

NOTICE OF BOARD MEETING

The regular meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. will be held **Tuesday, November 24, 2020 at 5:00 pm** at the Co-op's office, 5 North Depot Street, Delhi, New York to act on the following agenda.

AGENDA

I. Opening Business:

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

II. Welcome and Introduction of New Director, Kimberly Tosi

III. Consent Agenda:

- A. Minutes of October 27, 2020 [packet pages 2-7]
- B. Corrected October 13, 2020 Board Meetings [packet pages 8-9]
- C. New Memberships [packet page 10]
- D. Bad Debt Collection Report [packet page 11-12]
- E. Director Compensation [packet pages 13-14]
- F. Corporate Calendar [packet page 15]

IV. Adjourn the Board Meeting to Hold the Organizational Meeting [moderated by CEO Schneider]

V. Call the Board Meeting Back to Order

VI. Monthly Financial Reports

- A. Income Statement [handout during meeting]
- B. Balance Sheet [handout during meeting]

VII. General Manager's Report [packet pages 16-19]

VIII. Policies

- A. Conflict of Interest [packet pages 20-25 and handout for conflict of interest certification and disclosure]

IX. Capital Credit Year-End Retirement [motion on behalf of Finance Committee by Committee Chair Menke]

- A. \$460,000 Normal Year-End Retirement
- B. Special Retirement Coincident with Normal Retirement to all Inactive Members with < \$100 Total Equity (allocated, unretired)

X. 2021 Budget Proposal

- A. Budget Assumptions and Results [Cannizzaro, packet pages 26-27]
- B. Work Plan Budget [Sullivan, packet page 28]
- C. Capital Budget [Sullivan/Cannizzaro, packet pages 29-30]
- D. Outside Services Budget [Cannizzaro, packet page 31]
- E. Employee Training & Travel Budget [Cannizzaro, packet page 32]
- F. Director Budget [Cannizzaro, packet page 33]
- G. 2021 Income Statement Budget [Cannizzaro, packet page 34]
- H. Request for November Approvals [Sullivan, packet page 35]

XI. DCBI Financial Review [packet pages 36-37]

XII. CEO Search Committee Report [packet page 38 and oral report by Committee Chair Oles]

XIII. Headquarters Project [pages 39-40]

XIV. Cooperative COVID-19 Response Update [oral report by CEO Schneider]

XV. Meeting Reports

- A. Reflections on the 2020 Virtual Annual Meeting of Members [comments from any board member]
 - 1. Signature by Secretary Pick on minutes of the September 26, 2019 Annual Meeting of Members
 - 2. Review with No Action of the minutes of the Adjourned September 18, 2020 Annual Meeting of Members [packet pages 41]
- B. NYSRECA Business Meeting, 11/19/20 [oral reports from any attendee]

XVI. Approval of Employee Holiday Gift

XVII. RESAP Safety Improvement Plan Update [packet page 42]

XVIII. Human Resources Audit Update [oral report by CEO Schneider]

XIX. New Business:

XX. Future Business:

- A. Regular Board Meeting, Tuesday, 12/22/2020 @ 5:00 pm
 - 1. Sexual Harassment Training for Directors/Managers by Attorney Clark
 - 2. Compass Financial Forecasts Requested by Finance Committee
 - 3. Vegetation Management Report
- B. CoBank-facilitated Strategic Planning Discussion, date TBD, Delhi, NY
- C. COVID vaccine for employees if/when it becomes available

XXI. Executive Session

XXII. 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
October 27, 2020**

I. Opening Business: The regular monthly meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held October 27, 2020 via Zoom video conferencing, teleconferencing, and at the Co-op's office, 5 North Depot Street, Delhi, New York.

A. Call to Order: The meeting was called to order at 5:27 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 Finance Manager Millie Faulkner, Millie Faulkner; DCEC's CFO, Mark Cannizzaro; DCEC's Administrative Assistant, Alicia VanZandt; and DCEC's Legal Counsel, Jeffrey Clark from Bond, Schoeneck and King all participated via Zoom. Additionally, Jessica Vecchione and Amber Gray of Vecc Videography were present for technical support via Zoom.

C. Adoption of Agenda: Encouraging employees to take advantage of flu and COVID vaccines when available was added to Future Business on the agenda. President Oles then declared the agenda approved as amended.

II. Consent Agenda: The board accepted the following amendments to the September 22, 2020 Board minutes: III. Monthly Financial Reports, item B, August Financial Reports, revise the last two sentences to read, President Oles finally added that he would like to get a summary of the costs and revenues created by the Cooperative's participation in the DCBI partnership. The board would also like to know the method by which members are switched between seasonal and residential billing and what is involved in the process. Additional amendments: VII. CEO/General Manager Search and Transition, A. Review Overall Process & Timeline, edit first sentence to read President Oles stated that the CEO Search Committee reviewed and discussed proper Human Resources etiquette and the recent Human Resource audits "dos and don'ts" for the hiring process and XII. Future Business, D. Finance Committee Meeting, Tuesday, 11/4/2020 at 5 pm. A motion was made to approve the consent agenda with the above amendments to the September 22, 2020 board meeting minutes by Secretary Pick. The motion was seconded by Director Wehmeyer. The motion passed.

III. Organization & Staffing Committee Report: Vice President Winkler, Chair of the Organization and Staffing Committee reported that the committee met at 4 pm earlier today via Zoom. The committee reviewed current and future organization charts. The committee reviewed a rule change implemented by the Internal Revenue Service, which provides relief to rural electric cooperatives from certain compliance testing if they are transitioning their entire workforce from a defined benefit pension plan to a defined contribution 401(k) plan. Under the new rules, DCEC is exempt from certain ratio tests as the employee population gradually shifts from the defined pension to the 401(k) program through retirements and other attrition of employees hired prior to 2008. The committee discussed the Cooperative's continued commitment to apply all benefits in a non-discriminatory manner for the benefit of all employees. The committee discussed the Cooperative's use of internships and temporary assignments and the opportunities that has created for individuals while also contributing to the success of the Cooperative. The committee advised CEO Schneider as to the importance of providing clear documentation to the incoming CEO that describes the strategic tasks that will require the attention of the new CEO.

IV. Monthly Financial Reports:

A. Income Statement: CEO/General Manager Mark Schneider remarked that line items 6 and 7 both Distribution Expense Operation and Maintenance are close to budgeted amount. Schneider added that line item 11 Administrative and General Expense shows a surplus in expenses because the Cooperative has been expensing as many facilities related costs as possible in 2020. CEO/General Manager Mark Schneider mentioned that line item 21 Patronage Capital & Operating Margins doesn't include \$402,000 PPP loan forgiveness program. CEO/General Manager Mark Schneider stated that the Cooperative received a request from the Small Business Administration (SBA) for additional information, to which the Cooperative responded within the requested 10-day window. CEO Schneider remarked that line item 28 under Extraordinary Items includes net proceeds from the sale of 39 Elm Street in Delhi and that will be swept to permanent equity.

B. Balance Sheet: CEO/General Manager Mark Schneider stated that line item 2 Construction Work in Progress shows a continuation of growth on a dramatic scale. This is largely due to the accumulation of costs of the headquarters project. CEO/General Manager Mark Schneider specified that lines 9 and 15, which reflect the Cooperative's cash position are unusually high. This is due to the large amount of borrowing that the Cooperative did through the Federal Financing Bank during 2020 to take advantage of historically low interest rates. CEO Schneider noted that item 20 Account Receivable – Sales of Energy (Net) reflects the special return to members in the amount of \$280k for the "COVID Refund". CEO/General Manager Mark Schneider declared that line item 38 Long-Term Debt – FFB – RUS Guaranteed is unusual looking. This is again due to the large amount of borrowing that the Cooperative did in 2020. CEO/General Manager Mark Schneider stated that line item 42 Payments – Unapplied includes the liquidation of the cushion of credit. CEO/General Manager Mark Schneider remarked that line item 47 Notes payable includes the PPP loan. CEO/General Manager Mark Schneider mentioned line item 48 Accounts payable this year shows invoices received in October but for work completed in September. Therefore CFO Cannizzaro back dated the expense to September even though the invoice was received and paid in October.

V. General Manager's Report: CEO/General Manager Mark Schneider reiterated that in regards to the notable outages and occurrence, the wide spread outage that began on Wednesday, October 7, 2020 at approximately 4 pm lasted over 26 hours and affected about 893 member service locations. This outage was caused by high winds and multiple fallen trees which took out our power lines and the NYSEG sub-transmission line that feeds the Jefferson Substation. CEO/General Manager Mark Schneider remarked that this single power outage added approximately 262 minutes to the annual SAIDI total and the whole storm added approximately 302 minutes to the annual SAIDI total.

CEO/General Manager Mark Schneider commented that the 2020 all-employee meeting was conducted as planned via Zoom and with proper social distancing between all employees. CEO/General Manager Mark Schneider remarked the meeting went well and all agenda items were completed in a timely manner.

Director Wehmeyer remarked that there is a typo on page 24, the last bullet should read, "Include all exceptions as described in the table as footnotes in the Service Rules & Regulations under the descriptions of the electric rates classifications.

VI. Policies:

- A. **Organization of the Cooperative:** A motion was made by Director Russell to approve the policy as presented. The motion was seconded by Secretary Pick. The motion passed.
- B. **Design and Construction of Electric Facilities:** A motion was made by Secretary Pick to approve the policy as presented. The motion was seconded by Director Burnett. The motion passed.
- C. **Bank Accounts:** A motion was made by Vice President Winkler to approve the policy as presented. The motion was seconded by Treasurer Menke. The motion passed.
- D. **Procurement, Receiving, & Disbursement:** A motion was made by Director Burnett to approve the policy as presented. The motion was seconded by Treasurer Menke. The motion passed.

VII. 2020 Annual Members Meeting:

- A. **Review Technology Plan and Governance Implementation for Zoom Meeting:** CEO/General Manager Mark Schneider remarked that this October 27th board meeting was conducted via Zoom to practice and to demonstrate how the Annual Meeting will be conducted via Zoom.
- B. **Final Agenda and Confirmation of Roles:** Reviewed. Administrative Assistant Van Zandt remarked that wherever Attorney Jeff Clark's name appears it should be revised to

read DCEC's Attorney Jeff Clark.

VIII. CEO Search Committee Report: The committee has met on the following dates; September 18th, October 14th, and 21st.

26 resumes have been received. Four candidates have over 30 years of utility experience; four individuals have over 20 years of experience, and seven folks with over 10 years of experience. The committee has received several resumes from experienced and qualified women.

The following motion was approved at the DCEC Search Committee held on October 21, 2020.

Resolved: That Millie Faulkner be recommended to the Board of Directors, at their next scheduled meeting, to serve as Interim CEO and General Manager of the Delaware County Electric Cooperative, Inc., effective November 27, 2020, at 4:00pm, to serve in that capacity until a new CEO/General Manager is identified and retained to serve in a full-time capacity by action of the Board of Directors.

IX. Appointment of Interim CEO/General Manager: A motion was made by Secretary Pick to approve the resolution as presented. The motion was seconded by Director Burnett. The motion passed.

X. Authorizing Resolutions Due to Staff Changes:

CEO Schneider stated that the appointment of Interim CEO/General Manager Millie Faulkner eliminates the requirement for certain changes in authorizations with our financial institutions because Mrs. Faulkner already has authorizations with the Cooperative's financial institutions.

- A. **Check Signing:** CEO/General Manager Mark Schneider seeking approval to have Finance Manager, soon to be acting CEO Interim Millie Faulkner and Operations Manager Ryan Sullivan to sign this year's capital credit checks, there was no objection from the board.
- B. **Electronic Banking:** CFO Mark Cannizzaro stated that at this time no changes are needed.
- C. **Rural Utility Service:** A motion was made by Vice President Winkler to approve the resolution as presented. The motion was seconded by Director Wehmeyer. The motion passed.
- D. **Cooperative Finance Corporation:** CEO/General Manager Mark Schneider stated that at this time no changes are needed.
- E. **CoBank:** CEO/General Manager Mark Schneider stated that at this time no changes are needed.

XI. Headquarters Project: CEO/General Manager Mark Schneider reported that Webster

Paving has been on site for the past two days getting ready for paving. Schneider also reported that currently the Cooperative is working towards completing the following items; entire building painted exteriorly, paving, security cameras, ID badges for the door access, and installation of kitchen cabinets in the breakroom. CEO/General Manager remarked that the contingency fund has around 20k left.

Cooperative COVID-19 Response Update: CEO/General Manager Mark Schneider remarked that the Cooperative continues to follow the Centers for Disease Control and Prevention (CDC) recommendations, including the importance of avoiding close contact (within 6 feet) with others. CEO/General Manager Mark Schneider also added that frequent visual and verbal reminders are practiced to help improve compliance with inside and outside staff in efforts to help reduce rates of infection. CEO/General Manager Mark Schneider reported that the Tree Crew has not and will not be reporting directly to 5 North Depot Street until the building is complete and all employees can practice social distancing.

The board encourages CEO/General Manager Mark Schneider to ensure that all employees and members have sufficient access to face masks, gloves, etc. and that these items are placed in rooms where gathering is promoted such as breakrooms, lobbies, and board rooms. The board also encouraged the Management Team to closely follow all Executive Orders and States of Emergency declared by the Governor to help reduce the spread of COVID-19.

Meeting Reports:

A. Region 1/4 Meeting: See notes submitted by President on packet pages 39-40.

B. NYAPP Business Meeting: See notes submitted by President on packet pages 41-46.

XIV. Appoint 2020 Financial Auditing Firm: A motion was made by Secretary Pick to approve the appointment of Fiore, Fedeli, Snyder, Carothers, LLP as the auditing firm to review the 2020 financials. The motion was seconded by Director Burnett. The motion passed.

XV. 2021 Budget – Preliminary Presentation: CFO Mark Cannizzaro reported that the bucket truck ordered in 2019 in the amount of 280k will be shown in 2021 budget and that about 260k will be allocated for the tree contractor. CFO Mark Cannizzaro remarked that during the November board meeting he will present a complete budget with the assumption that it will be approved at the December meeting.

XVI. Vegetation Management Report: Tabled.

XVII. New Business: CFO Mark Cannizzaro reported that he would recommend multiple IT upgrades including Microsoft Office software products. CFO Cannizzaro also mentioned that the current server is an outdated system, dating back to 2015. CFO Cannizzaro recommends that the Cooperative upgrade to an up to date server and software system, there was no objection from the board.

President Oles remarked that the Christmas Gift for employees/directors should be discussed and

determined at the November board meeting. President Oles recommends items to consider such as a free spiral ham from Price Chopper as the Cooperative has done in years past or dinner for two at approximately \$70 per couple.

CEO/General Manager Mark Schneider stated that the Safety Plan and the Human Resource Audit will be presented at the November Board Meeting.

President Oles stated that he would like a standing item under Future Business, COVID vaccine for employees if/when it becomes available. President Oles reiterated he would like to discuss legal aspects such as will employers be able to mandate vaccines for employees and will essential workers have access to vaccine sooner than the general public, etc.

XIII. Future Business:

- A. Regular Board Meeting, Tuesday, 11/24/2020 @ 5:00 pm (Cap Credit Normal Retirement, DCBI Financial Review)**
- B. Finance Committee Meeting, Tuesday, 11/4/2020, stand-alone committee meeting @ 5:00 pm**
- C. Annual Meeting of Member, to be held remotely, Thursday, 11/12/2020, via Zoom**
- D. Annual Organizational Meeting, Immediately Following the 11/12/2020 annual members meeting in accordance with bylaws**
- E. Training Refresher for Directors and CEO – Sexual Harassment, December Board Meeting, led by Attorney Clark**
- F. 2020 Cooperative Holiday Party, CANCELLED**
- G. CoBank-facilitated Strategic Planning Discussion, date TBD, Delhi, NY**
- H. COVID vaccine for employees if/when it becomes available**

XIII. Executive Session: A motion was made to go into executive session at 8:04 pm by Director Burnett. Director Burnett invited the three Managers; DCEC's CEO/General Manager Mark Schneider, DCEC's Finance Manager Millie Faulkner, DCEC's CFO Mark Cannizzaro and DCEC's Attorney Jeff Clark to join the board in executive session. The motion was seconded by Secretary Pick. The motion passed. A motion was made to come out of executive session at 8:39 pm by Vice President Winkler. The motion was seconded by Director Russell. The motion passed.

XIV. Adjournment: There being no further business on the agenda, President Oles adjourned the meeting at 8:40 pm.

Respectfully submitted,

Edward "Rusty" Pick, Jr.,
Secretary

**Delaware County Electric Cooperative
Board Meeting Minutes
Special Meeting - October 13, 2020**

I. Opening Business: A special meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held October 13, 2020 via teleconference and at 5 North Depot Street in Delhi, NY 13753.

A. Call to Order: The meeting was called to order at 6:03 p.m. by President Oles.

B. Roll Call - Determination of Quorum:

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

DCEC's CEO/General Manager Mark Schneider participated via telephone from 5 North Depot Street in Delhi.

C. Adoption of Agenda: President Oles recommended adding a discussion of the 2021 expense lines for Employee Training/Travel and Director Expenses. There being no other suggestions for changes or additions to the agenda, President Oles declared that the agenda would stand with the one addition.

II. Director Compensation for Special Meeting: CEO/General Manager Schneider recommended that the board consider this meeting a "short meeting" in accordance with the Cooperative's policy on Director Compensation. Schneider also suggested that since meeting minutes would be prepared and approved by the board, individual board members would not need to submit expense reports for this special meeting. There being no objections, Schneider indicated that he would instruct the Chief Financial Officer to process the per diems appropriately with no mileage.

III. Options to Expand the Scope and Cost of the Headquarters Project: CEO/General Manager Schneider presented three proposals for possible expansion of headquarters project scope and cost. Schneider answered questions on each of the options. Options 1, 2, and 3 are attached to these minutes.

Secretary Pick made a motion to approve option #1. Director Burnett seconded the motion. President Oles conducted a roll-call vote:

Pick – Yes

Menke – Yes

Wehmeyer – Yes

Burnett – Yes
Winkler – Yes
Russell – Yes
Oles – Yes.
The motion passed.

IV. Adjournment: There being no further business on the agenda, President Oles adjourned the meeting at 6:38 p.m.

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

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NEW MEMBERSHIPS – November 24, 2020

ACCT #	LOCATION	FIRST NAME	LAST NAME	ADDRESS	CITY, STATE, ZIP	FORMER/ RENTING/ NEW SERVICE
18460-001	DE 4-28-30	Gerald B.	Todd III	345 W. 70 th Street, Apt. 6F	New York, NY 10023	Gerald Todd
18392-001	HA 4-13-30	Petros	Stellatos	15-92 208th Street	Bayside, NY 11360	Daniel Wyatt
18452-001	DA 1-39-18	Jesse & Karen	Loucks	18 Dehning Spur Rd.	East Meredith, NY 13757	Amanda Balisteri
18354-001	ME 1-68-10D	Kristin	Conlin	1012 Crest Cir	Cincinnati, OH 45208	Mark Janero
18328-001	ME 1-85-13	Matthew	Krzyston	26 Elm Street	Delhi, NY 13753	Donald J. McDermott
18443-001	HA 4-45-8	Steven	Clark	935 Launt Hollow Rd.	Hamden, NY 13782	Ruth R. Clark
18442-001	DA 2-11-15	Joseph	Signorino	859 Parks Hill Rd.	Davenport, NY 13750	Mikelle Davlin
18414-001	GI 2-37-19A	Hannibal	Fraser	326 E26th St.	Brooklyn, NY 11226	Nancy J. Gazzellone
18473-001	ME 1-85-9A	Winnie	Cheung	114 Devoe St., Apt. 1L	Brooklyn, NY 11211	Jeannie Hoag & Brian Mihok
18467-001	JE 2-15-22	Lloyd	Malsy	130 Black Bear Lane	Jefferson, NY 12093	Lori Faillace
18446-001	WA 4-21-11A	Tabula	Consistens, LLC	493 18 th St. #3	Brooklyn, NY 11215	C. Leonard Pieper, III
18448-001	BO 5-31-8B	Megan	Wald	1 Hanson Pl., Apt. 15B	Brooklyn, NY 11243	Park Hill, LLC
18455-001	FR 4-3-3	Angela	Follano	9 9 Laauwe Ave.	Wayne, NJ 07470	Kristin DeForest
18447-001	BO 5-2-2D	Eric	Misner	2404 East Bramley Rd.	Bovina, NY 13740	Tyson Robb
18444-001	KO 2-32-15	Nicholas	Cacciola	210 Oswego Rd.	Pleasant Valley, NY 12569	Jacqueline L. Trezevant
18469-001	MD 1-9-3	Jason	Willaims	985 Country Rd.	Schenevus, NY 12155	Casady Gifford
18468-001	BO 5-12-1	Lindsay	Vanderhoff	230A 6 th Ave., Apt. 3	Brooklyn, NY 11215	David Knoernschild
18454-001	JE 2-27-14	Rebecca	Bivona	211 Shew Hollow Rd.	Jefferson, NY 12093	John Kordowski
18465-001	HF 2-33-26	Charles	Whitmore	2087 MacDougall Rd.	Oneonta, NY 13820	Phil Sireci
18470-001	JE 2-26-6C	Beverly	Sarembock	3752 Hendrix	Irvine, CA 92614	Ulrike Jesenitschnig
18458-001	KO 2-62-10	Kevin	Parker	1935 McArthur Hill Rd.	Bloomville, NY 13739	Harry Kovsky



RESOLUTION

November 24, 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 \$954.02 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>
18197001	JE 2-37-8L	Rebecca Myers	\$	\$ 470.49
16382002	ME 1-85-20C	Ashley Ford		373.65
16869001	DE 4-27-11	Montana & Danielle Masback	109.88	
			\$ 109.88	\$ 844.14

November 24, 2020

EDWARD G. PICK, JR., SECRETARY



November 24, 2020

BAD DEBT COLLECTION

*** PLEASE NOTE:** The amounts below were recovered through capital credit retirements, Southern Tier Credit Center & DCEC through October 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
\$ 143.07	Mikey Roe	\$	\$	\$ 25.00	\$	\$ 55.21
230.78	Danielle Simon		4.61			- 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

November 2020

October	
Year-End Financial Projection (Capital Credit Retirement Assessment)	Cannizzaro/CEO
Finance Committee Meeting (Apr/Jul/Oct)	Cannizzaro/CEO
Re-instatement of Accounting/Audit Firm (resolution)	CEO/Board
Capital Credit retirement - decision by Board	CEO/Board
Kick-off Budgeting Process (prelim capital budget)	CEO
Employee Enrollment Notice (125, life insurance, other)	Cannizzaro
ERP Plan Exercise & Certification	Soule
Vegetation Management Update to Board	CEO/Sullivan
Oneida-Madison EC Annual Meeting	Board
Steuben REC Annual Meeting	Board
Contact disconnected members - assess health impairment of no winter service	Alwine
Inactive service report for Operations to retire services	Alwine
Economic Development Power audit responses	CEO
Substation Transformer Oil Testing	Sullivan
All-Employee Meeting (last week October)	CEO/Cannizzaro
Confined Spaces Gas Tester Calibration	Sullivan
November	
Year-end Financial Projection (Formulary Rate Planning)	CEO
Capital Credit Retirement (if applicable)	CEO
Operating Plan/Budget Presented (Nov), Approved (Dec)	CEO/Cannizzaro
Finalize Training Plan (incl. PREA)	CEO/Sullivan
ROW Clearing & Line Inspection contract approval	CEO/Sullivan
Employee Open Enrollment	Cannizzaro
CFC Membership Survey	Cannizzaro
NYPA 10-year Load Forecast	CEO/Sullivan
Newsletter notification - 3rd party notification for disconnect notices	VanZandt
Update DOT Unified Registration System (URS) bi-annual update odd years	Sullivan
Renew DOT Unified Carrier Registration (UCR) annual update	Sullivan
December	
Employee Performance Reviews – prep (Dec), deliver (Jan)	Management Team
CEO Performance Review – kick off & plan Jan O&S Committee Mtg	Board
Operating Plan/Budget Presented (Nov), Approved (Dec)	CEO/Cannizzaro
Christmas Party	VanZandt
Capital credit general retirement (if applicable)	Alwine
Billing complete for Pole Attachments	Rifenbark/Soule
Update phone menu systems with holiday schedule	VanZandt
Semi-annual review of Corporate Calendar (Jun/Dec)	CEO
Strategic Plan Review	CEO/Board
Power Cost Risk Update to Board	CEO
Year End Process in Billing Kickoff	Alwine
Send Double-Wood Letters to Responsible Parties	Sullivan
Conduct Annual Red Flag Refresher Training & Present Red Flag Report to the Board	CEO

DCEC BOARD MEETING
GENERAL MANAGER'S REPORT
October 20, 2020 – November 19, 2020

ENGINEERING & OPERATIONS

Notable Outages & Occurrences:

- Unfortunately, again this month, our largest outage resulted when the NYSEG sub-transmission line feeding our Jefferson Substation had a failure on November 15 at 6:18 pm. The failure occurred during a wind event, but the exact failure mechanism is not known to us. The transmission line was down for 3 hours and 42 minutes, affecting 918 member service locations. That single power supplier outage added ~38 minutes to the annual SAIDI total. In addition, this month we saw multiple wind events affecting our own distribution lines, and thankfully our line crew did an outstanding job of restoring power relatively quickly. Members served by our Jefferson Substation are becoming increasingly vocal about their frustration with the frequency of outages.

Disconnections:

- No services were disconnected for non-payment this month. This moratorium on disconnects for non-payment will continue until the board of directors instructs management to resume normal collections and disconnection procedures.

Pole Inspections / Line Inspections / Stray Voltage Testing

- Bob Coager is just about wrapped up with pole inspections this month. He delivered inspection results bi-weekly.

FINANCE & ACCOUNTING & HUMAN RESOURCES:

Small Business Administration (SBA) Payroll Protection Program (PPP) Loan Forgiveness Application

- According to the SBA's own rules, the SBA must provide us a final determination on our loan forgiveness loan application on Monday, November 23, 2020.

Loss of Two DCEC Line Apprentices to NYSEG Jobs

- Line Apprentice 1st Year Micah Scobie and Line Apprentice 1st Year Scott Smith both took jobs with NYSEG as Line Apprentices. The primary reason is financial. Both Micah and Scott are talented and hard-working employees who will be missed by their colleagues at the Cooperative. This is a big loss for the Cooperative. To the extent this is a sign of a larger trend for our Line Crew, it is a scary prospect. Management are working together and with outside experts to craft possible mitigation strategies that we can share with the board and the next management team.
- Similar staff departures have occurred at Otsego Electric Cooperative and Steuben Rural Electric Cooperative. In both of these cases at our sister cooperatives, they have lost a higher percentage of their linemen and they have lost fully qualified linemen. This certainly points to a very threatening trend that cannot be ignored.
- The Cooperative has filled one of our Line Apprenticeships internally with a member of the Tree Crew, Zach McNeilly. Zach will move to the Line Crew on Monday, November 23, 2020.
- The Cooperative has posted the other Line Apprenticeship in the local paper, on Facebook, and on our website. Applications began coming in quickly.
- We also posted a Zach's vacated position on the Tree Crew publicly. We are hoping to hire an experienced person, perhaps someone who is trying to get off the road and work locally. Tree Crew Foreman Randy Tweedie has expressed a desire to avoid rushing that hiring decision so that we can take the time to attract a great candidate.

- All job postings were handled in accordance with the customary internal post and bid process before going external with our searches.

CEO Transition

- Although Millie Faulkner is very familiar with virtually every aspect of the CEO/General Manager role at DCEC, she and I have been meeting for 1 to 2 hour periods to review specific elements of the transition including annual plans, the status of various projects, and the roles and responsibilities of various staff members after the transition.
- Mrs. Faulkner seems well prepared to handle the transition smoothly. She has her own independent ideas and approaches, which I think will be good for the Cooperative.

Member-Funded Employee Celebration

- As previously reported, a generous member of the Cooperative has generously donated \$1,000 to provide a party for the Cooperative's employees after they move into the new headquarters. The party is planned for Monday, January 4, 2021. The food for the party will be provided by Brooks' House of BBQ.

POWER SUPPLY / PROJECT INITIATIVES:

Headquarters Project

- All structures are nearly complete. The largest punch list items within the structures are plumbing heating/ventilation/air conditioning related. Chad Winne Plumbing is working on the air make-up systems this week as well as the truck wash plumbing and equipment.
- All concrete work is complete on the site, both interior and exterior.
- Paving "outside the fence" has the 3" binder layer complete. Webster has run out of time this season and will return in the spring to complete the 2" top coat. We have had to contract with a different paving company, Lancaster, to perform the paving "inside the fence."
- Exterior work to be completed is more substantial and includes the following:
 1. Fence/gate installations.
 2. Storm water features in the Southwest corner of the property including the large leaching field in the vicinity of the pole storage bunkers and the eCenter property line. This will be completed within a few days.
 3. Paving inside the fence will begin on Monday, 11/23/2020 by Lancaster. Tom Howard Construction did a great job of pulling in another company to complete the incredibly important task of paving inside the fence. We have contracted with Lancaster to install the 3" binder and the 2" top coat inside the fence.
 4. Replacement of the Village of Delhi water main along the West border of our property. This work is being paid for in part by the Cooperative and in part by the Village. This should start early in the week of 11/23/2020.
 5. Placement of concrete pole bunkers along the South and West fence lines.
- Our crews will be buying all fuel at the public gas station for at least a week starting on Monday, 11/23/2020 because the Cooperatives fuel tanks will be moved to the fuel island in anticipation of paving inside the fence. Until paving is complete the trucks will not be able to roll onto or off of the fuel island.
- I have been so impressed by the team that Tom Howard Construction pulled together to do this project. M&P Rogers, Chad Winne Plumbing, Central Concrete, Dianich Excavation, and the whole team have all worked together as a seamless unit to overcome all the inevitable problems and challenges associated with a project of this size.
- Our architect team from SEI Design Group performed a site walk-thru with Ryan Sullivan, Tom Howard, and me on November 13, 2020. SEI produced a small punch list of items for Tom Howard Construction to address.

New York Power Authority Customer Exit Interview

- I participated in a customer exit interview via Zoom on November 9, 2020. I'll share some of the most negative and positive comments from that interview:
 1. NYPA's participation and dedication of resources to the Technology and Innovation Task Force, as required by the hydro contract extension, has been anemic. I encouraged them to consider dedicating more financial, technical, and strategic leadership resources to the task force.
 2. Although NYPA is excellent at providing expert assistance for "one-off" consultations on all kinds of topics including technical and business strategy topics, they have tended to over commit their staff to longer term tasks and projects such as our own cyber security efforts. NYPA's role in our cyber security project has been disappointing because the expert participants from NYPA often get pulled away from their commitments to the Cooperative due to their responsibilities within NYPA's own organization.
 3. Many of my positive comments to NYPA related to their professional and responsive customer-facing team. I commended them for their management of the Industrial Economic Development Program, their commitment to the hydro contract extension process, their regular participation in the New York Association of Public Power, their commitment to openness and transparency with the Rate Stabilization Reserve methodology and implementation with customer groups, and their direct customer contacts by individuals like Darryl Jacobs.

LEGAL, GOVERNANCE & LEGISLATIVE/INDUSTRY AFFAIRS:

Executive Order from Governor

- Governor Cuomo's executive order providing relief to rural electric cooperatives from the in-person quorum requirement for annual meetings was extended again on November 3, 2020, which allowed our November 12, 2020 annual meeting to be held in accordance with the laws of New York State. Bruce Geiger and all the general managers of NYSRECA are pursuing a permanent fix to this problem through amendment of Section 17 of New York's Rural Electric Cooperative Law. Hopefully the great tradition of successful legislative efforts for New York's rural electric cooperatives will continue.

NYSRECA Business Meeting 11/19/2020

- NYSRECA met via teleconference on Thursday, November 19, 2020.
- The call focuses primarily on government relations, with an emphasis on election results in the Senate and Assembly. The outcome of our own Senator Jen Metzger's re-election effort is still unknown. Metzger is the sponsor of our current legislation in the Senate. If she is not re-elected we will have to work with a new sponsor.
- The student scholarship program was discussed briefly. Keith Pitman has taken the lead to develop the detailed proposal needed by the 2021 NYSRECA annual meeting. The general managers have privately discussed the possibility of naming the scholarship in honor of Dan and Carol Saulsgiver. That idea needs to be floated to all 4 boards of directors.

MEMBER SERVICES & PUBLIC RELATIONS:

Annual Meeting Successful on November 12, 2020

- The annual meeting of members, which was adjourned on September 18, 2020 due to COVID limitations, was called back to order at 6 pm on November 12, 2020 by President Oles. The video production, editing, and technology management was performed by Vecc Videography, a local small business owned by a former member of the Cooperative. Attendance by the members was disappointing, with only 14 members who were not directors or employees of the

Cooperative. There were a few others who participated from related organizations of the Cooperative. From a technology standpoint, the meeting was a huge success because everything worked exactly as planned.

- Kimberly Tosi of Andes was elected as the new director representing the Southern Region. Charitable donations were made to Delaware County Emergency Services, Delaware County Office for the Aging, and the Cannon Free Library.

Amphenol Consultation

- Amphenol Aerospace reached out to the Cooperative to request assistance in making decisions on how to best handle their solar production and related credits from their large solar farm, even though the solar farm is connected to their NYSEG service and not the Cooperatives service. I feel this is a good sign for the nature of the relationship between the Cooperative and our largest member. We are their trusted advisor on anything related to energy. We were able to help them come up with a solution to optimize their solar credits.

SAFETY REPORT:

Injury Report:

- No injuries or close calls to report this month. ☺

Safety Committee Activity

- No activity to report.



POLICY

SUBJECT: Conflict of Interest

POLICY: It shall be the policy of the Board to maintain and enforce a policy relating to Conflict of Interest relating to the operation of the Cooperative.

PROCEDURE:

1. Definitions: As used in this Policy, and unless the context requires otherwise:

- A. "Board" means the Delaware County Electric Cooperative, Inc. Board of Directors.
- B. "Business Opportunity" means an opportunity to engage in a business activity, other than an opportunity offered to all similarly situated Cooperative members, of which:
 - 1) An Official becomes aware in connection with performing Official functions; under circumstances reasonably indicating that the opportunity was expected to be offered to Cooperative or a Subsidiary; or through using Cooperative or Subsidiary information or property if the Official should reasonably expect the opportunity to interest Cooperative or the Subsidiary; or
 - 2) An Official knows is closely related to a business in which Cooperative or a Subsidiary is engaged or expects to engage.
- C. "Conflicting Interest Transaction" or "Transaction" means a transaction or proposed transaction by Cooperative or a Subsidiary, other than the payment of Official compensation or provision of Official benefits, and other than a transaction offered to all similarly situated Cooperative members:
 - 1) To which an Official is a party; and
 - 2) For which, at the time the Board considers the transaction, or at the time Cooperative or the Subsidiary becomes legally obligated regarding the transaction, an Official has a Material Financial Interest in the transaction known to the Official; or an Official knows that a Related Person is a party to, or has a Material Financial Interest in, the Transaction.
- D. "Control" or "Controlled" means:
 - 1) Having the direct or indirect power, through ownership of shares or interests, by contract, or otherwise, to elect or remove a majority of an entity's governing body;
 - 2) Being subject to a majority of the risk of loss from an entity's activities; or
 - 3) Being entitled to receive a majority of an entity's residual returns.
- E. "Cooperative" means Delaware County Electric Cooperative, Inc.
- F. "Cooperative's Attorney" means the legal counsel used by the Cooperative's Board for routine legal matters.
- G. "Director" means a member of the Board.
- H. "Disinterested Director" means a Director who, at the time the Board acts regarding income, employment, competition, a Conflicting Interest Transaction, or a Business Opportunity:
 - 1) Is not associated with the income, employment, or compensation; is not engaged in the Transaction; and is not taking advantage of the Business Opportunity; and
 - 2) Does not have a relationship with an Official associated with the income,



employment, or compensation; engaged in the Transaction; or taking advantage of the Business Opportunity, which relationship would reasonably be expected to impair the objectivity of the Director's judgment regarding the income, employment, competition, Transaction, or Business Opportunity.

- I. "Key Employee" means a Cooperative employee, other than a Director or Officer, who:
 - 1) Has responsibilities, powers, or influence over Cooperative similar to a Director or Officer; manages a segment or activity of Cooperative representing ten percent or more of Cooperative's activities, assets, income, or expenses; or has or shares authority to control or determine ten percent or more of Cooperative's capital expenditures, operating budget, or employee compensation; and
 - 2) Is one of the twenty employees with the highest compensation reported to the Internal Revenue Service on Form W-2.
- J. "CEO/General Manager" means the individual with ultimate responsibility for implementing the Board's decisions or supervising Cooperative's management, administration, or operation, regardless of job title.
- K. "Material Financial Interest" means a financial interest in a transaction reasonably expected to impair the objectivity of an Official's judgment regarding the transaction.
- L. "Officer" means an individual:
 - 1) Appointed by the Board, or by another Officer authorized by the Board or by Cooperative's articles of incorporation or bylaws; and
 - 2) Serving as a chief executive, operating, financial, legal, or accounting officer; being in charge of a principal business unit; or performing a major policymaking function.An Officer includes the CEO/General Manager and the individual with ultimate responsibility for managing Cooperative's finances.
- M. "Official" means a Director, Officer, or Key Employee.
- N. "President" means a Director who is President of Cooperative or is Chair of the Board.
- O. "Policy" means this Delaware County Electric Cooperative, Inc. Conflict of Interest Policy.
- P. "Related Entity" means an entity, other than Cooperative, a Subsidiary, or an entity of which Cooperative is a member:
 - 1) Controlled by an Official or an Official's Related Individual;
 - 2) In which an Official owns more than ten percent of the entity's shares or interests;
 - 3) For which an Official is a general partner or member of the governing body, e.g., a member of the entity's board of directors;
 - 4) For which an Official is a trustee, guardian, personal representative, or similar fiduciary;
 - 5) Employing an Official; or
 - 6) Controlled by an entity employing an Official.
- Q. "Related Individual" means an individual:
 - 1) Who is the spouse of an Official;
 - 2) Who is, or is the spouse of, a child, stepchild, grandchild, parent, step parent, grandparent, sibling, step sibling, half sibling, aunt, uncle, niece, or nephew of an Official or the Official's spouse;
 - 3) Residing with an Official;
 - 4) For whom an Official is a trustee, guardian, personal representative, or similar fiduciary; or



-
- 5) Employing an Official.
- R. "Related Person" means a Related Entity or a Related Individual.
 - S. "Subsidiary" means an entity Controlled by Cooperative.
2. Employment and Income. A Director may not be employed by Cooperative or a Subsidiary. Unless an Official discloses income or employment to the Board and a majority of Disinterested Directors authorizes or ratifies the income or employment, the Official:
- A. Other than retirement or insurance income from Cooperative, and other than Director or employment compensation from Cooperative, may not directly or indirectly receive more than ten percent of the Official's annual gross income from Cooperative, a Subsidiary, or a Cooperative or Subsidiary employee;
 - B. May not directly or indirectly receive more than twenty-five percent of the Official's annual gross income from another Official; and
 - C. May not have a Related Individual employed by Cooperative or a Subsidiary.
3. Conflicting Interest Transaction. An Official may not engage in a Conflicting Interest Transaction unless: To the extent unknown by Disinterested Directors, the Official discloses the existence and nature of the Official's conflicting interest and all facts known to the Official regarding the Transaction that a Disinterested Director would reasonably believe to be material to the Transaction; Disinterested Directors deliberate and vote regarding the Transaction outside the presence of, and without participation by, the Official; and a majority of Disinterested Directors, but not less than two, authorizes the Transaction.
4. Business Opportunity. An Official may not directly or indirectly take advantage of a Business Opportunity unless, before the Official becomes legally obligated regarding the Business Opportunity.
- A. The Official informs the Cooperative or Subsidiary of the Business Opportunity; and
 - B. To the extent unknown by Disinterested Directors, the Official discloses the existence and nature of the Business Opportunity and all facts known to the Official regarding the Business Opportunity that a Disinterested Director would reasonably believe to be material to the Business Opportunity; Disinterested Directors deliberate and vote regarding the Business Opportunity outside the presence of, and without participation by, the Official; and a majority of Disinterested Directors, but not less than two, disclaims Cooperative interest in the Business Opportunity.
5. Insider Pecuniary Benefit. An Official may not use Cooperative or Subsidiary property to secure pecuniary benefit unless:
- A. Value is given for the use and assuming the use is a Conflicting Interest Transaction, the Official could engage in the Transaction under this Policy;
 - B. The use is payment of compensation or provision of benefits;
 - C. The use is of information only and the use is not connected with trading securities, is not a use of proprietary information, and does not harm Cooperative or Subsidiary;
 - D. Assuming the use is a Conflicting Interest Transaction, a majority of Disinterested Directors



authorizes the Transaction under this Policy; or

- E. The benefit is received as a Cooperative member; made available to all other similarly situated Cooperative members; and lawful.

6. Compliance and Enforcement. The Board interprets and enforces this Policy. Cooperative's Attorney must annually review this Policy with all Officials. The minutes of all Board meetings shall record all disclosures, votes, authorizations, and other actions taken under this Policy. Each Official must annually complete and sign the Conflict of Interest Certification and Disclosure Form attached to this Policy and deliver the completed and signed Form to President or CEO/General Manager. If an Official discovers any information or fact that could impact another Official's compliance with this Policy, then the Official must disclose the information or fact to President or CEO/General Manager immediately. If the conflict involves President and/or CEO/General Manager, the Official may contact the Cooperative's Attorney.

If CEO/General Manager, President, or Cooperative's Attorney receives a Form disclosing any information or fact that could impact an Official's compliance with this Policy, then, respectively, CEO/General Manager must deliver the Form to President and President must distribute a copy of the Form to the Board. If CEO/General Manager or President receives or discovers any other information or fact that could impact any Official's compliance with this Policy, then, respectively, CEO/General Manager must disclose this information or fact to President and President must disclose this information or fact to the Board. In cases where conflicts are reported to Cooperative's Attorney, then Cooperative's Attorney must deliver such information directly to the Board.

Upon receiving or discovering any information or fact that could impact a Director's compliance with this Policy, the Board must:

- A. Provide the Director an opportunity to comment orally and in writing regarding the information or fact, and an opportunity to be represented by legal counsel; and
- B. Determine whether the Director complies with this Policy.

If the Board determines that a Director does not comply with this Policy, then:

- A. The Board must provide the Director an opportunity to comply with this Policy within thirty days; and
- B. If the Director does not comply with this Policy within thirty days, then, as allowed by law, the Cooperative's Articles of Incorporation and the Cooperative's Bylaws, the Board must sanction, disqualify, and/or remove the Director.

Upon receiving or discovering any information or fact that could impact any other Official's compliance with this Policy, the Board must act as appropriate or authorize the CEO/General Manager to act as appropriate. If the Official is a Board Member he or she must withdraw from participating as a Board Member in any meetings of the Board of Directors for discussion of and/or voting upon any decisions made or actions taken by the Board regarding disposition of any matter under this Policy.



RESPONSIBILITY: Cooperative Board of Directors

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors December 23, 2008

Revised by Board of Directors January 22, 2013

Revised by Board of Directors July 28, 2015

Revised by Board of Directors October 24, 2017

Reviewed by Board of Directors September 25, 2018

Reviewed by Board of Directors November 24, 2020



Conflict of Interest Certification and Disclosure Form

As defined in the Delaware County Electric Cooperative, Inc. Conflict of Interest Policy (Policy), the undersigned Official:

1. Affirms that Official has received or has access to, has read, and understands the most current version of the Policy;
2. Agrees to comply with the Policy;
3. Based upon Official's good faith belief, to the best of Official's knowledge, and except as disclosed below, certifies that Official currently complies with the Policy;
4. Discloses the following information or facts regarding any actual or potential income, employment, compensation, Conflicting Interest Transaction, Business Opportunity, or pecuniary benefit, or other information or fact, that could impact Official's compliance with the Policy:

 _____;

5. Upon discovering any information or fact regarding any actual or potential income, employment, compensation, Conflicting Interest Transaction, Business Opportunity, or pecuniary benefit, or other information or fact, that could impact Official's compliance, or another Official's compliance, with the Policy, agrees to disclose this information or fact to Cooperative's President or CEO/General Manager or Cooperative's Attorney; and

6. Upon not complying with the Policy, agrees to any sanction, disqualification, removal, or other action taken under the Policy.

 Printed Name of Official

 Signature of Official

 Position of Official

 Date



2021 Complete Budget Proposal
Submitted for 1st Reading on November 19, 2020 for Possible Approval on December 22, 2020

Budget Activity since October Board Meeting

- Updated revenues based on historical consumption patterns and trends.
- Reviewed & updated work plan spending with Ryan.
- Reviewed & updated capital budget (general plant) with Ryan.
- Reviewed & updated outside services plan, firmed up pricing with Asplundh (to be approved).
- Reviewed & updated employee training and travel.
- Reviewed & updated director budget.
- Updated payroll/benefit costs with 2021 rates and in anticipation of retirements, promotions, and new hires.
- Manually calculated depreciation for each month based on individual asset additions/retirements.
- Estimated property tax increases at 2.42% for school, 2.53% for town/county, and 3.1% for Village of Delhi. Re-spread taxes to appropriate GL accounts.
- Modeled utility and general plant investments including the new headquarters project.
- Compared income statement lines between the 2020 approved budget, 2020 actuals, and the 2021 proposed budget to make sure the differences are justified by observed trends or planned events.
- Detailed review by Mark C and Mark S. Walk through conference call and review with Deb Mostert.

Data or Actions Still Required

- Update Federated property and liability, Guardian short term disability, and Federated workers' compensation insurance rates for 2021.
- Update 2020 YE balance sheet figures to create a more accurate starting point for 2021.
- More accurately model the HQ plant addition for depreciation purposes.
 - Assuming all cost to HQ work order will be depreciated- the management staff will need to review components charged to the work order for detailed depreciation values.
- More accurately model the employee changes and benefits set to occur by the end of the year.
- Gain more insight to iVUE Connect-HR as a possible payroll time entry solution.
- Firm up the budgeted amount of \$40k to the Tree Doctor for ROW Herbicide application



Key Assumptions and Inputs

- Calculated 2021 budgeted revenue based on historical consumption patterns and trends with consideration of COVID anomalies.
 - Modeled no price increases for all rate classes.
 - Modeled FRA 0.3 cent/kWh for the full 12 months
 - Normalized usage data considering the impact of COVID, seasonal class 2020 data outlier
 - Penalties less in total for 2021, nothing in Q1 due to the current pandemic
 - Continuing the downward trend on Dairy members and usage
 - Increased quantity of pole attachments
- Transition of interim CEO (Millie) to new CEO
- Retirement of interim CEO (Millie)
- 1st Class Gloving Lineman projected to retire in April 2021
- Engineer projected to retire in June 2021
- Assuming one temp office employee from June 2021 through August 2021
- Assuming no temp tree crew workers for 2021
- Asplundh contract amount of \$255k
- Tree Doctor contract amount of \$40k

Key Budget Outputs

- Year-end margin = \$660k
- Times Interest Earned Ratio (TIER) = 2.39 (1.25 required)
- Operating TIER (OTIER) = 2.37 (1.10 required)
- Debt Service Coverage (DSC) = 1.62 (1.25 required)
- Operating DSC (ODSC) = 1.61 (1.10 required)
- Modified DSC (MDSC) = 1.60 (1.35 required)
- 12/31/2021 equity = 36.59
- No new debt
- 2021 Principal to be Paid - \$913,015
- Capital Credit General Retirement Budgeted = \$410k

Cost Summary of 2021 Work Plan						
New Construction	2018 Work Plan	2019 Work Plan	2020 Work Plan	2020 Accounts Payable	2021 Work Plan	2021 Accounts Payable(1)
New URD Service - 101	\$ 7,500	\$ 7,500	\$ 7,500	\$ 2,500	\$ 9,500	\$ 2,500
New OVHD Service - 102	\$ 90,000	\$ 90,000	\$ 90,000	\$ 26,000	\$ 112,000	\$ 26,000
System Improvements						
New Tie Lines - 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Line Conversions - 300 (Note 2)	\$ 580,000	\$ 50,000.00	\$ 135,000	\$ 30,000	\$ 168,000	\$ 30,000
New Substations - 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Substations - 500 (Note 3)	\$ 85,000	\$ 226,000	\$ 117,000	\$ 40,000	\$ 174,000	\$ 58,000
New Transmission - 800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tranformers & Meters - 601 (Note 4)	\$ 47,000	\$ 74,800	\$ 20,000	\$ 20,000	\$ 50,000	\$ 20,000
Service Upgrades - 602	\$ 35,000	\$ 35,000	\$ 35,000	\$ 11,000	\$ 60,000	\$ 11,000
Sectionalizing Equipment - 603 (Note 5)	\$ 98,100	\$ 56,000	\$ 177,000	\$ 71,500	\$ 249,000	\$ 71,500
Regulators - 604 (Note 6)	\$ 39,000	\$ 70,000	\$ 88,000	\$ 78,000	\$ 109,500	\$ 2,800
Capacitors - 605	\$ 3,000	\$ 3,000	\$ -	\$ -	\$ -	\$ -
Pole Replacement - 606 (Note 7)	\$ 140,000	\$ 100,000	\$ 130,000	\$ 29,000	\$ 236,000	\$ 162,000
Misc Replacements - 607	\$ 10,300	\$ 10,300	\$ -	\$ -	\$ -	\$ -
Conductor Replacements - 608	\$ 125,800	\$ -	\$ -	\$ -	\$ -	\$ -
Step up / Step Down Transformers - 612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other						
Security Lights - 702 (Note 8)	\$ 9,000	\$ 25,080	\$ 25,000	\$ 9,800	\$ 31,000	\$ 9,800
Headquarters Addition - 1301	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000		
Total Work Plan Expenditures	\$ 1,269,700	\$ 747,680	\$ 2,824,500	\$ 2,317,800	\$ 1,199,000	\$ 393,600

Notes

1. Accounts payable is included in the total Work Plan figures presented one column to the left of the Accounts Payable column.
2. Line conversions consist of portions of Randall Hill @ \$120,500, Clark Road @ \$69,600, Skunk Hollow @ \$60,300, and Launt Hollow @ \$126,300
3. 2021 planned substation work described in break-out table below.
4. 20 ea. 10 kVA pole-mounts @ \$750 and \$5,000 other transformers.
5. Sectionalizing Equipment (603) includes of 16 Versatech WiFi radio retrofits @ \$568 each, 6 Versatech LT models @ \$4,500 each (plus mounting brackets), 3 Tripsavers @ \$2,600 each, 225 fused taps.
6. 6 x 120 Amp, 7200 V, downstream regulators. Install only purchased in 2020
7. Some dollars are AP only with the potential of using contractors for pole replacements in Andes (J2 and other jobs)
8. Looking into using energy efficiency dollars to pay for LED upgrade on all security lights repaired or replaced.

Substation	Task	Estimated \$
Dryden	F.O. comms; DTC to provide F.O./Ethernet; Hughes Net Satellite service to be retired	\$9,000
	Regulators	
Jefferson	F.O. comms; MTC to provide F.O./Ethernet; Verizon Wireless cellular service to be retired	\$9,000
	Driveway work to remedy water pooling.	\$10,000
	Regulators	
Kortright	Control house (pre-built by Parkline)	\$30,000
Total:		\$58,000

<u>Expenditure</u>	<u>Proposed</u>
General Plant	
Radio repeater - Johnson Hill (Town of Franklin)	\$ 5,500
Vehicles/Large Equipment*	
Truck 80 Freightliner Chasis AM 55E replacing Truck 62 with Additional Custimization	\$ 284,000
Truck 63 Replacement K3500 single rear wheel with Customizations	\$ 57,000
Electric Car Bank Post Office, General Travel	\$ 40,000
Snow Plow for Truck 73	\$ 8,000
Tools	
Chainsaws (2) ROW Crew	\$ 2,400.00
Tyvek truck maps	\$ 2,250.00
Fleet tools	\$ 10,000.00
Snap-On Heavy Duty Scanner	\$ 8,025.00
STIHL CHAINSAW	\$ 1,400.00
1/2" DEWALT 20V IMPACT	\$ 250.00
7/16" HEX DEWALT 20V IMPACT	\$ 550.00
DEWALT 20V FENCE STAPLER	\$ 570.00
DEWALT 20V GRINDER	\$ 355.00
DEWALT 20V CIRCULAR SAW	\$ 200.00
DEWALT 20V IMPACT,DRILL,SAWZALL,FLASHLIGHT KIT	\$ 860.00
DEWALT 20V 4 BAY CHARGER	\$ 345.00
DEWALT 20V FLEXVOLT BATTERY 2PK	\$ 760.00
STANLEY PRESS TOOLS W/D3&O, ACSR CUTTER, GUY WIRE CUTTER HEADS	\$ 21,000.00
LITTLE MULE GRIPS LMG4500	\$ 3,000.00
GREENLEE #HDFBC24 24"FIBERGLASS HANDLE BOLT CUTTER	\$ 690.00
10'X10' TWIST TARP #10X10R	\$ 500.00
OSHKOSH 8' WOOD HANDLE HEAVY TAMP #1055	\$ 220.00
OSHKOSH 8' STRAIGHT SHOVEL	\$ 230.00
OSHKOSH 8'SPOON	\$ 230.00
STANLEY HYDRAULIC TAMP TA54 79-TA54103	\$ 1,750.00
REPLACEMENT WINCH ROPE FOR TRK 74	\$ 1,850.00
BASHLIN AUGER SLINGS	\$ 320.00
DICA 24"X24" OUTRIGGER PADS #D2424	\$ 680.00
DICA 18"X18" OUTRIGGER PADS #D1818	\$ 450.00
MILWAUKEE 5IN1 RATCHETING LINEMANS WRENCH	\$ 1,100.00
MILWAUKEE HOT STICK LIGHT	\$ 920.00
LOTO POLE WRAP	\$ 185.00
BUCKLINK SLINGS W/CARABINER #39035-6	\$ 1,400.00
BASHLIN 52" GRIPPING POLE SLING #2011SE-52G	\$ 280.00
SILKY ZUBAT 330 HAND SAW 270-33	\$ 320.00
SAMPSON TREE MASTER 1/2" 3-STRAND ROPE 600' SPOOL TMR-600-NS	\$ 420.00
OX BLOCK HANDLINE SET UPS	\$ 4,800.00
OX BLOCK W/SWIVEL HOOK, 1/2"X80' ROPE, CHANCE HOOK	
BUCK TOOL STRAP 24	\$ 380.00
BUCKEYE TOOL HOOK 2410	\$ 160.00
BUCKET KNUCKLES	\$ 600.00
MILWAUKEE BEACON RECHARGABLE HARDHAT LIGHT	\$ 1,000.00
STREAMLIGHT FIRE VULCAN FLASHLIGHTS	\$ 720.00
GOLIGHTS FOR RANGER/GATOR	\$ 1,300.00
WORK BENCH TOOLS AND TOOLBOX	\$ 1,000.00
SOKKIA RANGE POLE 3PC SET 12'	\$ 450.00
ROLATAPE32-600 MEASURING WHEEL	\$ 140.00
UTILITY SOLUTIONS USTS-HD-45 EXTENDOS	\$ 3,860.00
ROLLING WIRE COUNTER	\$ 775.00

<u>Expenditure</u>	<u>Proposed</u>
Computers/Furnishings	
NISC Server File Encryption	\$ 10,000.00
New PC / Monitor Set up	\$ 3,600.00
Headphoes for training (3)	\$ 500.00
Monitors (6)	\$ 1,800.00
Headquarters	
Other	
Broken/Lost Tool Replacement Budget	\$ 15,000.00
General Manager discretionary / unplanned needs	\$ 7,500.00
2021 TOTAL:	\$ 511,595
2020 (includes Headquarters Project)	\$ 2,151,131
2019 (includes property purchases on North Depot Street)	\$ 1,025,573
2018	\$ 328,168
2017	\$ 452,180
2016	\$ 392,509
2015	\$ 395,113
"Capital" Items defined as "depreciated" items - i.e. >\$500 with a life of >2years.	

2021 Outside Services Budget

Vendor	2021 Budget	2021 Expenditures YTD
BS&K-Jeff Clark	\$ 40,000	\$ -
NYAPP / Duncan Weinberg	\$ 30,000	\$ -
Auditors of FFSC	\$ 13,500	\$ -
PSE Engineering - formerly Jeff Triplet	\$ 5,000	\$ -
Mostert Manzanero & Scott	\$ 17,000	\$ -
DMV/Background Checks	\$ 1,000	\$ -
Drug/Alcohol Testing (Amber Emerson)	\$ 1,500	\$ -
Photography (for strategic objective #3)	\$ 1,500	\$ -
Photo Editing	\$ 500	\$ -
Videography, Editing, Social Media Prep (SO#3)	\$ 2,000	\$ -
Social Media Creatives (SO#3)	\$ 2,000	\$ -
Video Editing (SO#3)	\$ 2,000	\$ -
Coager - Line Inspection Services Contract	\$ 42,000	\$ -
ROW Research Assistant	\$ 1,500	\$ -
The Tree Doctor	\$ 40,000	\$ -
Asplundh Tree Experts (ROW cycle clearing)*	\$ 255,000	\$ -
Federated Job Site Observations	\$ 4,400	\$ -
RESAP Observations	\$ 10,000	\$ -
Totals	\$ 468,900	\$ -

*35 weeks, off-road, 2-man crew, 1% increase over 2020 rates.

2021 Employee Training and Travel Budget							
Activity	Location	Individuals	Tuition & Materials	Travel Budget	Total Budget	Total Expended	Remaining Funds
PREA Basic Climbing	PA	2 Apprentices	\$ 7,500	\$ 3,200	\$ 10,700	\$ -	\$ 10,700
PREA Supervisory Training	PA	Green, Dianich	\$ 2,050	\$ 1,800	\$ 3,850	\$ -	\$ 3,850
PREA Winching School	PA	Dianich, Little	\$ 3,500	\$ 1,800	\$ 5,300	\$ -	\$ 5,300
PREA URD School	PA	Schafer, Schmidt	\$ 3,100	\$ 1,800	\$ 4,900	\$ -	\$ 4,900
T&D PowerSkills Apprentice Training	Local	2 Apprentices	\$ 7,962	\$ -	\$ 7,962	\$ -	\$ 7,962
E&O Mapwise - InDepth and InPerson	Lake St. Louis, MO	Betty	\$ 525	\$ 900	\$ 1,425	\$ -	\$ 1,425
CDL Class A Truck Driver Training	Albany	2 Linemen	\$ 13,690	\$ 700	\$ 14,390	\$ -	\$ 14,390
Forklift Recertification	Delhi	All Ops Staff	\$ 1,900	\$ -	\$ 1,900	\$ -	\$ 1,900
Fleet Maintenance Training	TBD	TBD	\$ 2,400	\$ 1,800	\$ 4,200	\$ -	\$ 4,200
CPR/AED/First Aid	Local	All	\$ 200	\$ -	\$ 200	\$ -	\$ 200
OJT bloodborn	Local	All	\$ -	\$ -	\$ -	\$ -	\$ -
OJT fire extinguisher	Local	All	\$ 300	\$ -	\$ 300	\$ -	\$ 300
OJT Spills	Local	All Ops Staff	\$ 250	\$ -	\$ 250	\$ -	\$ 250
OJT bucket and pole-top rescue	Local	All Line Staff	\$ -	\$ 200	\$ 200	\$ -	\$ 200
VOAM Fall Meeting	State College, PA	Betty	\$ -	\$ 300	\$ 300	\$ -	\$ 300
Northeast Account/Operations	VT	2 staff	\$ -	\$ 1,600	\$ 1,600	\$ -	\$ 1,600
Northeast Annual Conference	NY	CEO	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ 1,500
NYAPP Meetings	Albany & Saratoga	CEO	\$ 900	\$ 1,000	\$ 1,900	\$ -	\$ 1,900
NYSRECA Meetings (Gas/tolls)	Owego, etc.	CEO	\$ -	\$ 500	\$ 500	\$ -	\$ 500
NRECA Region 1/4	National Harbor, MD	CEO	\$ 500	\$ 2,500	\$ 3,000	\$ -	\$ 3,000
NRECA Annual	Online	CEO	\$ 250	\$ -	\$ 250		\$ 250
Legislative Rally-Net of Reimb	Washington, DC	2 Staff. 1 student	\$ -	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
Tree/Bucket Rescue	Local	All Tree Crew	\$ -	\$ -	\$ -	\$ -	\$ -
Pesticide Applicator License	Auburn, Ithaca, etc.	Randy	\$ 300	\$ 300	\$ 600	\$ -	\$ 600
Prof. Engineering Cont. Ed.	TBD	Paul	\$ -	\$ -	\$ -	\$ -	\$ -
Billing Specialist Skills	TBD	Rosemary	\$ 1,500	\$ 1,000	\$ 2,500	\$ -	\$ 2,500
Billing Assistant Skills	TBD	Tara	\$ 1,500	\$ 1,000	\$ 2,500	\$ -	\$ 2,500
Member Communications Skills	TBD	Ally	\$ 1,500	\$ 1,000	\$ 2,500	\$ -	\$ 2,500
Office co-op networking/training	TBD	All Office Staff	\$ -	\$ 600	\$ 600	\$ -	\$ 600
BS&K HR Seminars	Albany & Saratoga	Mark C	\$ 350	\$ 300	\$ 650	\$ -	\$ 650
Aspirational skills development	TBD	Rosemary	\$ 750	\$ 500	\$ 1,250	\$ -	\$ 1,250
Aspirational skills development	TBD	Tara	\$ 750	\$ 500	\$ 1,250	\$ -	\$ 1,250
Aspirational skills development	TBD	Ally	\$ 750	\$ 500	\$ 1,250	\$ -	\$ 1,250
Total for 2021			\$ 52,427	\$ 28,300	\$ 80,727	\$ -	\$ 80,727
Total for 2020 (previous year)					\$ 54,241		

2021 Director Budget						
Activity	Location	# Individuals	Per Diem	Reimburse	Other	Budget
Monthly Meetings	Board Room	7	\$ 30,600	\$ 1,993	\$ 900	\$ 33,493
NYAPP Meetings	Albany	1.5	\$ 1,125	\$ 36	\$ 1,013	\$ 2,173
NYAPP Annual Conference	Albany Area	1	\$ 750	\$ 24	\$ 450	\$ 1,224
NYSRECA Business Meetings	Owego, elsewhere	3	\$ 3,375	\$ 203	\$ -	\$ 3,578
NYSRECA Annual Meeting	TBD	3	\$ 1,500	\$ 71	\$ -	\$ 1,571
Northeast Meeting	NY	7	\$ 7,875	\$ 1,354	\$ 6,300	\$ 15,529
NRECA National Mtg	Online	3	\$ 3,375	\$ -	\$ 1,000	\$ 4,375
Legislative Rally-Net of Reimb	Washington, DC	2	\$ 3,000	\$ 200	\$ 2,300	\$ 5,500
NEAEC Director Training	TBD	6	\$ 2,250	\$ 440	\$ -	\$ 2,690
Insurance Committee & Union Negotiations	Delhi	1	\$ 375	\$ 23	\$ -	\$ 398
Albany Advocacy Day	Albany	2	\$ 1,500	\$ 75	\$ -	\$ 1,575
NRECA Region 1/4 Meeting	Maryland	1	\$ 1,125	\$ 124	\$ 1,200	\$ 2,449
CoBank-Facilitated Strategic Investigations (Spring)	Delhi	7	\$ 2,550	\$ 166	\$ 225	\$ 2,941
CFC-Facilitated Strategic Plan Update (Fall)	Delhi	7	\$ 2,550	\$ 166	\$ 225	\$ 2,941
Annual Meetings, Other Co-ops	Various	0	\$ -	\$ 200	\$ -	\$ 200
Total for 2021 (Current)			\$ 61,950	\$ 5,075	\$ 13,613	\$ 80,638
Total for 2020 (1 year ago)						\$ 84,938
Total for 2019 (2 years ago)						\$ 102,170
Total for 2018 (3 years ago)						\$ 83,281

Income Statement (Statement of Operations) Multi-Year Comparison

Description	2017 YE Actuals (3 yrs ago)	2018 YE Actuals (2 yrs ago)	2019 YE Actuals (last year)	2020 Approved Budget (this year)	2020 YE Projection (this year)	2021 Proposed Budget
1 Operating Revenue and Patronage Capital	\$ 8,551,235	\$ 9,075,031	\$ 8,826,863	\$ 9,324,366	\$ 8,809,428	\$ 9,530,613
2 Power Production Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 Cost of Purchased Power	\$ 1,772,292	\$ 2,083,467	\$ 1,940,974	\$ 2,671,925	\$ 2,100,510	\$ 2,723,897
4 Transmission Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 Distribution Expense-Operation	\$ 1,301,385	\$ 1,382,622	\$ 1,375,772	\$ 1,436,650	\$ 1,330,515	\$ 1,370,741
7 Distribution Expense-Maintenance	\$ 1,547,207	\$ 1,596,166	\$ 1,764,369	\$ 1,525,463	\$ 1,346,809	\$ 1,531,751
8 Customer Accounts Expense	\$ 242,596	\$ 258,421	\$ 253,591	\$ 315,813	\$ 289,714	\$ 327,428
9 Customer Service and Information Expense	\$ 16,469	\$ 32,315	\$ 10,862	\$ 20,842	\$ 14,686	\$ 23,479
10 Sales Expense	\$ 2,177	\$ 1,696	\$ -	\$ 2,651	\$ 668	\$ 2,537
11 Administrative and General Expense	\$ 1,110,914	\$ 1,162,375	\$ 1,471,617	\$ 1,301,141	\$ 1,423,571	\$ 1,338,508
12 Total Operation & Maintenance Expense	\$ 5,993,040	\$ 6,517,062	\$ 6,817,185	\$ 7,274,485	\$ 6,506,473	\$ 7,318,341
A13 Depreciation & Maintenance Expense	\$ 942,687	\$ 996,431	\$ 978,005	\$ 1,000,815	\$ 1,025,646	\$ 1,117,117
14 Tax Expense-Property & Gross Receipts	\$ 4,073	\$ 4,075	\$ 4,000	\$ 4,000	\$ 4,069	\$ 4,000
15 Tax Expense-Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A16 Interest on Long-Term Debt	\$ 648,071	\$ 610,010	\$ 602,156	\$ 516,027	\$ 519,200	\$ 473,300
17 Interest Charged to Construction-Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 Interest Expense-other	\$ 703	\$ 449	\$ 312	\$ 14,550	\$ 11,019	\$ 300
19 Other Deductions	\$ 288,725	\$ 406,539	\$ 300	\$ -	\$ -	\$ -
20 Total Cost of Electric Service	\$ 7,877,299	\$ 8,534,567	\$ 8,401,958	\$ 8,809,877	\$ 8,066,406	\$ 8,913,058
A21 Patronage Capital & Operating Margins	\$ 673,936	\$ 540,464	\$ 424,905	\$ 514,489	\$ 743,022	\$ 617,555
22 Non Operating Margins-Interest	\$ 89,583	\$ 112,586	\$ 124,948	\$ 53,078	\$ 56,231	\$ 10,800
23 Allowance for Funds Used During Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24 Income (Loss) from Equity Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 Non Operating Margins-Other	\$ 11,449	\$ 2,050	\$ 36,740	\$ 12,400	\$ 28,727	\$ 600
A26 Generation and Transmission Capital Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A27 Other Capital Credits and Patronage Dividends	\$ 39,819	\$ 40,707	\$ 30,785	\$ 41,800	\$ 19,174	\$ 30,650
28 Extraordinary Items	\$ -	\$ -	\$ -	\$ -	\$ 126,682	\$ -
A29 Patronage Capital or Margins	\$ 814,787	\$ 695,806	\$ 617,378	\$ 621,767	\$ 973,836	\$ 659,605
TIER (1.25 required)	2.26	2.14	2.03	2.13	2.88	2.39
OTIER (1.1 required)	2.06	1.90	1.73	2.01	2.45	2.37
Debt Service Coverage - DSC (1.25 req)	1.57	1.47	1.43	1.52	1.64	1.62
Operating Debt Serv Cov - ODSO (1.1 req)	1.48	1.38	1.32	1.47	1.58	1.61
MDSC (1.35 required)	1.53	1.45	1.40	1.48	1.62	1.60
Equity As A % of Assets	36.16	36.95	37.32	35.95	34.51	36.59
Annual Capital Credit Retirement	\$ 300,744	\$ 516,959	\$ 378,454	\$ 380,000	\$ 380,000	\$ 410,000
Special Capital Credit Retirements	\$ 102,768	\$ 87,974	\$ 89,817	\$ 100,000	\$ 88,133	\$ 100,000
LFG or FAS106 Write-Down Acceleration	\$ 120,000	\$ 237,900	\$ -	\$ -	\$ -	\$ -
Total New Debt (not accounting for principal payoffs)	\$ -	\$ 875,000	\$ 3,000,000	\$ 3,517,000	\$ -	\$ -
Reduction in Total Debt (excludes COC)	\$ 379,221	\$ 931,523	\$ 54,871	\$ (2,127,712)	\$ (2,640,332)	\$ 913,015
Year	2017 YE Actuals (last year)	2018 YE Actuals	2019 YE Actuals	2020 Budget	2020 YE Projection	2021 Proposed Budget
Total Debt Service	\$ 1,541,491	\$ 1,525,064	\$ 1,535,186	\$ 1,394,898	\$ 1,456,818	\$ 1,386,315
Cash portion-prior year patronage capital revd	\$ 9,934	\$ 9,600	\$ 15,771	\$ 9,600	\$ 9,600	\$ 9,600
Total Margins & Equities on December 31	\$ 9,953,660	\$ 10,097,176	\$ 10,344,064	\$ 10,585,831	\$ 11,027,413	\$ 11,321,887
Total Assets on December 31	\$ 27,525,451	\$ 27,324,455	\$ 27,720,066	\$ 29,806,991	\$ 29,806,991	\$ 30,942,241



REQUEST FOR NOVEMBER APPROVAL 2021 BUDGET LINE ITEMS

Asplundh Right-of-Way Contract - \$255,000

- 1% rate increase for all labor and equipment.
- Total contract up from \$244k in 2020 to \$255k in 2021.
- Only \$2,400 of the increase is due to rate increase.
- Remaining \$8,600 increases the number of days of work Asplundh will perform in 2020.
- Cost increase is partially offset by eliminating the temporary summer Tree Crew position at a cost of \$9,000.

Line Apprentice Training Program - \$7,962

- 2 Line Apprentices anticipated in 2021.
- T&D Power Skills is a mixed media training platform that includes on-line videos, hard copy work books, on-the-job training skills demonstration tracking, and on-line testing.
- We'd like to have new training program in place at the very beginning of 2021 so we'd like to issue a contract and purchase order soon.

All DCBI Attachments - Summary of Revenues

Year	Discount	MTC DCBI Poles	DTC DCBI Poles	Full Rate	Potential Undiscounted Revenue	Discount	Forgiven Revenue	DCBI Rate	Actual DCBI Revenue
Year 1 = 2016	80%	63	1005	\$ 25.87	\$ 27,629.16	\$ 20.70	\$ 22,103.33	\$ 5.17	\$ 5,525.83
Year 2 = 2017	60%	1011	1609	\$ 27.97	\$ 73,281.40	\$ 16.78	\$ 43,968.84	\$ 11.19	\$ 29,312.56
Year 3 = 2018	40%	1959	3604	\$ 27.97	\$ 155,597.11	\$ 11.19	\$ 62,238.84	\$ 16.78	\$ 93,358.27
Year 4 = 2019	40%	2653	4115	\$ 27.97	\$ 189,300.96	\$ 11.19	\$ 75,720.38	\$ 16.78	\$ 113,580.58
Year 5 = 2020	40%	3000	4300	\$ 28.15	\$ 205,495.00	\$ 11.26	\$ 82,198.00	\$ 16.89	\$ 123,297.00
Year 6 = 2021	40%	3000	4300	\$ 28.71	\$ 209,604.90	\$ 11.49	\$ 83,841.96	\$ 17.23	\$ 125,762.94
Year 7 = 2022	40%	3000	4300	\$ 29.29	\$ 213,797.00	\$ 11.71	\$ 85,518.80	\$ 17.57	\$ 128,278.20
Year 8 = 2023	40%	3000	4300	\$ 29.87	\$ 218,072.94	\$ 11.95	\$ 87,229.18	\$ 17.92	\$ 130,843.76
Year 9 = 2024	40%	3000	4300	\$ 30.47	\$ 222,434.40	\$ 12.19	\$ 88,973.76	\$ 18.28	\$ 133,460.64
Year 10 = 2025	20%	3000	4300	\$ 31.08	\$ 226,883.08	\$ 6.22	\$ 45,376.62	\$ 24.86	\$ 181,506.47
Year 11 = 2026	0%	3000	4300	\$ 31.70	\$ 231,420.75	\$ -	\$ -	\$ 31.70	\$ 231,420.75

White Cells = Actual

Gray Cells = Estimated

DCBI Aid to Construction

Year	MTC DCBI Aid	DTC DCBI Aid	Total DCBI Aid to Construction
Year 1 = 2016	\$ -	\$ 89,780	\$ 89,780
Year 2 = 2017	\$ 189,936	\$ 202,160	\$ 392,096
Year 3 = 2018	\$ 130,487	\$ 303,480	\$ 433,967
Year 4 = 2019	\$ 63,177	\$ 209,497	\$ 272,675
Year 5 = 2020	\$ -	\$ -	\$ -
Total	\$ 383,600	\$ 804,917	\$ 1,188,517

Approximate Positive Impact on Cooperative's Equity: 1.35%
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October 27, 2020

DCEC Search Committee Report-

The committee has met on the following dates: September 18th, October 14th, and 21st.

Twenty-six (26) resumes have been received. Four candidates have over 30 years of utility experience; four individuals have over 20 year of experience, and seven folks with over 10 years of experience. The committee has received several resumes from experienced and qualified women.

The following motion was approved at the DCEC Search Committee meeting held on October 21, 2020.

Resolved: That Millie Faulkner be recommended to the Board of Directors, at their next scheduled meeting, to serve as the Interim CEO/General Manager of the Delaware County Electric Cooperative, Inc., effective November 27, 2020 at 4:00 pm, to serve in that capacity until a new CEO/General Manager is identified and retained to serve in a full-time capacity by action of the Board of Directors.

HQ Project Actual Cost Summary - Updated 11/18/2020

Budgeted Project Cost	Actual Cost to Date	Project Budget Variance*
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Project Cost Categories

Tom Howard Base Proposal**	\$ 2,061,691	\$ 1,712,528	\$ (349,163)
Remove \$97,800 Pavement Allowance from Original Contract Amount	\$ (97,800)	\$ -	\$ 97,800
Tom Howard Storm Water	\$ 269,231	\$ 165,985	\$ (103,246)
Tom Howard Base Sub-Total	\$ 2,233,122	\$ 1,878,514	\$ (354,608)

External/Soft Cost Categories (Not Tom Howard)

CWC Funding Construction	\$ (134,616)	\$ (141,780)	\$ (7,165)
CWC Design/Inspections Funding	\$ (7,500)	\$ (7,500)	\$ -
NYSEG Energy Efficiency Grant	\$ (5,000)	\$ -	\$ 5,000
DCEC Energy Efficiency Funds for EV Charging Station Make-Ready	\$ (8,000)	\$ (8,000)	\$ -
3rd Party Testing Fees	\$ 10,000	\$ 9,163	\$ (838)
Train Depot Salvage/Removal & Wickham Shed Demolition/Removal	\$ 21,090	\$ 29,251	\$ 8,161
Village of Delhi Building Permits	\$ 6,250	\$ 6,650	\$ 400
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)***	\$ -	\$ -	\$ -
Warehouse racking/reel storage (DCEC direct expense to racking seller)	\$ 11,000	\$ 14,965	\$ 3,965
Security - Video/Audio Monitoring - Wiring Only	\$ 5,800	\$ 5,800	\$ -
Security - Access Control	\$ 32,458	\$ 32,458	\$ -
Security - Intrusion Detection / Alarming	\$ 8,446	\$ 8,446	\$ -
Radio system 3xbase station installs, 2 new antennas, 3xantenna & coax installs	\$ 4,582	\$ 10,722	\$ 6,140
corridor c3)	\$ 2,400	\$ 2,862	\$ 462
Otsego Telephone PBX Cut-Over	\$ 1,500	\$ 1,200	\$ (300)
Over	\$ 3,000	\$ 3,000	\$ -
Rig/Move Existing Safe from 39 Elm Street	\$ 600	\$ -	\$ (600)
NYSEG Service Upgrade Fees	\$ 1,500	\$ -	\$ (1,500)
Village of Delhi Water/Sewer Connection Fees	\$ 2,000		\$ (2,000)
Furnishings & Equipment Including Install	\$ 55,000	\$ 57,407	\$ 2,407
Contingency / Change Orders	\$ 84,138	\$ 40,921	\$ (43,217)
Base Project Total with External and Soft Costs	\$ 2,327,771	\$ 1,944,078	\$ (383,693)

Alternates & Options Through Tom Howard and Subs

Paving - Shop Side of Perimeter Fence (46,000 sq ft)***	\$ -	\$ -	\$ -
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Added Project Scope - October 13, 2020 Special Board Meeting

Wash, Prime, Paint Exterior of Maintenance Pole Barn, THC CO#9	\$ 11,400	\$ 11,400	\$ -
Paving - Street Side of Fence**	\$ 130,491	\$ 78,003	\$ (52,488)
Paving - Inside the Fence***	\$ 164,868	\$ 189,315	\$ 24,447
Add Cameras & Electronics for Video Surveillance	\$ 29,585	\$ 29,585	\$ -

Total Project Cost w/Selected Options**** \$ 2,664,115 \$ 2,252,381 \$ (411,734)

*In Budget Variance column, positive numbers indicate over-spending and (negative) numbers indicate not all funds expended. Gray cells are complete and white cells are still active line items, subject to more spending.

**After change in paving plans on 10/13/2020, THC applied a "change order" to his contract price of \$97,800 for the paving allowance, and those \$ were moved to the new row for Paving Costs - Street Side of Fence.

***With the additional paving inside the fence, the \$20,000 for crusher run is eliminated, and the previously planned \$52,330 for paving inside the fence is also incorporated, so the net additional cost is actually \$92,538.

****Prior to 10/13/2020 board decision, total net project budget was \$2,497, 901. After 10/13/2020, total net project budget is \$2,664,115.

HQ Project Contingency Budget Monitoring

Updated 11/18/2020

Use of Contingency Funds on New Line Items

Description	Authorized	Amount
Starting Balance	N/A	\$ 80,000.00
Add steel forklift access door for Storage 200 mezzanine	e-mail from mhs to thc, 7/12/2002, ~3 pm, THC CO#1	\$ (960.00)
Change to epoxy coated rebar	e-mail from mhs to thc, 7/10/2020, ~7:30 hrs, THC CO#2	\$ (1,282.00)
Removal of non-native materials, adjacent to former Train Depot excavation	thc notified Ryan during week of 7/6/2020, THC CO#3	\$ (4,960.00)
Electrical circuit moves in Maintenance Shop by Mike Simonds		\$ (360.00)
Change in water service line per Village of Delhi	e-mail to thc, 8/18/2020 (part of TCH CO#4)	\$ (8,540.00)
Addition of 60' of 6" ductile iron pipe per Village of Delhi	e-mail to thc, 8/18/2020 (part of THC CO#4)	\$ (4,492.00)
Changes/additions to electrical and conduit runs for fueling island.	mhs e-mail to thc 9/22/2020, THC CO#6	\$ (6,804.00)
Dryer vent addition in Linking Structure - originally left off architect's drawing	authorized by mhs, 8/31/2020. THC CO#5	\$ (720.00)
Added PPE closet by cutting Riser Room 127 with a wall and adding another doorway	mhs e-mail to thc 9/22/2020, THC CO#7	\$ (2,854.00)
Adjust curbing/island near member parking and EV charging	mhs e-mail to thc 9/22/2020, THC CO#8	\$ (1,254.00)
Gutter additional drain lines and storm water hook-up	mhs verbal to THC (part of TCH CO#9)	\$ (2,160.00)
Brick up and raise 3 mini catch basins in front court yard	mhs verbal to THC (part of TCH CO#9)	\$ (2,420.00)
Labor to install pallet racking units in Kiff Building	mhs verbal to THC (part of TCH CO#9)	\$ (2,550.00)
Change out waste paper baskets for handicap accessibility to sinks	mhs verbal to THC (part of TCH CO#9)	\$ (784.19)
Add water line spigot to open pole barn area of maintenance shop	mhs verbal to THC (part of TCH CO#9)	\$ (781.00)
Total New Line Items		\$ (40,921.19)

Use of Contingency Funds on Budget Over Runs on Existing Line Items

Description	Authorization	Amount
Removal of non-native materials, under Train Depot building - Scott Lenci and DCAS	verbal by mhs to Scott and Dave - on site	\$ (8,161.08)
Demolition permits additional	authorized by mhs - signed check to Village	\$ (400.00)
Racking & Reel Storage cost over-runs	mhs authorized purchase order to Uline	\$ (3,964.52)
Radio System Cost Over-runs (not quote at beginning of project)	mhs authorized purchase order to TriCounty	\$ (6,601.85)
Furnishings over-run, quotes had expired after 60 days	mhs authorized quotes 1st week of July	\$ (2,407.03)
Total Budget Over Runs on Existing Line Items		\$ (21,534.48)

Adding to Contingency Funds on Budget Savings for Completed Line Items

CWC Funding Application More Successful than Initially Budgeted		\$ 7,164.70
3rd Party Testing Fees Slightly Under Budget		\$ 837.50
Otsego Telephone Invoice Under Budget		\$ 300.00
Rig/Move Existing Safe from 39 Elm Street		\$ 600.00
NYSEG Service Upgrade Fees		\$ 1,500.00
Village of Delhi Water/Sewer Connection Fees		\$ 2,000.00
Total Budget Savings on Completed Line Items		\$ 4,100.00

Contingency Budget Remaining \$ 21,644.33

Paid CO
Unpaid CO

ANNUAL MEETING MINUTES
September 18, 2020

The 76th Annual Meeting of the membership of the Delaware County Electric Cooperative, Inc. was held at the Delhi American Legion in Delhi, N.Y. on September 18, 2020.

Call to Order: The meeting was called to order at 4:30 p.m. by President Steve Oles, who acted as Chairman. Edward “Rusty” Pick Jr. acted as Secretary of the meeting.

The following individuals were present at the meeting:

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

DCEC’s CEO/General Manager, Mark Schneider was also present.

Vice President Winkler made a motion to:

- 1) Affirm the Cooperative’s commitment to protecting the health and safety of our members; and
- 2) Recognize that it is impractical to hold an in-person annual members meeting without violating Governor Cuomo’s executive order limiting gatherings to no more than 50 persons during the period of the COVID-19 state of emergency; and
- 3) Adjourn the annual members meeting to Thursday, November 12, 2020 at 6 pm via remote technology such as Zoom Meetings; and
- 4) Extend the due dates for absentee ballot request forms and absentee ballot submissions in accordance with the November 12th election date and Article III, Section 6 of the Cooperative’s bylaws.

Secretary Pick seconded the motion. The motion passed.

CEO Schneider clarified that the election results for seats on the board of directors and charitable contributions will be announced during the annual meeting on November 12, 2020 and that absentee ballots will not be opened until November 12, 2020. Treasurer Menke clarified that due to the special circumstances surrounding the COVID-19 pandemic and the adoption of a remote meeting format, the only way to vote on 2020 director elections and 2020 charitable contributions will be by absentee ballot.

President Oles adjourned the 76th Annual Meeting of the Delaware County Electric Cooperative at 4:36 p.m. to be reconvened at 6:00 pm on Thursday, November 12, 2020.

Respectfully Submitted,

Edward “Rusty” Pick
Secretary



2019-2020 SAFETY IMPROVEMENT PLAN

Three-year Goals:

1. Strengthen safety leadership culture.
2. Enhance safety support systems and training.
3. Internalize safety mission and guiding principles throughout the organization.

Annual Objectives:

1. Improve Cooperative-wide documentation to facilitate annual and other periodic safety activities.
2. Improve general housekeeping procedures at Depot Street.
3. Improve vehicle safety through better signage, tool storage, and spares availability.
4. Improve clarity of safety expectations with respect to common work practices.

Planned Initiative	Owner	Time Frame	Notes
A. Update the template for the on-call schedule to incorporate emergency contact information for haulers, wreckers, tire shops, etc.	Operations Manager Ryan Sullivan	1st Quarter 2020	Make information available and convenient to all dispatchers and employees, 24 hours per day.
B. Incorporate many more safety critical items on the Cooperative corporate calendar if they happen annually, semi-annually, or quarterly.	General Manager Mark Schneider	1st Quarter 2020	Use monthly reviews and input at shop and office safety meetings.
C. Identify and make arrangements to remove all unused tools from Depot Street.	Line Foremen & Tree Crew Foreman	2nd Quarter 2020	Reach out to other cooperatives, vendors, and service providers to place tools that are usable by others.
D. Completely clear all materials, tools, etc. from leaning up against or near security fences.	Safety Committee Member Mike Pietrantoni	2nd Quarter 2020	Reduce potential damage to fencing and eliminates a climbing aid for would-be security threats.
E. Semi-permanently place a medium-sized dumpster at Depot Street to facilitate removal of C&D.	Operations Manager Ryan Sullivan	4th Quarter 2019	
F. Ensure that all trucks are appropriately marked for AED, first aid kit, and fire extinguisher locations.	System Coordinator Bucky Soule	1st Quarter 2020	
G. Procure and appropriately store a mounted spare tire for each large vehicle in the fleet.	Operations Clerk Betty Ives	1st Quarter 2020	May require purchase of safe storage rack for tires & wheels.
H. Procure extendo covers and appropriate sharps covers as required for all vehicles and equipment in the fleet.	Operations Clerk Betty Ives	1st Quarter 2020	
cooperatives to investigate practices for grounding during outage restoration and barricading trucks for live line work.	General Manager Mark Schneider	4th Quarter 2019	Adams Electric and Sullivan REC are willing hosts.