute to NYS ACRE to please do so by submitting a check via mail to the Cooperative.

XI. Future Business:

- A. Next Special Board Meeting, Tuesday, 5/26/2020 @ 5:00 pm [committee meeting prior to regular meeting?]**
- B. NEAEC Annual Business Meeting Teleconference, Wednesday, 5/27/2020 @ 10 am [“Short Activity” in accordance with Cooperative’s policy on director compensation. Must designate voting delegates.]**
- C. CoBank-facilitated Strategic Planning Discussion, 5/28/2020, Delhi, NY [CoBank Participation Cancelled or Postponed]**
- D. Board Member Group Photo, Tuesday, 6/23/2020 @ 4:30 pm, Delhi, NY**
- E. June update to board on truck grounding and/or barricading**
- F. NYSRECA Annual Meeting, 7/23/2020, Otsego County Location TBD**
- G. DCEC Family Fun Day, Friday, 8/7/2020, 5 pm, Delhi Courthouse Square**
- H. NRECA Region I/IV Meeting, 9/9/2020 – 9/11/2020, Indianapolis, IN**
- I. Annual Meeting of Members, 9/18/2020, Delhi, NY**
- J. NYAPP Annual Conference rescheduled, 10/20/2020 – 10/22/2020, Saratoga, NY**

XII. Executive Session: None.

XV. Adjournment: There being no further business on the agenda, President Oles adjourned the meeting at 7:25 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

PAGE 8

NEW MEMBERSHIPS – May 26, 2020

| ACCT # | LOCATION | FIRST NAME | LAST NAME | ADDRESS | CITY, STATE, ZIP | FORMER/ RENTING/ NEW SERVICE |
|-----------|-------------|-------------|-----------------|--------------------------------------|---------------------------|------------------------------------|
| 18303-001 | HF 2-24-1C | Christopher | Dilustro | 100 Streeter Hill Rd. | Harpersfield, NY 13786 | Edward S. Slicer |
| 18299-001 | KO 2-52-37 | Jeremy | McComish | 4520 State Route 66 | Malden Bridge, NY 12115 | New Service |
| 18300-001 | GI 2-59-5 | Joanne | Thibault | 709 South Gilboa Rd. | Stamford, NY 12167 | Robert T. Perrone |
| 18292-001 | MA 3-13-3 | Adam | Rogers | 431 Pine Hill Rd. | Unadilla, NY 13849 | Martin Anzalone |
| 18287-001 | JE 2-36-11A | Chelsey | Lewis | 141 Churchill Rd. | Stamford, NY 12167 | Frederick & Stacey Vasta |
| 18289-001 | ME 1-57-4A | Eugenia | Avery | 77 Avery Rd. | East Meredith, NY 13757 | Hilda Avery |
| 18293-001 | KO 2-42-45 | Jeremy | Hanselman | 1074 North Rd. | Bloomville, NY 13739 | Donald F. Sulas |
| 18291-001 | AN 4-48-5B | Carolyn | Christie-Irvine | 621 Fish Hollow Rd. | DeLancey, NY 13752 | Claudette Liddle |
| 18294-001 | GI 2-28-3A | Eric | Orth | 170 Treadwell Ave. | St. James, NY 11780 | Chris Vaneck |
| 18306-001 | HF 2-25-7C | Heather | Profera | 559 Moxham Rd. | Harpersville, NY 13786 | Stephen J. Rinehart |
| 18296-001 | ST 2-83-2B | Amanny | Ahmad | 3990 County Hwy 6 | Bovina Center, NY 13740 | S. Pitkin Marshall |
| 18302-001 | DA 1-39-20B | Jessica | Connell | 15 Dehning Spur Rd. Apt. B | East Meredith, NY 13757 | Frances H. Baldanza |
| 18284-001 | DA 1-39-12A | William | Fitzgerald | 1380 O'Dell St. | Wantagh, NY 11793 | Bart Deriggi |
| 15993-001 | HF 2-24-3 | Scott | Hocutt | 53 Meddaugh Rd. | Pleasant Valley, NY 12569 | New Service |
| 18283-001 | DE 4-18-13 | Nicholas | Morese | 14 Revere Pl., Apt 4 | Brooklyn, NY 11213 | Mustafiziz Rahman |
| 18304-001 | BO 5-11-2 | James | Wojcik | 87 Laurel Hill Rd. | Northport, NY 11768 | James C. Poley |
| 18286-001 | TO 3-77-56 | Theresa | Sullivan | 738 Mountain View Dr. | Walton, NY 13856 | Andrew F. Steitz |
| 18309-001 | FR 4-2-16 | Charlie | Garofalo | 78 Bennett Hollow Rd. | Franklin, NY 13856 | Thomas & Anna McCabe |
| 18301-001 | DE 4-15-1A | William | Merrill | 1832 West Platner Brook Rd. | Delhi, NY 13753 | Travis Merrill |
| 18290-001 | MD 1-17-9A | Miaoting | Wu | 200 E 24 th St. Apt. 1904 | New York, NY 10010 | Steve Milillo |
| 18295-001 | TO 3-36-19 | James | Harris | 212 Windfall Run Rd. | Sidney Center, NY 13839 | William Gans |
| 18278-001 | FR 1-84-12 | Paul B. | Gray | P.O. Box 105 | Hamden, NY 13782 | Elizabeth Flannery |



RESOLUTION**May 26, 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 \$218.16 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> |
|----------------|------------------|--------------------|-----------------|--------------------|
| 5747002 | HF 2-23-11A | Alfred Rogers | | \$ 16.51 |
| 7539001 | TO 3-36-15 | Everett E. Burrows | | 201.65 |
| | | | <hr/> | <hr/> |
| | | | \$ | \$ 218.16 |

May 26, 2020

EDWARD G. PICK, JR., SECRETARY



May 26, 2020

BAD DEBT COLLECTION

*** PLEASE NOTE:** The amounts below were recovered through capital credit retirements, Southern Tier Credit Center & DCEC through April 2020.

| 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 |
|---|----------------|-----------------------------|--------------------------------|----------------------------|------------------------------|-------------|
| \$ 294.47 | Ona Henderson | \$ | \$ 144.36 | \$ | \$ 43.31 | \$ - 0 - |
| 226.17 | Danielle Simon | | 30.00 | | 9.00 | 104.89 |

* 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

| | |
|--|-------------------|
| April | |
| NYS ORPS Equalization & Assessment report (4/15) | Millie/Ryan |
| Submission of Audited Financials to RUS - due 4/30 | Millie |
| Form 990 Report - Board Approval/Submission to IRS (due by 5/15) | Millie |
| DEC Pesticide Business/Agency Registration (April/May, tri-annual, next in 2018) | Ryan |
| Finance Committee Meeting (Apr/Jul/Oct) | Millie/Mark/Board |
| Vegetation Management Update to Board | Mark/Ryan |
| Shop Fence Walk-Thru and Repairs | Ryan/Todd |
| Schedule Bucket Truck Testing | Betty/Ryan |
| Confined Spaces Gas Tester Calibration | Ryan |
| | |
| May | |
| Form 990 Report - Board Approval/Submission to IRS (due by 5/15) | Millie |
| Prelim communication of Annual Meeting (w/ bylaw changes if any) | Mark/Alicia |
| NEAEC Annual Meeting | Mark/Millie |
| Confirm Spring Crew Visits are Complete | Bucky/Mark |
| Capital credits allocation - prior year | Rosemary |
| Capital credits member notification via bills – prior year | Rosemary |
| Strategic Plan Review | Mark/Board |
| Organization & Staffing Committee Meeting | Mark/Board |
| | |
| June | |
| Fuel Contract procurement Review (for next year) | Mark/Ryan |
| Renew Purchase of TCCs with NYISO/NYPA | Mark |
| Semi-annual review of Corporate Calendar (Jun/Dec) | Mark |
| Plan Membership Survey - 3-year interval, next 2021 | Mark |
| RESAP Audit and Safety Improvement Plan | Bucky/Mark |
| Confirm website prices and warranty information up to date (water heaters, etc.) | Ryan/Ally |
| Power Cost Risk Update to Board | Mark |
| Send Double-Wood Letters to Responsible Parties | Ryan |
| | |
| July | |
| Heating System Boiler Inspection (every 2 years, odd years) | Ryan |
| Emergency Restoration Plan - Review/Exercise | Ryan/Bucky |
| CFC Annual Forum | Mark |
| NYSRECA Annual Meeting | Mark/Board |
| Tax Exempt Form Review (even years only) | Rosemary |
| Line Extension Policy Rate Review | Ryan/Bucky |
| Board Self-Evaluation Survey (odd years only, next 2019) | Alicia/Board |
| Finance Committee Meeting (Apr/Jul/Oct) | Mark/Millie/Board |
| Vegetation Management Update to Board | Mark/Ryan |
| Request updated vendor liability insurance certificates | Mark |

| 2020 Director Compensation Report | | | | Report Date: | | 15-May-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 | Yes | \$ 350.00 | 17 | \$ 9.78 | \$2,450.00 | \$1,390.23 |
| 3 | Menke | Yes | Yes | \$ 375.00 | 15 | \$ 8.63 | \$4,500.00 | \$1,491.37 |
| 4 | Oles | Yes | Yes | \$ 375.00 | 14 | \$ 8.05 | \$3,000.00 | \$1,491.95 |
| 5 | Pick | Yes | Yes | \$ 375.00 | 44 | \$ 25.30 | \$4,500.00 | \$1,474.70 |
| 7 | J. Russell | No | Yes | \$ 350.00 | 44 | \$ 25.30 | \$2,800.00 | \$1,374.70 |
| 8 | Wehmeyer | No | Yes | \$ 350.00 | 52 | \$ 29.90 | \$2,450.00 | \$1,370.10 |
| 9 | Winkler | Yes | Yes | \$ 375.00 | 34 | \$ 19.55 | \$2,625.00 | \$1,480.45 |
| | | | | | | | | |
| | TOTAL: | | | | | | \$19,875.00 | \$8,683.27 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 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
April 21, 2020 – May 18, 2020

ENGINEERING & OPERATIONS

Notable Outages & Occurrences:

- The largest outage this month affected 674 members on the Dryden North feeder (almost the entire feeder) for 6 hours and 19 minutes on May 15, 2020 at 5:34 pm. The outage added approximately 60 minutes to the SAIDI total for 2020. The outage was made slightly longer by the fact that ½ of our linemen were on furlough that day and had to be called in to assist with the outages. They were kept geographically separated from the other line crew members throughout the duration of the outage response. This outage occurred essentially simultaneously with 9 other outages that afternoon/evening. The root cause for most of the outages was high wind taking down trees into the right-of-way.

Disconnections:

- No services were disconnected for non-payment this month. This moratorium on disconnects for non-payment will continue until the ends of the various county-declared COVID-19 states of emergency. I will be proposing an extension of our self-imposed moratorium on disconnections at the May 26th board meeting in light of proposed legislation in Washington that would prohibit disconnection and in light of the fact that we received a Payroll Protection Program loan.

Pole Inspections / Line Inspections / Stray Voltage Testing

- Bob Coager continued pole inspections this month and delivered inspection results weekly. We are on track to meet our inspection goal for 2020 by the end of the summer.

Automated Metering Infrastructure Research

- Mr. DeAndrea has been leading a long-term research project on the available technologies, capabilities, and costs for the Cooperative's next generation metering system. The Cooperative will extend the life of the current metering system as long as practical and we've taken specific steps including procurement of extensive spares for that purpose. Simultaneously we're looking at our future needs and comparing them to the available technologies. This month we had our most recent discussion with a manufacturer – Landis & Gyr. The Cooperative has an important need to continue to provide hot water heater load control capability through the metering infrastructure. Landis & Gyr definitely has that capability. The next generation metering solution will almost certainly be a radio frequency solution with fiber based connections used at strategic locations. The results of Mr. DeAndrea's research will be discussed at the CoBank facilitated strategic planning day, which has been postponed to later in 2020 due to the COVID situation.

Truck 62 Replacement

- At their October of 2019 meeting, the board of directors approved the purchase of a new large Altec bucket truck to replace existing truck #62. The Cooperative ordered the Altec bucket truck with a Freightliner chassis soon after receiving board approval with a planned delivery date of January of 2021. Altec and Freightliner are proceeding as planned with our order and we still expect to take delivery early in 2021. Note that the truck will be a 2021 capital budget line item.

FINANCE & ACCOUNTING & HUMAN RESOURCES:

2019 Financial Audit Results

- Mrs. Faulkner submitted the RUS Financial and Statistical Report (formerly called Form 7) to RUS and CFC along with our audited financial statements.
- Our auditors from FFS&C submitted our Form 990 tax return to the IRS.

CFO Start Date

- Mark Cannizzaro will start at the Cooperative as our Chief Financial Officer on August 31, 2020, providing 4 months of overlap with our existing Finance Manager, Millie Faulkner.

Federal Financing Bank Borrowing

- The Cooperative requested a \$1,040,000 loan draw down on our existing mortgage from RUS on April 28, 2020 and received the funds on May 4, 2020. The historically low interest rate on the note is 1.17% inclusive of the RUS administrative fee of 1/8% of principal.
- Since then, the Cooperative has closed additional work orders for electric distribution system improvements. We intend to request another draw down on May 19th or 20th.

Closing on Sale of 39 Elm Street

- The closing took place on April 30, 2020 and there were no problems. Documentation was filed at the Delaware County Clerk's office on May 1, 2020.
- The Cooperative received the sale proceeds, net of closing costs and attorneys' fees, of \$203,105 on May 5, 2020.
- The net proceeds sit in our construction trustee account at Delaware National Bank. My understanding is that the funds will be held in the construction account until the Cooperative closes the headquarter construction work order(s). Once submitted to RUS, the funds in the construction account may be used to reimburse ourselves for a portion of the headquarters construction costs. Due to the fact that we've never sold an asset like this before, we are taking each step slowly and in consultation with RUS Field Representative, Sara Jordan.

Cash in Delaware National Bank

- The Cooperative is building up a large amount of cash in the Delaware National Bank in anticipation of paying large bills associated with the headquarters project. Sources of the funds include the PPP loan, net proceeds from the sale of 39 Elm Street, and draw-downs from RUS. Typically the Cooperative moves temporarily excess cash to CFC Commercial Paper in order to take advantage of higher interest rates and the additional security provided by CFC's "guarantee" line of credit with Deutsche Bank and others, which act as a backstop against any losses on commercial paper investments. However, at this time, the commercial paper interest rates are even lower than the money market rates at DNB. Therefore, we wanted to keep the funds at DNB. We requested and received from DNB a letter of collateralization for our deposits up to \$3 million. The letter of collateralization provides a level of security that if DNB becomes insolvent, the Cooperative's deposits at DNB in excess of the FDIC insured \$250,000 will be paid out to the Cooperative before any creditors or other depositors.

Internal Communications Calendar

- The Cooperative has been utilizing an 18-month editorial calendar for the past couple years, which focuses our communications efforts with the membership and the public. Based on that positive experience, Mrs. VanZandt, Mr. Sullivan, and I are working with Anne Harvey of Touchstone Energy Cooperative to adapt that same strategy for

internal communications with employees. We're meeting with Mrs. Harvey on Thursday, May 21 via Webex. We had intended to meet up with her at the NEAEC annual conference until that was cancelled due to COVID-19.

All-Employee Teleconferences

- The Cooperative has been holding bi-weekly all employee meetings via teleconference throughout the implementation of the COVID-19 employee segregation plan. Employees have participated regardless of whether they are on furlough or at work. Employees have demonstrated great resilience and an appreciation for the blessings that our Cooperative employment has bestowed upon us all.

POWER SUPPLY / PROJECT INITIATIVES:

Headquarters Project

- Headquarters activities this month have focused on finalizing construction documents through discussions with our architect/engineers and our various contractors.
- The first on-site activity is scheduled to start on or about Friday 5/22/2020 with the preservation of historical artifacts from the old train depot warehouse. Then salvage and demolition activities will commence.
- The move date from 39 Elm Street is tentatively scheduled for August 14, 2020 through August 17, 2020.

LEGAL, GOVERNANCE & LEGISLATIVE/INDUSTRY AFFAIRS:

National Organization Webinars

- I have participated in a number of webinars throughout the month sponsored by CFC, NRECA, the Cooperative Bar Association, and Great Cooperatives. The main focus has been our responsibilities as an employer under the specter of the COVID-19 pandemic. Key outcomes included:
 1. Decision to apply for a Payroll Protection Program loan.
 2. A number of decisions and updates related to the Cooperatives employee segregation plan.
 3. Awareness of employer obligations under Department of Labor regulations.

Delgado Town Hall Meeting

- Representative Delgado hosted a town hall style meeting using Zoom video conferencing for any interested businesses in Delaware County on Wednesday, May 13, 2020. The Congressman provided guidance on utilizing existing business support programs to face the COVID crisis and described the next COVID response bill that had passed the house but not the senate.

MEMBER SERVICES & PUBLIC RELATIONS:

Annual Meeting Planning under the COVID-19 Pandemic

- Mrs. VanZandt, Attorney Clark and I have been working together to plan for an annual meeting that complies in all ways with the Cooperative's bylaws regardless of the impacts of COVID-19. An update is available within this packet.

Family Fun Day and Youth Delegate Planning

- Mrs. VanZandt is working on plans and options to maintain the Cooperative's compliance with executive orders, provide for the safety of all involved, and still meet the core objectives of these annual activities.

SAFETY REPORT:Injury Report:

- Although there were no injuries to report this month, we did experience 2 near misses, which resulted in safety incident investigations and reports.
- The first of these was a near miss of a truck fire in a pickup truck. After-market wiring for an alternating current inverter was rubbing against the steering column and eventually caused a short, resulting in arching/sparking. Crew members quickly disabled the electric circuit, averting further danger. The incident investigation is resulting in a review of after-market wiring in all Cooperative vehicles.
- The second of these was a near miss of a brush fire. A Cooperative owned piece of equipment failed, causing the release of some sparks. The sparks caused a small brush fire. We became aware of the fire when our line crew was patrolling the line looking for the cause of the outage. In addition to suppressing the fire, our crew called the Bloomville Fire Department. The fire department came with a small ranger-mounted pumper to make sure the fire was put out and stayed out.

Safety Committee Activity

- No activity.



2020 Annual Meeting Planning – Proposal for Free Chicken Dinners

Discussion about providing a free dinner at our annual meeting to help increase attendance. Key factors that DCEC will need to make sure the membership understands:

- No take outs available.
- Free, no cost on ticket just # of dinners requesting to provide headcount to Brooks
- Free dinners to all attendees

Past Annual Meetings # of dinners and total cost

| Year | # Dinners | Cost per dinner | 15% gratuity | Total |
|-------------|----------------|--|--------------|------------|
| 2016 | 306 | \$11.49 | \$527.39 | \$4,043.33 |
| 2017 | 363 | \$12.99 | \$707.31 | \$5,422.68 |
| 2018 | 285 | \$13.69 | \$585.25 | \$4,486.90 |
| 2019 | 276 | \$13.99 | \$579.19 | \$4,440.43 |
| 2020 | unknown | <i>\$14.49 quoted by Ryan Brooks in Jan. 2020</i> | | |

The below information is from the 2019 Brooks BBQ catering menu. I am waiting for the 2020 version but it probably will not be that much of a difference in pricing.

The following items include the entrée, baked potato with sour cream, coleslaw, dinner rolls, butter, beverages, dessert, plates, plastic ware, cups, napkins, wet naps and salt & pepper. The following prices do not include the 15% service charge.

Chicken Dinner

100-199 guests \$14.99

200-399 guests \$13.99

400 or more guests \$12.99

Approximate Cost Increase to Make Chicken Dinners Free Instead of \$6 Paid by Member

Assumptions: - Number of dinners increases from ~300 to ~400.

- Cooperative pays \$12.99 instead of \$7.99 for first 300 dinners.

- Cooperative pays all \$12.99 instead of \$0 for the new 100 dinners.

- Cooperative pays 15% gratuity on additional meals

Total Cost Increase: \$2,950 more to make dinners FREE for a total chicken BBQ cost of \$5,975.

Official Absentee Ballot Request Form

The Cooperative is making every effort to plan and execute the 2020 Annual Meeting in its customary fashion on Friday, September 18, 2020. DCEC is closely monitoring the coronavirus (COVID-19) situation and continues to prioritize the health and safety of our members, staff and event participants. Local, state and national orders, recommendations from the Centers for Disease Control and Prevention and World Health Organization, and travel industry guidance all inform our decisions regarding DCEC events.

DCEC strongly encourages all members to submit an absentee ballot, which will assure that your vote is counted regardless of how the Annual Meeting is impacted by COVID-19. Even if the meeting has to be postponed, your absentee ballot will still be counted.

VOTE BY MAIL: One method for a member to be eligible to vote by absentee ballot is to request a ballot by completing an official form (available below) and submitting it to the Cooperative by **August 29, 2020**. Once the Cooperative receives your form we will provide you with an official absentee ballot which you can then complete and send back to the DCEC office. DCEC will count properly completed absentee ballots as long as they are received by **September 14, 2020** (4 business days prior to the Annual Meeting). Once DCEC has received a member's absentee ballot it cannot be revoked if the member decides to attend the Annual Meeting and vote once there.

VOTE EARLY AT THE CO-OP OFFICE: Members can also complete an absentee ballot in person at the Co-op office during regular business hours between **August 29, 2020 and September 14, 2020**. You must have a government issued photo ID with you to vote by absentee ballot in the Cooperative office.

Members can return the below form either in person to 39 Elm Street, Delhi, by mail to the DCEC office at: P.O. Box 471, Delhi, NY 13753, fax to (607) 746-7548, or email to office@dce.coop.

For the most up to date information about DCEC's 2020 Annual Meeting please visit our website at <http://dce.coop/content/2020-annual-meeting-and-covid-19> or our Facebook page at <https://www.facebook.com/DelawareCountyElectricCooperative/>.

REQUEST FOR ABSENTEE BALLOT

The Delaware County Electric Cooperative (hereinafter "Cooperative") will hold its Annual Meeting on **September 18, 2020** for the transaction of all lawful business in accordance with its Bylaws and the New York State Rural Electric Cooperative Law. The Annual Meeting will be held at the Delaware Academy Central School, located at 2 Sheldon Drive, Delhi, NY, and the business meeting shall begin at 6:30 pm.

Members who are unable to attend in person are permitted under Article III of the Cooperative's Bylaws to vote, by absentee ballot, on any and all issues presented to the general membership at that meeting.

To be eligible to vote by absentee ballot, members may request that an absentee ballot be sent to them by providing the following information and returning this completed form to the Cooperative. **The Cooperative must receive this request no later than August 29, 2020.** Upon receipt, the Cooperative shall send to the requesting member an absentee ballot with instructions for its completion and submission.

I HEREBY REQUEST AN ABSENTEE BALLOT FOR THE SEPTEMBER 18, 2020 ANNUAL MEETING.

Member's Name: _____

Account Number: _____

Member's Address: _____

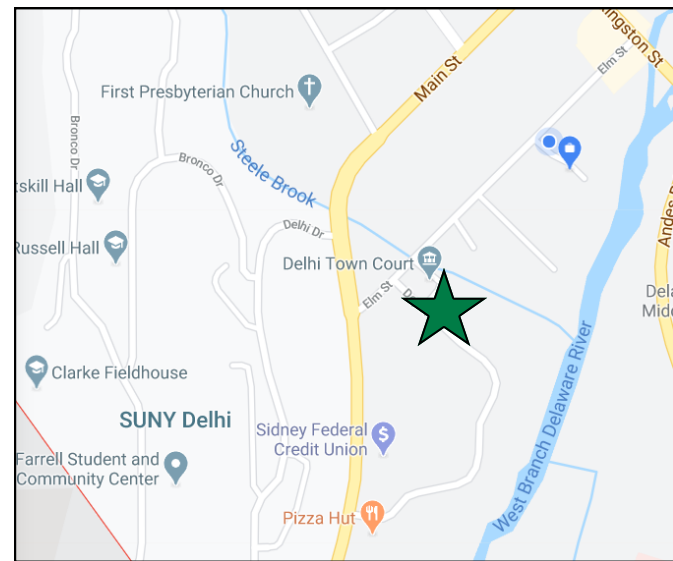
If you have any questions with respect to this form or the Annual Meeting, please contact DCEC at (607) 746-2341 or (866) 436-1223, or at Delaware County Electric Co-op, P.O. Box 471, 39 Elm Street, Delhi, NY 13753.



YES...
We're Moving
To a New Location
In August 2020

DCEC Headquarters Project RECAP

In 2019, the Cooperative purchased a property adjacent to the Cooperative's current operations headquarters at 4 Depot Street in Delhi. DCEC will consolidate its headquarters on our expanded footprint on Depot Street. This consolidation will bring all staff together to a combined location and help improve efficiency and communication. The expansion will integrate the existing DCEC shop and the former CE Kiff Inc. shop. This will include material warehouse space and a secure member service area. In order to incorporate all needed functionally and project goals, additions will be constructed to both existing buildings. There will also be an addition that will link the two existing buildings together. Other improvements will be the creation of a truck fueling island, and new pole storage bunkers.



**NEW LOCATION IS SHOWN ABOVE BY STAR.
5 NORTH DEPOT STREET, DELHI, NY 13753.**

The consolidated headquarters facility approved project budget is approximately \$2.5 million dollars. This budget was approved by the DCEC board of directors at the 2020 February board meeting and it includes all materials, contractors, permits, and service charges associated with the construction.

For additional information, questions, or concerns about this project please contact the Cooperative's CEO/General manager Mark Schneider at (607) 746-9282.

P.O. Box 471, Delhi, NY 13753
Office: 607-746-2341 | Toll Free: 866-436-1223
Pay-by-Phone: 844-209-7162 | Outage: 607-746-9283 | Fax: 607-746-7548
Email: office@dce.coop | Website www.dce.coop





Planning for possible 2020 Annual Meeting during COVID-19 Pandemic

Below are two proposed articles for the 2020 July/August newsletter in regards to the Annual Meeting planning and execution. This article will be published on or around the 17th of July.

Article #1

2020 Annual Meeting and COVID-19

The Cooperative is making every effort to plan and execute the 2020 Annual Meeting in its customary fashion. DCEC is closely monitoring the coronavirus (COVID-19) situation and continues to prioritize the health and safety of our members, staff and event participants. Local, state and national orders, recommendations from the Centers for Disease Control and Prevention and World Health Organization, and travel industry guidance all inform our decisions regarding DCEC events.

DCEC strongly encourages all members to submit an absentee ballot, which will assure that your vote is counted regardless of how the Annual Meeting is impacted by COVID-19. Even if the annual meeting is postponed due to COVID-19, your absentee ballot will be counted.

Currently the Annual Meeting is scheduled for Friday, September 18, 2020 at the Delaware Academy and Central School in Delhi. Members can enjoy a Brooks' Barbeque chicken dinner starting at 4:30 p.m. before the business meeting, which starts promptly at 6:30 p.m.

Highlights for this year's meeting include guest speaker _____, The Nelson Brothers Band, and plenty of chances to win cash and door prizes!

During this year's meeting, members will elect three members of the Board of Directors, one from each of the three Regions; Central, Southern, and Northern. Members can still become candidates for the Board of Directors by filing a petition signed by 15 members by Tuesday, August 4, 2020 (Bylaws Article IV, section 3).

For more information about becoming a board member, please contact General Manager, Mark Schneider at (607) 746-9282 or visit the website at <http://dce.coop/content/interested-becoming-dcec-director>.

The Annual Meeting special edition of Catskill Hi-Line will be included within the August bills and contains the financial report, and your Brooks BBQ Chicken ticket order form.

For the most up to date information about DCEC's 2020 Annual Meeting please visit our website at <http://dce.coop/content/2020-annual-meeting-and-covid-19> or our Facebook page at <https://www.facebook.com/DelawareCountyElectricCooperative/>.



Article #2

Vote by Absentee Ballot

If you are not planning to attend the 2020 DCEC Annual Meeting, you can still make your vote count by requesting an absentee ballot.

VOTE BY MAIL

One method for a member to be eligible to vote by absentee ballot is to request a ballot by completing an official form (available below) and submitting it to the Cooperative by **August 29, 2020**. Once the Cooperative receives your form we will provide you with an official absentee ballot which you can then complete and send back to the DCEC office. DCEC will count properly completed absentee ballots as long as they are received by **September 14, 2020** (4 business days prior to the Annual Meeting). Once DCEC has received a member's absentee ballot it cannot be revoked if the member decides to attend the Annual Meeting and vote once there.

VOTE EARLY AT THE CO-OP OFFICE

Members can also complete an absentee ballot in person at the Co-op office during regular business hours between **August 29, 2020 and September 14, 2020**. You must have a government issued photo ID with you to vote by absentee ballot in the Cooperative office.

Members can return the below form either in person to 39 Elm Street, Delhi, by mail to the DCEC office at: P.O. Box 471, Delhi, NY 13753, fax to (607) 746-7548, or email to office@dce.coop.

REQUEST FOR ABSENTEE BALLOT

The Delaware County Electric Cooperative (hereinafter "Cooperative") will hold its Annual Meeting on **September 18, 2020** for the transaction of all lawful business in accordance with its Bylaws and the New York State Rural Electric Cooperative Law.

The Annual Meeting will be held at the Delaware Academy Central School, located at 2 Sheldon Drive, Delhi, NY, and the business meeting shall begin at 6:30 pm.

Members who are unable to attend in person are permitted under Article III of the Cooperative's Bylaws to vote, by absentee ballot, on any and all issues presented to the general membership at that meeting.

To be eligible to vote by absentee ballot, members may request that an absentee ballot be sent to them by providing the following information and returning this completed form to the Cooperative. ***The Cooperative must receive this request no later than August 29, 2020.*** Upon receipt, the Cooperative shall send to the requesting member an absentee ballot with instructions for its completion and submission.

I HEREBY REQUEST AN ABSENTEE BALLOT FOR THE SEPTEMBER 18, 2020 ANNUAL MEETING.

Member's Name: _____

Account Number: _____

Member's Address: _____



If you have any questions with respect to this form or the Annual Meeting, please contact DCEC at (607) 746-2341 or (866) 436-1223, or at Delaware County Electric Co-op, P.O. Box 471, 39 Elm Street, Delhi, NY 13753.

For the most up to date information about DCEC's 2020 Annual Meeting please visit our website at <http://dce.coop/content/2020-annual-meeting-and-covid-19> or our Facebook page at <https://www.facebook.com/DelawareCountyElectricCooperative/>.



2020 Family Fun Event planning and COVID-19

All the normal planning and prearrangements for the 2020 Family Fun Day are being completed as the date approaches. All of the following volunteers and vendors have been contacted to prepare for this event. Below is a list of the replies I have received so far and the dates that they will need to know what DCEC plans to do.

| | |
|---|--|
| Skip Baxter/ Delhi Cross Country team | No reply |
| Jess Vecchione / Vecc Videography | Requires notice by 6/5/2020 |
| Joe Damone / Joe Damone Photography | Requires notice by 6/5/2020 |
| Evelyn L. Aguirre / Usborne Books and More | No reply |
| Hanna Mokey / Sidney Federal Credit Union | No reply |
| Andrea Culligan / Del Oppo. | No reply |
| Deb Crute / Heart of the Catskills | Two regular volunteers have husbands with health conditions. Will try to find some other volunteers but cannot confirm attendance. |
| DTC / MTC / DCEC | No reply |
| Barb Hanselman / Dairy Princess | No reply |
| Maegan Freeman / Cornell Cooperative Extension of Delaware County | No reply |
| Sheriff Craig DuMond / Delaware County Sheriff | Requires notice by 7/27/2020 |
| Steve Hood / Delaware County Emergency Services | No reply |
| Sarah Reid / Four County Library System | No reply |
| John Yehl / 811 | Cannot until all of NYS is re-open |
| Valerie Adams / United Way of Delaware & Otsego Counties | Unsure |
| Food | |
| Christine Miller / Troop 50 | No reply |
| Jeffrey Ackerly / Hot Rod – Hot Dog | Unsure |
| Cheri Miglianti or Alison O'Bryan / A Fork in the Road | Requires notice by 7/7/2020 |
| Entertainment | |
| David Krajicek / The Blues Maneuver | Will hold date indefinitely. Work with us on whatever we need to do cancel, postpone, etc. no cancellation fee. |
| Rex Layton/ NY Bounce House | Requires notice by 6/5/2020 |



Additional items to keep in mind when determining if this event should be held on Friday, August 7, 2020, cancelled or postponed:

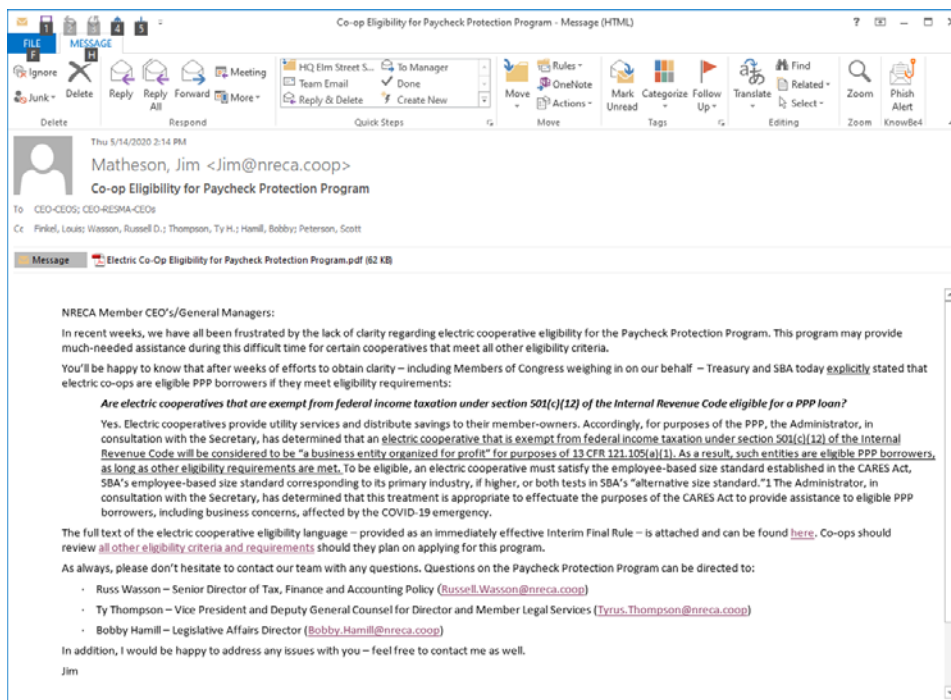
- Large events and mass gatherings can contribute to the spread of COVID-19 in the United States via travelers who attend these events and introduce the virus to new communities.
- As the COVID-19 outbreak evolves, CDC strongly encourages event organizers and staff to prepare for the possibility of outbreaks in their communities. Creating an emergency plan for mass gatherings and large community events can help protect you and the health of your event participants and the local community.
- Older adults and persons with severe underlying health conditions are considered to be at increased risk of more serious illness after contracting COVID-19. Priority should be given to ensuring the safety of these groups of people, particularly for any mass gatherings that are expected to have a large number of older adults or persons with underlying conditions.
- The key to slowing the spread of COVID-19 is to limit contact as much as possible. While school is out, children should not have in-person playdates with children from other households. If children are playing outside their own homes, it is essential that they remain 6 feet from anyone who is not in their own household.
- Unknown where people have been or planning to travel to.
- NEW childhood inflammatory disease related to COVID-19. This is new and not a lot is known about this yet but one case is one too many.
- Staff and vendors feeling uncomfortable about attending.
- Only one deposit of \$500 to NY Bounce House and Rex confirmed deposit can be transferred to next year's event.
- Low levels of vendors participating because future is unknown
- Mass gatherings are included in Governors re-opening phases 3 or 4 but depends on how phase 1 & 2 go
- Host (Village & County) are referring me to Governors Executive Orders

Consideration of using budgeted funds for Family Fun Day as a donation to local community to help fight/protect or fund the effects of COVID-19. If board decides to cancel or postpone it is my recommendation to advertise as soon as June 5th.

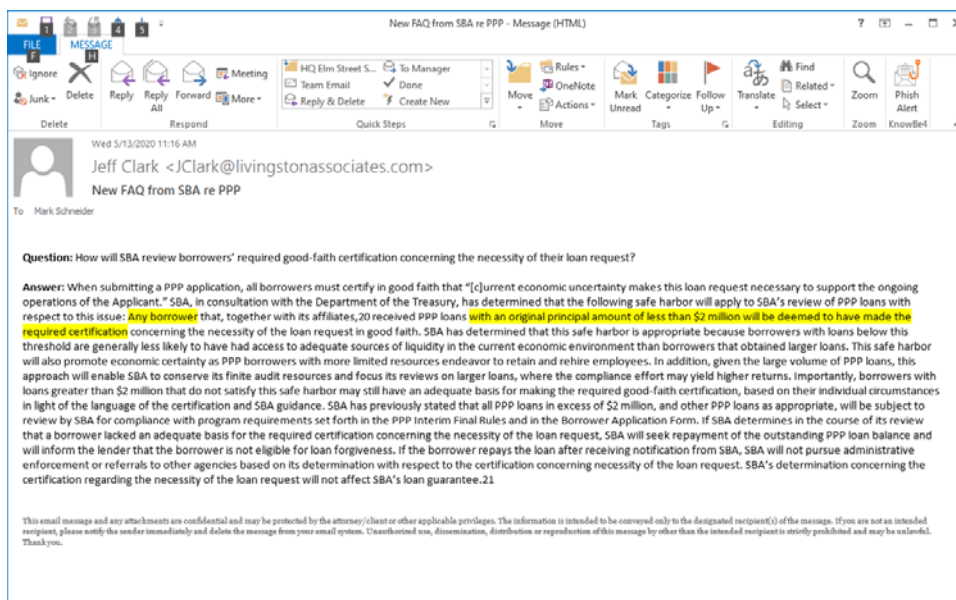
Small Business Administration Payroll Protection Program – Latest Guidance

The Small Business Administration has issued guidance that resolves all concerns that I had with respect to program certifications, audits, and eligibility criteria related to the Payroll Protection Program.

The e-mail below from NRECA CEO Jim Matheson releases the good news that the SBA has declared rural electric cooperatives eligible to participate in the PPP program.



The e-mail pictured below states that all borrowers with an original principal amount of less than \$2 million will be deemed to have made the required certifications in good faith. It goes on to state that borrowers with less than \$2 million loans will generally not be audited. We would do fine in the event of an audit, but this is still reassuring.



SBA PPP Program Loan Forgiveness Example Calculations
Estimated for April 14, 2020 through June 9, 2020

| Line # | Cost Category | Full Eligible Amount | Direct Costs Only (Note 1) |
|--------|-----------------------------------|----------------------|----------------------------|
| 1 | Wages | \$ 254,485.66 | \$ 84,268.48 |
| 2 | Health Insurance | \$ 33,724.28 | \$ 11,167.21 |
| 3 | Retirement Contribution | \$ 61,332.13 | \$ 20,309.06 |
| 4 | State/Local Payroll Taxes | Negligible | Negligible |
| 5 | Mortgage Interest Paid | \$ 34,117.41 | \$ - |
| | Utilities | | |
| 6a | * NYSEG | \$ 2,400.00 | \$ - |
| 6b | * DTC | \$ 2,600.00 | \$ - |
| 6c | * Kiff | \$ 7,000.00 | \$ 2,000.00 |
| 6d | * C3 Conferencing | \$ 850.00 | \$ 700.00 |
| 7 | Other Direct COVID Costs (Note 2) | \$ 5,000.00 | \$ 5,000.00 |
| | Totals | \$ 401,509.48 | \$ 123,444.75 |

Note 1: Direct labor costs on lines 1, 2, and 3 include furlough unproductive hours and pro-rated benefits.

Note 2: Other direct COVID-19 costs include face masks and PPE, and extra cleaning costs.

HQ Project Cost Estimate Summary - 05/18/2020 - Before Budget Solutions**Project Cost****Project Cost Categories**

| | |
|---------------------------------------|--------------|
| Tom Howard Base Proposal | \$ 2,152,879 |
| Tom Howard Storm Water | \$ 226,369 |
| Tom Howard Initial Proposal Sub-Total | \$ 2,379,248 |

External/Soft Cost Categories (Not Tom Howard)

| | |
|---|--------------|
| CWC Funding | \$ (113,185) |
| NYSEG Energy Efficiency Grant* | \$ (5,000) |
| SEI Soft Costs Post Bid Award | \$ 30,000 |
| 3rd Party Testing Fees | \$ 10,000 |
| Train Depot Salvage/Removal & Wickham Shed Demolition/Removal | \$ 19,000 |
| Village of Delhi Building Permits | \$ 6,250 |
| 3" Crusher Run, Clean, Compacted - Shop Side of Perimeter Fence (34,000 sq ft) by Paul Beisler, received \$20,000 quote for \$46,000 sq ft verbally by phone to Director Pick on 2/19/2020 (DCEC direct expense to Beisler) | \$ 20,000 |
| Warehouse racking/reel storage (DCEC direct expense to racking seller) | \$ 11,000 |
| Security - Video/Audio Monitoring | \$ 35,385 |
| Security - Access Control | \$ 32,458 |
| Security - Intrusion Detection / Alarming | \$ 8,446 |
| Radio system 3xbase station installs, 2xhandset installs, 3xantenna & coax installs | \$ 4,582 |
| Radio system 2xhandset installs (fleet sick bay and Kiff extension) | \$ 2,200 |
| Otsego Telephone PBX Cut-Over | \$ 1,500 |
| ISD , IT 122 rack install, ladder racking, configure, Server/Workstation Cut-Over | \$ 3,000 |
| Rig/Move Existing Safe from 39 Elm Street | \$ 1,500 |
| NYSEG Service Upgrade Fees | \$ 1,500 |
| Village of Delhi Water/Sewer Connection Fees | \$ 2,000 |
| Furnishings & Equipment Including Install | \$ 70,000 |
| Contingency / Change Orders | \$ 80,000 |
| Base Project Total with External and Soft Costs | \$ 2,599,885 |

Alternates & Options Through Tom Howard and Subs

| | |
|--|--------------|
| Paving - Shop Side of Perimeter Fence (46,000 sq ft) | \$ 52,330 |
| Total Project Cost w/Selected Options | \$ 2,652,215 |

| HQ Project Cost Estimate Summary - 05/18/2020 - Before Budget Solutions | | | Base Project Before Options | Available Options |
|--|------------------------------|-------------------------------------|--|------------------------------|
| <u>Budget Solutions to Achieve \$2.5 million Total Project Cost and Retain Full Contingency</u> | <u>Total Category</u> | <u>Potential Savings</u> | | |
| Total paving in project cost inside and outside fence, price likely to go down due to low oil prices (7% asphalt decrease for 10% oil decrease, 6 month lag) | \$ 150,130.00 | \$ 12,010 | | |
| Total Emseal in project cost - trying to eliminate working with code enforcement & engineer | \$ 48,000.00 | \$ 33,000 | | |
| Reduce Furnishings | \$ 70,000.00 | \$ 15,000 | | |
| Pursue maximization of CWC funding within the site/storm water scope | 56400 | \$ 12,000 | | |
| Storm water design cost break-out 50% reimbursement | 18000 | \$ 9,000 | | |
| Surveyor to layout storm water | 3000 | \$ 1,500 | | |
| Re-assign EV make-ready work to energy efficiency fund | 6500 | \$ 6,500 | | |
| Drastically reduce video monitoring scope to wire runs only | 35385 | \$ 29,585 | | |
| 2% savings on THC and all subs for agreed-upon cash management strategy | \$ 43,622.36 | \$ 43,622 | | |
| | Total Savings | \$ 162,218 | | |
| Project budget net of savings | | \$ 2,489,997 | | |



POLICY

SUBJECT: Last Day Worked

POLICY:

An employee's termination date will be the day an employee stops providing services to the Cooperative as a result of an explicit termination communication between the employee and the Cooperative.

PROCEDURE:

1. The last day an employee reports to work will be considered the employee's termination date.
2. The employee is not eligible for employee benefits after his termination date, subject to limitations as described in Appendix A.
3. Any accrued unused vacation and sick time on the termination date will be paid as a lump sum within two weeks after the termination date.
4. If an employee becomes a retiree as of his termination date, he becomes eligible for retirement benefits on the day after his termination date.

RESPONSIBILITY: Finance Manager

| | |
|---|---------------------|
| <u>DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.</u> | |
| Approved by Board of Directors | September 24, 2013 |
| Revised by Board of Directors | September 22, 2015 |
| Revised by Board of Directors | March 28, 2017 |
| <u>Revised by Board of Directors</u> | <u>May 26, 2020</u> |



Appendix A

| Benefit | Provider/Administrator | Retirement Transition |
|---------------------------|--|---|
| Medical/Rx: | Excellus BlueCross BlueShield High Deductible | Determined by plan document, state and federal law. Benefit continues if employee has at least 10 years of service as of Last Day Worked, and retiree premium share is determined by union contract. For those not eligible for retiree medical or for those who elect not to participate, retiree may continue medical coverage through COBRA for up to 36 months. |
| Dental: | NRECA Enhanced Plus Den 1 | Coverage ends at Last Day Worked, but retiree may elect to continue coverage and pay 100% of premium |
| Vision: | DCEC | Determined by internal policy and union contract. For active employees only - can only be reimbursed for expenses incurred prior to Last Day Worked. |
| Section 125 Plan: | NRECA | Determined by plan documents and IRS regulations and DCEC policy. Employee eligible reimbursable expenses must be prior to Last Day Worked. Amount available to retiree after Last Day Worked is limited by and pro-rated based on the portion of the calendar year worked prior to Last Day Worked. Submission for reimbursement may occur after Last Day Worked, but must occur by the deadline defined by the IRS, e.g. March 31 of the following calendar year. |
| Insurance Buy-out: | DCEC | Determined by internal policy and union contract. Buy-out is paid through a pro-rated amount in weekly paychecks. The buy-out payments are ceased when the employee receives his last paycheck. |



| | | |
|---|---|---|
| Retirement: | | |
| R&S | NRECA | Determined by plan document and IRS regulations. Employer and employee contributions must cease on Last Day Worked. However, Last Day Worked may be later than the Normal Retirement Date (NRD) even if an employee Quasi Retires as of his NRD. |
| 401k | NRECA | Determined by plan document and IRS regulations. Employer and employee contributions must cease on Last Day Worked. However, Last Day Worked may be later than the Normal Retirement Date. Employees are not allowed to take distributions from their accounts until their Last Day Worked and other eligibility requirements apply to taking distributions. |
| Vacation: | DCEC | Determined by internal policy and union contract. Upon retirement, accrued amounts are paid at 100%. Amounts accrued during the current year are pro-rated based on the portion of the year worked prior to retirement. |
| Holidays: | DCEC | Determined by internal policy and union contract. No Holiday benefit continues past the Last Day Worked. |
| Sick Days: | DCEC | Determined by internal policy and union contract. Per union contract, sick days paid at 100% upon retirement (Last Day Worked), up to a limit of 70 days. |
| Life Insurance: | NRECA Basic Life Plan 1 2x Annual Salary | According to plan document, your plan ends "• the date your employment ends. Your employment will end if you cease to be Actively at Work in any eligible employee classification for your Employer, except as provided in Chapter 3 "When You Become Disabled"; or • the date you retire in accordance with the Employer's retirement plan." |
| Accidental Death and Dismemberment | NRECA Supplemental AD&D 1 | You are no longer eligible and your AD&D ^{BTA} Insurance coverage ends on the Last Day Worked |



| | | |
|---|---|---|
| Disability Insurance: Workers Compensation Short Term Disability Long Term Disability | New York State Insurance Fund (Federated) Guardian NRECA 50% No SS Offset | Determined by NYS Law. Determined by plan document. Your Disability coverage ends on the Last Day Worked |
| Business Travel Accident (BTA) | NRECA BTA Plan 1 | You are no longer eligible and your BTA Insurance coverage ends on the day that: • You are no longer employed by your Employer; or • You are no longer in a covered job classification; or • You are no longer serving as a director or retained attorney for the cooperative; or • You become disabled; or • You retire. |
| Clothing/Boot Allowance | DCEC | Determined by internal policy and union contract. For active employees only - can only be reimbursed for expenses incurred prior to Last Day Worked. |



POLICY

SUBJECT: Wage and Salary Plan for Non-Union Employees

POLICY: This policy on salaries and salary increases for non-union employees is established to maintain fair and consistent compensation for these employees based on their level of responsibilities and performance. This policy excludes the CEO/GM salary, which is addressed through separate policy.

PROCEDURE: The General Manager will conduct an annual performance and salary review of each employee not included in a collective bargaining unit. The Manager will determine an appropriate salary action for each non-union employee and will review that action with the employee as part of their annual review. The following factors will be considered in arriving at a salary level for the following year.

- Level of Performance and/or contributions to DCEC over the last year (as reflected in their performance review)
- Inflation Rate
- Amount of raises included to Union employees
- Time since last salary action
- Current compensation as it relates to peers in comparable positions
- Level of responsibility and initiative demonstrated by employee

The General Manager shall utilize compensation survey data that may be available in his/her determination of appropriate salary action. Such sources may include the NRECA National Compensation Survey (for Rural Electric Distribution Systems) and other sources that may become available to the General Manager.

RESPONSIBILITY: Board of Directors and General Manager.

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

| | |
|--------------------------------------|---------------------|
| Approved by Board of Directors | Feb 27, 2001 |
| Revised by Board of Directors | May 22, 2001 |
| Revised by Board of Directors | Jun 22, 2011 |
| Reviewed by Board of Directors | Apr 28, 2015 |
| Reviewed by Board of Directors | Jan 24, 2017 |
| <u>Revised by Board of Directors</u> | <u>May 26, 2020</u> |

Northeast Association of Electric Cooperatives, Inc.

MAP/GRAPHIC BELOW TO BE ADJUSTED TO ADD R.I.

Bylaws



New York • Vermont
New Hampshire • Maine
Rhode Island

May ~~2013~~2020

**Northeast Association of
Electric Cooperatives, Inc.**

Bylaws

Proposed to be Amended: May ~~2013~~2020

INDEX

| Article | Title | Page |
|---------------|-------------------------------|------------|
| ARTICLE I: | Organization | 1 |
| ARTICLE II: | Purpose | 1 |
| ARTICLE III: | Membership | <u>12</u> |
| ARTICLE IV: | Meetings | <u>34</u> |
| ARTICLE V: | Officers | <u>46</u> |
| ARTICLE VI: | Board of Directors..... | <u>57</u> |
| ARTICLE VII: | Committees..... | <u>68</u> |
| ARTICLE VIII: | Parliamentary Authority | <u>610</u> |
| ARTICLE IX: | Amendment of Bylaws | <u>710</u> |

ARTICLE I: ORGANIZATION**Section 1: Name**

The name of this organization shall be the Northeast Association of Electric Cooperatives, Inc., hereinafter referred to as the Association.

Section 2: NEAEC

The Association may also be referred to and known as the NEAEC.

Section 3: Incorporation

The Association was incorporated in the State of New Hampshire in 1995.

ARTICLE II: PURPOSE

The Association shall exist for the following purposes:

- A. Promote, foster, develop, and encourage the program of Rural Electrification in the Northeastern United States;
- B. Further the general welfare and protect the interest of its members;
- C. Enhance the safety, stability, security, and prosperity of its members and all rural electric cooperatives;
- D. Disseminate information relating to agencies engaged in the promotion of rural electrification;
- E. Assist its members to provide electric energy at the lowest possible cost consistent with sound economy;
- F. Promote the marketing of electric energy for the benefit of the community consistent with sound conservation practices;
- G. Provide a forum for the expression and interchange of ideas and facts pertaining to rural electrification; and
- H. Exercise such powers, subject to limitations and conditions that only such powers shall be exercised, as are in the furtherance of the exempt purposes of organizations as set forth in Section 501(c) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended.

ARTICLE III: MEMBERSHIP**Section 1: Classes of Membership**

There shall be two classes of membership, namely Voting Member, hereinafter referred to as Member, and Non-voting Associate Member, hereinafter referred to as Associate.

Section 2: Membership Eligibility

Any rural electric distribution cooperative, any ~~and~~ rural electric generation and transmission cooperative, and any utility district providing electric distribution service located and/or incorporated in any of the following five States: ~~the State of~~ New York, Vermont, Rhode Island, New Hampshire, or Maine is eligible to be a Member.

Section 3: Associate Membership Eligibility

Any individual, partnership, corporation or government agency doing lawful business with any Member, such as, but not limited to consultant, engineer, accountant, attorney, supplier, contractor, power authority, cooperative trade or service association, or lender is eligible to be an Associate Member. Electric cooperatives located in states other than those noted in Article III, Section 2, are eligible to be Associate Members.

Section 4: Membership Denial

Membership can be denied only for cause and then only for a cogent and lawful reason.

Section 5: Annual Membership Fee

The annual membership fee for each Member and Associate shall be ~~100~~ 200 dollars, applicable for the fiscal year May 1 through April 30 of the following year.

Section 6: Annual Dues Assessment

In addition to the annual membership fee, each electric distribution cooperative Member may be assessed annual dues not to exceed 10 cents for each connected meter receiving electric energy as of December 31 of the preceding year as reported in the Form 7 or other reliable source. The assessed amount shall be determined by the Board of Directors and, combined with other revenue, shall be sufficient to: liquidate all existing debts, pay all authorized expenses for the Annual Meeting, cover all other budgeted items, and provide a contingency over and above the total approved budget.

Section 7: Nonliability for Debts

The property and assets of the Members and Associates of the Association shall be exempt and saved harmless for any debts or liabilities of the Association.

Section 8: Member or Associate Expulsion

The Board of Directors, by a majority vote of directors thereof present and voting, may expel any Member or Associate for cause. Any individual or organization so expelled may be reinstated at any meeting of the Association by a majority vote of the Members, and upon payment of any existing debt, annual membership fee, or annual dues owed and payable to the Association.

Section 9: Membership Withdrawal

Any Member or Associate may voluntarily withdraw from membership in the Association upon advance written notice and payment in full of all debts, if any, owed to the Association.

ARTICLE IV: MEETINGS**Section 1: Annual Meeting**

An Annual Meeting of the Association shall be held during the month of May each year at a time and place to be selected by the Board of Directors for the purpose of electing officers, approving minutes and reports, and transacting such other business as may be appropriate.

Section 2: Meeting Location

The Annual Meeting and any special meetings shall be held at a convenient location in the State of New York, Vermont, ~~Rhode Island~~, New Hampshire, or Maine. The site of the Annual Meeting shall be rotated in turn through the five ~~four~~ states insofar as it is practical.

Section 3: Business Meeting at Annual Meeting

As Association business meeting shall be held during the Annual Meeting.

Section 4: Board Meeting at Annual Meeting

The Board of Directors shall meet prior to the start of the Annual Meeting. If possible, this session should be held the day before the start of the Annual Meeting.

Section 5: Notice of the Annual Meeting

All Members and Associates shall be provided notice of the meeting by mail (including electronic mail), to include a summary of the purpose or an agenda, and the response required, not less than 15 calendar days before the meeting date. Such notice shall include any proposed Bylaw amendments.

Section 6: Voting Delegates

Each Member may appoint one Voting Delegate and an Alternate to exercise voting privileges at any Annual or special meeting of the Association. In the absence of the Voting Delegate, the Alternate shall become the Voting Delegate pro tem. A Voting Delegate shall be a Cooperative Trustee, Director, or Employee.

Section 7: Annual Planning Meeting

- A. The Board of Directors shall meet at an Annual Planning Meeting no later than January 31 preceding the Annual Meeting at a time and place selected by the President.
- B. The Planning Committee shall also meet at the Annual Planning Meeting. At this meeting, the Planning Committee shall plan for the Annual Meeting, select topics and subjects for presentation, determine menus, select participants and guest speakers, discuss proposed awards, and develop an agenda for the Annual Meeting.

Section 8: Special Meetings

Special meetings may be called by the President or the Board of Directors for a specific purpose and upon written notice to all Members and Associates of record not less than 15 calendar days before the meeting date. Such notice shall include the purpose of the special meeting.

ARTICLE V: OFFICERS**Section 1: Officers**

The Officers of this Association shall be a President, Vice President, Secretary, and Treasurer. These Officers shall perform the duties prescribed by these Bylaws and by the parliamentary authority adopted herein.

Section 2: Officer Nominations

It shall be the duty of the Nominating Committee to nominate a candidate for each office to be filled at the Annual Meeting in May. After the report of this Committee at the annual business meeting and prior to the election of Officers, additional nominations from the floor shall be permitted.

Section 3: Officer Elections

Each Officer shall be elected to serve for one year or until a successor is elected. An Officer's term of office shall begin at the close of the meeting at which he or she is elected, or at such date determined by a vote of the Members present at the Annual Meeting.

Section 4: Qualifications for Office

To be nominated, elected, and hold office in this Association, an individual shall be a ~~Cooperative~~ Trustee, Director, or Employee of a Member. No Member shall hold more than two offices at a time.

Section 5: Duties of the President

The President shall: (a) preside at all meetings of the Association; (b) act as Chair of the Board of Directors; and (c) act as Chair of the Planning Committee.

Section 6: Duties of the Vice President

The Vice President shall discharge the duties of the President whenever the President is unable to do so.

Section 7: Duties of the Secretary

The Secretary shall: (a) keep an accurate record of the proceedings of the Association; (b) maintain custody of all corporate books and records except such as shall be in the charge of the Treasurer; and (c) give written notice of special meetings and the Annual Meeting.

Section 8: Duties of the Treasurer

The Treasurer shall: (a) receive all monies on behalf of the Association and make disbursements; (b) document all financial transactions accurately and thoroughly; (c) safeguard the Association's monetary assets; (d) notify Members and Associates annually of the amount of membership fees and dues owed and collect same; and (e) provide a full written financial account at the Annual Meeting and at such times as the President or the Board of Directors may determine.

ARTICLE VI: BOARD OF DIRECTORS**Section 1: Board of Directors**

The four elected Officers of the Association and the immediate past President (other than the current President) shall constitute the Board of Directors.

Section 2: Board Meetings

The Board of Directors shall meet at the Annual Planning Meeting and prior to the Annual Meeting.

Section 3: Special Meetings

Special meetings of the Board of Directors may be called by the President, Vice President, or a minimum of two directors upon notification in writing to the Secretary, who shall in turn notify each member of the Board of Directors.

Section 4: Powers

The Board of Directors shall have general supervision of the affairs of the Association and shall exercise all of the powers of the Association except as are by law, the Articles of Incorporation, or these Bylaws conferred upon or reserved to the Members. The fiscal year for the Association shall be May 1 through April 30 of the following year.

Section 5: Quorum

Three or more directors shall constitute a quorum. Each director shall have the right to cast one vote, or to abstain.

ARTICLE VII: COMMITTEES**Section 1: Standing Committees**

The Association shall have the following Standing Committees: Nominating, Budget, Auditing, Bylaws and Policy, Awards, and Planning. Committee members shall be a Cooperative Trustee, Director, or Employee. The President shall be an ex officio member of all committees except the Nominating Committee.

Section 2: Nominating Committee

The Nominating Committee shall consist of representatives of at least three Members appointed at the Annual Planning Meeting by the Board of Directors.

Section 3: Budget Committee

The Budget Committee shall consist of the Treasurer and representatives of two Members appointed by the President. This Committee shall review the current budget and prepare a new budget for the ensuing year.

Section 4: Auditing Committee

The Auditing Committee shall consist of representatives of at least two Members appointed by the President to audit all the financial records of the Association.

Section 5: Bylaws and Policy Committee

A Bylaws and Policy Committee shall consist of the Secretary and representatives of at least two Members appointed by the President. This Committee shall suggest changes thereto as deemed necessary.

Section 6: Awards Committee

The Awards Committee shall consist of the Vice President and representatives of at least two Members appointed by the President to present names of candidates for the Governor George D. Aiken Award. This award is to be presented at the Annual Meeting. The award will be approved at the Annual Planning Meeting if nominations are available at that time. Nominations made after the Annual Planning Meeting shall be approved by a vote of the Board of Directors. Such vote is to be taken in person or by telephone.

Section 7: Planning Committee

The Planning Committee shall consist of the Board of Directors and all representatives from Members present at the Annual Planning Meeting. There shall be no limitation on the number of individuals attending the Planning Committee Meeting from any member organization.

Section 8: Other Committees

Such other Committees, standing or special, shall be appointed by the President or by the Board of Directors, if in session, as shall be deemed necessary to carry on the work of the Association.

ARTICLE VIII: PARLIAMENTARY AUTHORITY

The rules contained in the current edition of Robert's Rules of Order, Newly Revised, shall govern this Association in all cases to which they are applicable and in which they are not inconsistent with the Bylaws and any special rules of order the Association may adopt.

ARTICLE IX: AMENDMENT OF BYLAWS

These Bylaws may be amended by the Members at any meeting by a two-thirds vote of Members present and voting. The text of any proposed amendment must be submitted in writing to the Secretary at least 60 days prior to the meeting. Notice of any amendments must be provided with the notice of the meeting at which the amendment will be considered.

**NORTHEAST ASSOCIATION OF ELECTRIC COOPERATIVES
Designation of Voting Delegate and Alternate
2020-2021**

Per the Northeast Association of Electric Cooperatives Bylaws, Article IV – Meetings, Section 6 – Voting Delegates, “Each Member may appoint one Voting Delegate and an Alternate to exercise voting privileges at any Annual or special meeting of the Association. In the absence of the Voting Delegate, the Alternate shall become the Voting Delegate pro tem. A Voting Delegate shall be a Cooperative Trustee, Director or Employee.”

Member Cooperative _____

Voting Delegate _____

Alternate _____

Authorized Signature _____

RETURN BY MAY 20, 2020 TO:

Lee Ann Hoad, Secretary
Northeast Association of Electric Cooperatives
c/o Steuben Rural Electric Cooperative, Inc.
9 Wilson Avenue
Bath, New York 14810
607-776-4161, Ext. 2114 (phone)
607-776-2293 (fax)
lhoad@steubenrec.com