

The aim of Delaware County Electric Cooperative, Inc., is to make electric energy and related services available to members at the lowest cost consistent with sound economy and good management.

NOTICE OF BOARD MEETING

A October meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. will be held **Tuesday, October 27, 2020 at 5:00 pm** via Zoom video conferencing, teleconferencing, and at the Co-op's office, 5 North Depot Street, Delhi, New York to act on the following agenda. Call-in information is provided below:

Zoom meeting link: <https://us02web.zoom.us/j/82966276944>

Teleconference Dial-in Number: 929-205-6099 Meeting ID 829 6627 6944 (Tech Support from Jessica @ 607-643-5362)

The board of directors will act on the following:

AGENDA

I. Opening Business:

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

II. Consent Agenda:

- A. Minutes of September 22, 2020 AND October 14, 2020 Board Meetings [packet pages 2-10]
- B. New Memberships [packet pages 11-12]
- C. Bad Debt Collection Report [packet page 13]
- D. Director Compensation [packet pages 14-15]
- E. Corporate Calendar [packet page 16]

III. Organization & Staffing Committee Report [oral report by Committee Chair Winkler]

IV. Monthly Financial Reports

- A. Income Statement [packet page 17]
- B. Balance Sheet [packet pages 18-19]

V. General Manager's Report [packet pages 20-24]

VI. Policies

- A. Organization of the Cooperative [packet pages 25-26]
- B. Design and Construction of Electric Facilities [packet page 27]
- C. Bank Accounts [packet pages 28-29]
- D. Procurement, Receiving, & Disbursement [packet pages 30-35]

VII. 2020 Annual Members Meeting

- A. Review Technology Plan and Governance Implementation for Zoom Meeting [discussion led by CEO Schneider]
- B. Final Agenda and Confirmation of Roles [packet page 36]

VIII. CEO Search Committee Report [report by Committee Chair Oles]

IX. Appointment of Interim CEO/General Manager [resolution in packet page 37]

X. Authorizing Resolutions Due to Staff Changes

- A. Check Signing [to be presented at meeting]
- B. Electronic Banking [to be presented at meeting]
- C. Rural Utility Service [resolution packet page 38]
- D. Cooperative Finance Corporation [to be presented at meeting]
- E. CoBank [to be presented at meeting]

XI. Headquarters Project [oral report by CEO Schneider]

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

XIII. Meeting Reports

- A. Region 1/4 Meeting [packet pages 39-40 & oral reports by Pick & Wehmeyer]
- B. NYAPP Business Meeting [packet pages 41-46]

XIV. Appoint 2020 Financial Auditing Firm [audit engagement letter in packet, page 47]

XV. 2021 Budget – Preliminary Presentation [presentation by CFO Cannizzaro]

XVI. Vegetation Management Report [report by Operations Manager Sullivan]

XVII. New Business:

XVIII. 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

XIX. Executive Session

XX. 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
September 22, 2020**

I. Opening Business: The regular monthly meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held September 22, 2020 at 5 North Depot Street in Delhi, NY 13753.

A. Call to Order: The meeting was called to order at 5:17 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	A
Jeffrey Russell	P

DCEC's CEO/General Manager Mark Schneider, DCEC's Operations Manager Ryan Sullivan, DCEC's Finance Manager Millie Faulkner, DCEC's CFO Mark Cannizzaro and DCEC's Legal Counsel Jeffrey Clark from Bond, Schoeneck & King were all present. DCEC's Administrative Assistant Alicia VanZandt participated via telephone.

C. Adoption of Agenda: President Oles remarked that there are no suggested changes to the agenda, therefore, the agenda stands with no revisions.

II. Consent Agenda: A motion was made to approve the consent agenda as presented by Secretary Pick. The motion was seconded by Treasurer Menke. The motion passed.

III. Monthly Financial Reports:

A. July Financial Reports: Reviewed.

B. August Financial Reports: CEO/General Manager Schneider stated that on the Income Statement there is no representation of the loan forgiveness. CEO/General Manager Schneider suggested that at the fall Finance Committee meeting the board review and discuss capital credit retirement pending the loan forgiveness. CEO/General Manager Schneider stated that this has been the first bad month in a while and he added that DCEC didn't make our budgeted margin. CEO/General Manager Schneider commented that the Balance Sheet shows open work works, including the headquarters project, on line 2 under construction work in progress. Schneider also added that every quarter DCEC is adding to Special Funds on Line 13. These funds are set aside to make balloon payments on FFB loans when those loans have re-pricing dates with an option to pre-pay principal without penalty. President Oles requested information at a future meeting regarding amounts DCEC has billed Delhi Telephone Company and Margaretville Telephone

Company for make ready work for the past 4 to 5 years in regards to the DCBI project. President Oles also stated that he would like to know how many poles got a discount and how much lost revenue that was for the Cooperative. President Oles finally added that he would like to know when the Cooperative anticipates that it will break even. The board would also like to know how enough members are switched between seasonal and residential billing and what is involved in the process.

IV. General Manager's Report: CEO/General Manager Schneider stated that Operations Manager Ryan Sullivan is monitoring the herbicide treatment situation as referenced in this report and Operations Manager Sullivan is withholding payment until remedial actions are completed by the Tree Doctor. The payment withholding was by mutual agreement with the Tree Doctor.

V. Policies:

- A. **Personal Communications Devices:** A motion was made by Director Wehmeyer to approve the policy as amended. The motion was seconded by Secretary Pick. The motion passed.
- B. **Employment Manual:** A motion was made by Secretary Pick to approve the policy as presented. The motion was seconded by Vice President Winkler. The motion passed.
- C. **Alcohol and Controlled Substances:** A revised version of this policy was distributed at the board meeting. A motion was made to approve the revised version by Director Wehmeyer. The motion was seconded by Treasurer Menke. The motion passed. Revised policy attached.

VI. 2020 Annual Members Meeting:

- A. **Review Technology Plan and Government Implementation for Zoom Meeting:** CEO/General Manager Mark Schneider stated that the Annual Meeting will be conducted via zoom with an open pre-registration format.
- B. **Draft Agenda and Roles Assignment:** Reviewed.

VII. CEO/General Search and Transition:

- A. **Review Overall Process & Timeline:** 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 ultimately the interviews via zoom. Oles also remarked that there are a number of qualified potential candidates for the position. Oles added that some are even local candidates. Lastly, President Oles commented that there is a lot of work ahead and they still need to decide how they want to structure the interviews.

B. Schedule Search Committee Work Sessions and Block Candidates Interview Times: Reviewed.

C. Decide Last Day Worked for Current CEO, Mark Schneider: Motion was made to accept CEO/General Manager's last day worked as Friday, November 27, 2020.

VIII. Headquarters Project: CEO/General Manager to present a proposal to increase the headquarters budget for items such as 100% coverage of paving, cameras, and painting of the maintenance pole barn at the October board meeting. If the construction schedule requires it, President Oles will call a special meeting of the board of directors to consider the added headquarters scope and cost.

IX. Cooperative COVID-19 Response Update: CEO/General Manager Mark Schneider stated that the Cooperative is continuing to serve members in the office and in the field while wearing masks. Schneider did mention that one employee had multiple COVID-19 symptoms and was quarantine to their home until the COVID test came back negative. Schneider confirmed that DCEC continues to honor the board's resolution to suspend disconnect for non-payments until the board states otherwise. Schneider mentioned that the Tree Crew is still reporting directly to their worksite daily to reduce the number of employees in the maintenance shop at the beginning and ending of each work day.

X. Corporate Calendar Review, Full Year: Tabled.

XI. RUS Work Plan Review: Discussion led by Operations Manager Ryan Sullivan.

XII. Future Business:

A. NRECA Region I/IV Meeting, 10/12/2020 – 10/16/2020, remote via Webex, short meeting per diem applies

(1) Voting Delegate Rusty Pick

(2) Alternate Delegate Laurie Wehmeyer

B. Regular Board Meeting, to be held remotely, Tuesday, 10/27/2020 @ 5:00 pm, via Zoom

C. Organization & Staffing Committee Meeting, time TBD prior to the 10/27/2020 Regular Board Meeting

D. Finance Committee Meeting, Tuesday, 11/24/2020, prior to Regular Board Meeting

E. Annual Meeting of Member, to be held remotely, Thursday, 11/12/2020, via Zoom

F. Annual Organizational Meeting, Immediately Following the 11/12/2020 annual members meeting in accordance with bylaws

G. Training Refresher for Directors and CEO – Sexual Harassment, October or November Board Meeting?

H. NYAPP Business Meeting, 10/20/2020 – 10/21/2020, Albany, NY

I. 2020 Cooperative Holiday Party, TBD

J. CoBank-facilitated Strategic Planning Discussion, date TBD, Delhi, NY

K. COVID vaccine for employees if/when it becomes available

XIII. Executive Session: A motion was made to go into executive session at 8:54 pm by Secretary Pick. The motion was seconded by Director Wehmeyer. The motion passed. A motion was made to come out of executive session at 9:35 pm by Secretary Pick. The motion was seconded by Vice President Winkler. The motion passed.

XIV. Adjournment: There being no further business on the agenda, President Oles adjourned the meeting at 9:36 p.m.

Respectfully submitted,

Edward “Rusty” Pick, Jr.,
Secretary

**Delaware County Electric Cooperative
Board Meeting Minutes
Special Meeting - October 14, 2020**

I. Opening Business: A special meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held October 14, 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

Proposal Option #1 - All-in scope to get entire HQ project completion**Painting of Maintenance Pole Barn**

Original Scope and Cost		Proposed Scope and Cost		Net Increase in Project Cost
None.	\$ -	THC to wash, prime, paint entire exterior.	\$ 11,400	\$ 11,400

Paving Street Side of Fence

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
3" binder entire street side	\$ 97,000	No change in scope.	\$ 78,002	\$ 32,691
2" top coat entire street side			\$ 51,689	

Paving Inside Fence

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
3" binder 46,000 sq ft	\$ 52,330	3" binder entire area inside fence	\$ 103,680	\$ 92,538
2" top coat 46,000 sq ft		2" top coat entire area inside fence	\$ 61,188	
3" crusher run, clean, compacted 34,000 sq ft	\$ 20,000	no crusher run needed	\$ -	

Security Cameras, Video/Audio Recording

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
Wiring only, no cameras or electronics	\$ 5,800	Add all cameras and electronics	\$ 35,385	\$ 29,585

Total Proposed Added Cost			\$	166,214
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Debt Service per year \$ (5,999)

Additional cash requirement per member per month: \$ (0.093)

Proposal Option #2 - Binder-only paving scope inside fence - requiring top coat sometime in next ~5 to 8 years**Painting of Maintenance Pole Barn**

Original Scope and Cost		Proposed Scope and Cost		Net Increase in Project Cost
None.	\$ -	THC to wash, prime, paint entire exterior.	\$ 11,400	\$ 11,400

Paving Street Side of Fence

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
3" binder entire street side	\$ 97,000	No change in scope.	\$ 78,002	\$ 32,691
2" top coat entire street side	\$ -		\$ 51,689	0

Paving Inside Fence

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
3" binder 46,000 sq ft	\$ 52,330	3" binder entire area inside fence	\$ 103,680	\$ 31,350
2" top coat 46,000 sq ft	\$ -	eliminate top coat inside fence for now	\$ -	
3" crusher run, clean, compacted 34,000 sq ft	\$ 20,000	no crusher run needed	\$ -	

Security Cameras, Video/Audio Recording

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
Wiring only, no cameras or electronics	\$ 5,800	Add all cameras and electronics	\$ 35,385	\$ 29,585

Total Proposed Added Cost	\$ 105,026
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Debt Service per year \$ (3,628)

Additional cash requirement per member per month: \$ (0.056)

Proposal Option #3 - Binder-only paving scope street side and inside fence - requiring top coat sometime in next ~5 to 8 years**Painting of Maintenance Pole Barn**

Original Scope and Cost		Proposed Scope and Cost		Net Increase in Project Cost
None.	\$ -	THC to wash, prime, paint entire exterior.	\$ 11,400	\$ 11,400

Paving Street Side of Fence

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
3" binder entire street side	\$ 97,000	3" binder entire street side	\$ 78,002	\$ (18,998)
2" top coat entire street side	\$ -	eliminate top coat street side of fence	\$ -	

Paving Inside Fence

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
3" binder 46,000 sq ft	\$ 52,330	3" binder entire area inside fence	\$ 103,680	\$ 31,350
2" top coat 46,000 sq ft	\$ -	eliminate top coat inside fence for now	\$ -	
3" crusher run, clean, compacted 34,000 sq ft	\$ 20,000	no crusher run needed	\$ -	

Security Cameras, Video/Audio Recording

Original Scope and Allowance		Proposed Scope and Cost		Net Increase in Project Cost
Wiring only, no cameras or electronics	\$ 5,800	Add all cameras and electronics	\$ 35,385	\$ 29,585

Total Proposed Added Cost			\$	53,337
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Debt Service per year \$ (1,625)

Additional cash requirement per member per month: \$ (0.025)

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 – October 27, 2020

ACCT #	LOCATION	FIRST NAME	LAST NAME	ADDRESS	CITY, STATE, ZIP	FORMER/ RENTING/ NEW SERVICE
18428-001	TO 3-36-15	Richard & Bobbi	Wright	9405 Street Highway 206	Sidney Center, NY 13839	Kelly Black
18418-001	JE 2-27-49A	Jeffrey	Brown	168 Noel Dr.	Centereach, NY 11720	Louis Geigel
18365-001	HF 2-33-22B	Shaun	Jacobellis	14 Greystone Ct.	Manorville, NY 11949	New Service
18411-001	GI 2-49-6B	Ashley	Belfance	368 Meeghan Rd.	Stamford, NY 12167	Anne Wright
18440-001	GI 2-49-36B	Margaret	Celenza	436 Bedell Terrace	West Hempstead, NY 11552	Thomas Rudolph
18357-001	ME 1-55-1C	Melissa	Mitchell	936 Houghtling Hollow Rd.	East Meredith, NY 13757	Bruce Gesell
18357-001	AN 4-48-17	Jorge Margaret	Monteagudo Ramirez	1 Meadowbrook Terrace	Sparta, NJ 07871	Spiro Spiridis
18432-001	JE 2-14-2C	Tara	Cunningham	135 Fuller District Rd.	Jefferson, NY 12093	Jon U. Leas
18367-001	JE 2-26-3B	Charles A.	Lamberti	135 Howard St.	Port Jefferson Station, NY 11776	New Service
18391-001	KO 2-62-5	Juanita	Martin	929 McArthur Hill Rd.	Bloomville, NY 13739	Donald B. Martin
18416-001	MA 3-23-19B	Sarah	Marzulla- Barber	P.O. Bix 65	Masonville, NY 13804	Jodi Marzulla
18436-001	BO 2-93-4E	Corey David	Tatarczuk Hale	738 Westminster Rd.	Brooklyn, NY 11230	John C. Ingvordsen
18409-001	HA 4-24-40	Cheryl	Kirkpatrick	284 Ridge Rd.	Hamden, NY 13782	Henry E. Groth
18424-001	FR 4-2-7	Jean Michel	Ngalikpima	161 E 91 st St., Apt 5E	New York, NY 10128	Stephen Scanlan-Yerly
18420-001	FR 1-84-2C	Randolph & Kathleen	Sherwood	6917 Co Hwy 16	Delhi, NY 13753	Kathleen Harrison
18421-001	HF 2-24-11A	Anthony	Solivan	393 Champlin Rd.	Jefferson, NY 12093	Michael Salemi
18397-001	HA 4-37-14	Kenneth	Von Glahn	119 Hartsdale Ave.	White Plains, NY 10606	Agnes Noeth
18422-001	AN 5-41-13E	Maria Elena	Lopez-Frank	183 Spadafora Rd.	Andes, NY 13731	Joseph & Josephine Spadafora
18412-001	DE 4-16-15	Lauren	Valese	1366 Bell Hill Rd.	Delhi, NY 13753	William A. Perkins
18429-001	DE 4-15-7	Richard	Barlow	627 W. Platner Brk Rd.	Delhi, NY 13753	Christine W. Barlow
18419-001	ME 1-76-17	Lynn & Amy	Warner	3460 Spring Valley Rd.	Delhi, NY 13753	Nancy & David Althaus
18433-001	DE 4-27-4B	Philip	Riportella	41 Oak Street	Deerpark, NY 11729	Leland Stein
18435-001	AN 4-48-24	Spencer	Joynt	115 Powers St., Apt. 2R	Brooklyn, NY 11211	Robyn Ciccone
18402-001	FR 4-3-25A	Ashwant	Deonandan	180 72 nd St., Apt. 307	Brooklyn, NY 11209	Daniel Spinelli
18405-001	ME 1-67-13A	Michael & Kathryn	Burud	1821 Monroe Rd.	Delhi, NY 13753	Arthur Priscott
18434-001	JE 2-26-6D	Rachael	Pascucci	9 Midwood Pl.	Glen Cove, NY 11542	Andrea Bohringer
18431-001	KO 1-79-11	Timothy	Retallick	2700 Scotch Hill Rd.	Bloomville, NY 13739	Janet Billek

ACCT #	LOCATION	FIRST NAME	LAST NAME	ADDRESS	CITY, STATE, ZIP	FORMER/ RENTING/ NEW SERVICE
18439-001	AN 5-93-40	Victoria	Nichols	548 Mountain Lake Rd.	Andes, NY 13731	Jesse Nichols
18426-001	KO 2-62-6	Amanda	Decker	980 Mc Arthur Hill Rd.	Bloomville, NY 13739	Donald B. Martin
18451-001	MA 3-32-3A	The Siravo Family	Irrevocable Trust	17 Briarhill Dr.	Manalapan, NJ 07726	Edward Siravo
18449-001	BO 5-3-22	Matthew	Mayers	76 Albany Blvd.	Atlantic Beach, NY 11509	Domenick Lobifaro
18441-001	MA 3-34-6B	Chris	Klettlinger	5431 State Hwy 206	Sidney Center, NY 13839	Sharon Klettlinger
18408-001	CO 4-78-12	Christopher	McGuire	42 Ridgeview Ln.	Harpswell, ME 04079	Edward McGuire



October 27, 2020

BAD DEBT COLLECTION

*** PLEASE NOTE:** The amounts below were recovered through capital credit retirements, Southern Tier Credit Center & DCEC through September 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
\$ 1497.58	Antonio Triarsi	\$ 201.23	\$	\$	\$	\$ 1,296.35
54.79	Diane Pantore	51.72				** 3.07
179.53	Mikey Roe	62.86				116.67
202.41	Michael Nystrom	183.16				**19.25
847.04	Citizens & Frontier Communications Accts	694.28				152.76
COVID Refund				411.06		

* 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.

2020 Director Compensation Report				Report Date:		21-Oct-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	\$3,950.00	\$350.00
3	Menke	Yes	Yes	\$ 375.00	15	\$ 8.63	\$6,575.00	\$375.00
4	Oles	Yes	Yes	\$ 375.00	14	\$ 8.05	\$5,075.00	\$375.00
5	Pick	Yes	Yes	\$ 375.00	44	\$ 25.30	\$8,275.00	\$375.00
7	J. Russell	No	Yes	\$ 350.00	44	\$ 25.30	\$5,450.00	\$350.00
8	Wehmeyer	No	Yes	\$ 350.00	52	\$ 29.90	\$4,400.00	\$350.00
9	Winkler	Yes	Yes	\$ 375.00	34	\$ 19.55	\$4,700.00	\$375.00
	TOTAL:						\$34,475.00	\$2,200.00
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 Corporate Calendar Review

September	
Fleet Review (for budget planning)	CEO/Sullivan
ROW & Line-Inspection contracting Plan	CEO/Sullivan
DCEC Annual Meeting	VanZandt
Cooperative Officers Job Descriptions Review	CEO/Board
Organizational Meeting of Board (incl. Committee appointments)	CEO/Board
NRECA Region 1 Annual Meeting	CEO/Board
NRECA Survey - Directors, Attorneys, Auditors	CEO
Complete Membership Survey - 3 year cycle, next 2021 (Sept-Dec)	CEO
Renewal of LTDI, Life Ins, Dental, Business Travel & Acc Insurance	CEO/Cannizzaro
Confirm Summer Crew Visits Complete	Soule/CEO
Strategic Plan Review	CEO/Board
4-year RUS Work Plan Review	CEO/Board
NRECA Salary Submittal (for benefits determination) - "11/15 report"	Cannizzaro
Power Cost Risk Update to Board	CEO
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
Change lead filter in coffee water supply	CEO
Update DOT Unified Registration System (URS) bi-annual update odd years	Sullivan
Renew DOT Unified Carrier Registration (UCR) annual update	Sullivan

10/23/2020 4:26:16 pm

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General Ledger

Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR SEP 2020

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	6,650,929	6,780,723	7,020,097	676,701	697,239
2. Power Production Expense	0	0	0	0	0
3. Cost of Purchased Power	1,434,490	1,443,769	2,015,184	136,270	200,074
4. Transmission Expense	0	0	0	0	0
5. Regional Market Expense	0	0	0	0	0
6. Distribution Expense - Operation	940,168	1,074,676	1,071,922	111,331	120,499
7. Distribution Expense - Maintenance	1,307,650	1,159,252	1,209,104	111,650	149,924
8. Customer Accounts Expense	191,268	209,273	239,317	22,258	25,499
9. Customer Service and Informational Expense	10,587	13,062	15,620	3,153	1,741
10. Sales Expense	0	0	1,983	0	223
11. Administrative and General Expense	1,044,485	1,137,253	969,861	141,517	114,159
12. Total Operation & Maintenance Expense (2 thru 11)	4,928,648	5,037,284	5,522,991	526,179	612,117
13. Depreciation & Amortization Expense	735,613	758,852	740,321	84,444	82,776
14. Tax Expense - Property & Gross Receipts	3,000	3,069	3,000	1,000	1,000
15. Tax Expense - Other	0	0	0	0	0
16. Interest on Long-Term Debt	452,916	403,216	394,193	62,868	37,962
17. Interest Charged to Construction - Credit	0	0	0	0	0
18. Interest Expense - Other	230	256	3,788	29	2,400
19. Other Deductions	300	0	0	0	0
20. Total Cost of Electric Service (12 thru 19)	6,120,707	6,202,677	6,664,293	674,520	736,256
21. Patronage Capital & Operating Margins (1 minus 20)	530,222	578,046	355,804	2,181	-39,017
22. Non Operating Margins - Interest	91,759	53,531	50,378	1,518	900
23. Allowance for Funds Used During Construction	0	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0	0
25. Non Operating Margins - Other	29,317	30,627	14,300	-1,293	-633
26. Generation and Transmission Capital Credits	0	0	0	0	0
27. Other Capital Credits and Patronage Dividends	25,183	12,174	34,800	0	18,400
28. Extraordinary Items	0	126,682	0	0	0
29. Patronage Capital or Margins (21 thru 28)	676,482	801,060	455,282	2,406	-20,350
Operating - Margin	530,422	578,539	355,804	2,274	-39,017
Non Operating - Margin	146,060	222,521	99,478	132	18,667
Times Interest Earned Ratio - Operating	2.17	2.43			
Times Interest Earned Ratio - Net	2.49	2.99			
Times Interest Earned Ratio - Modified	2.44	2.96			

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General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR SEP 2020

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	33,281,097	34,482,919	1,201,822
2. Construction Work in Progress	634,148	2,195,828	1,561,680
3. Total Utility Plant (1 + 2)	33,915,245	36,678,747	2,763,502
4. Accum. Provision for Depreciation and Amort.	12,132,631	12,569,388	436,757
5. Net Utility Plant (3 - 4)	21,782,614	24,109,359	2,326,745
6. Non-Utility Property (Net)	615,240	0	-615,240
7. Invest. in Subsidiary Companies	0	0	0
8. Invest. in Assoc. Org. - Patronage Capital	323,686	329,792	6,106
9. Invest. in Assoc. Org. - Other - General Funds	651,000	650,134	-866
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	246,142	245,695	-446
11. Invest. in Economic Development Projects	0	0	0
12. Other Investments	5,592	5,469	-123
13. Special Funds	0	59,000	59,000
14. Total Other Property & Investments (6 thru 13)	1,841,659	1,290,090	-551,569
15. Cash - General Funds	369,507	2,675,530	2,306,023
16. Cash - Construction Funds - Trustee	100	203,205	203,105
17. Special Deposits	0	0	0
18. Temporary Investments	0	0	0
19. Notes Receivable (Net)	0	0	0
20. Accounts Receivable - Sales of Energy (Net)	505,480	499,488	-5,992
21. Accounts Receivable - Other (Net)	310,553	295,871	-14,682
22. Renewable Energy Credits	0	0	0
23. Material and Supplies - Electric & Other	691,638	891,155	199,517
24. Prepayments	341,500	282,923	-58,577
25. Other Current and Accrued Assets	307,903	307,881	-22
26. Total Current and Accrued Assets (15 thru 25)	2,526,681	5,156,052	2,629,372
27. Regulatory Assets	1,137,508	1,025,374	-112,134
28. Other Deferred Debits	697,263	584,570	-112,693
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	27,985,725	32,165,444	4,179,720

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General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR SEP 2020

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	58,610	59,985	1,375
31. Patronage Capital	8,383,877	8,652,214	268,337
32. Operating Margins - Prior Years	540,464	425,105	-115,359
33. Operating Margins - Current Year	530,422	578,539	48,117
34. Non-Operating Margins	146,060	222,521	76,462
35. Other Margins and Equities	1,153,642	1,296,274	142,632
36. Total Margins & Equities (30 thru 35)	10,813,074	11,234,638	421,564
37. Long-Term Debt - RUS (Net)	0	0	0
38. Long-Term Debt - FFB - RUS Guaranteed	11,596,521	12,667,784	1,071,263
39. Long-Term Debt - Other - RUS Guaranteed	0	0	0
40. Long-Term Debt - Other (Net)	3,423,496	2,909,697	-513,799
41. Long-Term Debt - RUS Econ. Devel. (Net)	0	0	0
42. Payments - Unapplied	-2,002,044	0	2,002,044
43. Total Long-Term Debt (37 thru 41 - 42)	13,017,973	15,577,481	2,559,508
44. Obligations Under Capital Leases - Noncurrent	0	0	0
45. Accumulated Operating Provisions	0	0	0
46. Total Other Noncurrent Liabilities (44 + 45)	0	0	0
47. Notes Payable	0	464,218	464,218
48. Accounts Payable	135,978	511,352	375,375
49. Consumers Deposits	47,618	54,155	6,537
50. Current Maturities Long-Term Debt	0	0	0
51. Current Maturities Long-Term Debt - Econ. Devel.	0	0	0
52. Current Maturities Capital Leases	0	0	0
53. Other Current and Accrued Liabilities	233,801	317,838	84,037
54. Total Current & Accrued Liabilities (47 thru 53)	417,396	1,347,563	930,167
55. Regulatory Liabilities	0	0	0
56. Other Deferred Credits	3,737,281	4,005,762	268,481
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	27,985,725	32,165,444	4,179,720
Current Assets To Current Liabilities	6.05	to 1	3.83 to 1
Margins and Equities To Total Assets	38.64	%	34.93 %
Long-Term Debt To Total Utility Plant	38.38	%	42.47 %

DCEC BOARD MEETING
GENERAL MANAGER'S REPORT
September 17, 2020 – October 19, 2020

ENGINEERING & OPERATIONS

Notable Outages & Occurrences:

- Poor weather caused high winds just prior to 4 pm on Wednesday, October 7, 2020, which downed a large number of trees in the Northeast portion of our service territory. Trees immediately fell on the NYSEG sub-transmission line that feeds the Jefferson Substation, taking the transmission line out of service. The transmission line was down for over 26 hours, affecting 893 member service locations. That single power supplier outage added ~262 minutes to the annual SAIDI total. The whole storm added ~302 minutes to the annual SAIDI total, inclusive of the 262 minutes caused by the power supplier outage.

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 continued pole inspections this month and delivered inspection results bi-weekly.

FINANCE & ACCOUNTING & HUMAN RESOURCES:

All-Employee Meeting, October 26, 2020

- The 2020 all-employee meeting is scheduled for Monday, October 26, 2020 at 1130 am. The date is scheduled to coincide with benefits open enrollment periods.
- The event will be conducted via Zoom. Even though most employees will be on-site at 5 North Depot Street, we will allow employees to participate from various locations on the property with their laptops and tablets so that social distancing requirements can be observed.
- President Oles will address the employees, hopefully with an update on the CEO Search.
- Mike Haire will be our only outside presenter. He will also join via Zoom.

Small Business Administration Payroll Protection Program Loan Forgiveness Application

- Vice President Dee Hillis of the Delaware National Bank notified the Cooperative on October 19, 2020 that the Small Business Administration requested additional information on our PPP Loan Forgiveness Application. I reviewed the requested materials with Mrs. Hillis and determined that all requested materials had either already been submitted or were not applicable. We do not anticipate any problems as a result of this request for information.

Union Contract Clarification

- Last month I made the board aware of a contract inconsistency regarding application of the foreman upgrade to members of the line crew and tree crew. We have signed a memorandum of understanding with IBEW Local 10, which eliminates the inconsistency and provides clarity for operations employees and the person processing payroll.

Line Crew Progression

- Line Apprentice 1st Year Micah Scobie and Line Apprentice 1st Year Scott Smith that they will be moved to Line Apprentice 2nd Year effective on the anniversary date of their start date as apprentices. Both apprentices received a strong recommendation from their foreman, Mike Pietrantoni.
- Mike Pietrantoni, Ryan Sullivan and I updated all 6 job descriptions in the lineman progression and the line crew foreman job description. The goal was to create better

consistency and clarity in the documents. The process was enjoyable and all parties are pleased with the resulting job description. We also created a summary table providing a quick reference for the time at each title in the progression, training requirements, supervisory responsibilities, and gloving responsibilities at each stage of the progression. In accordance with custom, the updated job descriptions were provided to IBEW Local 10 for their information.

POWER SUPPLY / PROJECT INITIATIVES:

Headquarters Project

- Office staff successfully moved from 39 Elm Street to 5 North Depot Street on 9/25/2020. Nothing was broken and nobody was injured so the move was a great success. The line crew is 80% moved from the old maintenance pole barn to their new home in the expanded Kiff high bay area. Pallet racking has been erected and is now storing the majority of line materials in the Kiff building. Storm water and other excavation work has been completed on the North and East sides of the project site. Curbing is complete. Informational signage has been purchased and installed to help members, visitors, delivery trucks, and other navigate their way when they arrive on North Depot Street. The signage looks very nice, along with the flag pole, which now proudly displays the US flag and the DCEC flag. All phone, computer, and radio systems are now fully functional at 5 North Depot Street. The concrete floor has been poured in the Chief steel building. Electrical features and doors are being installed on the Chief building this week. The locker room is substantially complete and lockers will be installed next week. Painting of the old DCEC buildings began this week. The excavation team is extending storm water features to the South and West. They have completed grading which will allow paving work to begin on Monday, October 26th. On September 21, 2020 I met with the Village of Delhi Trustees and Mayor. We all reaffirmed our commitment to cooperate with each other so that the Cooperative can move the Village water main out from under our maintenance pole barn at our expense and the Village can extend the new water main the rest of the way to the Southern edge of the Cooperative's property at the Village's expense. It was reassuring to know that we are on the same page as the Village of Delhi. NYSERDA has issued final approval of our NYSERDA funding to pay for our new electric vehicle charging station. The charging station will be installed in November.
- After moving out of 39 Elm Street, the Cooperative created a rental closing statement for the new owners of 39 Elm Street, Serendipitous Holdings LLC. Per the rental agreement, Serendipitous Holdings has paid the Cooperative for any prepaid taxes and utilities as of the date of the rental closing, which was September 30, 2020.

New York Power Authority Customer Exit Interview

- NYPA has invited me to participate in a customer exit interview via Zoom on November 9, 2020. The purpose of the meeting is to get my feedback on those aspects of NYPA's service to consumer owned utilities that could be improved.
- I am also participating as a beta tester in NYPA's new online customer portal, particularly in the portion of the portal dedicated to Industrial Economic Development Power allocations and compliance.

LEGAL, GOVERNANCE & LEGISLATIVE/INDUSTRY AFFAIRS:

Executive Order from Governor

- Governor Cuomo's executive order that suspends the requirement for rural electric cooperatives to have an in-person quorum at their annual meetings has been extended, so DCEC can hold its annual meeting via Zoom on November 12, 2020 and be in compliance with the law.

Pursuing Penalty-Free Refinancing of RUS Debt through Federal Legislation

- This bill is not making any progress and will not unless and until the House, Senate, and Whitehouse come to terms on a COVID relief package.

NEAEC Leaders Roundtable

- The CEO's of Eastern Maine Electric Cooperative, New Hampshire Electric Cooperative, Vermont Electric Cooperative, Washington Electric Cooperative, Block Island Power Authority, and the 4 NY rural electric cooperatives met via Zoom on October 15, 2020. The main topics of conversation were COVID response, financial challenges associated with COVID, and broadband implementation.

MEMBER SERVICES & PUBLIC RELATIONS:

Archiving of Historical Photos

- Work on the photo archive continues and I hope it will be complete before Thanksgiving.

Monitoring Energy Consumption and Switching Members between SC-1 and SC-2 Service Classes

- The board requested information about how members' energy consumption is evaluated for purposes of switching members between residential and seasonal rates. I have included a 2-page table summarizing the relevant practices, which affect a number of rate classifications, not just residential and seasonal. This information was gathered in response to the board request last month and it spurred some good discussion between the billing department and management. Based on that discussion, we will be recommending some minor changes to the service rules and regulations to provide more transparency to members as to how these processes work. Time permitting, I would like to review with the board the attached pages describing the process for changing members between classes.

Annual Meeting Adjourned on September 18, 2020

- The annual meeting of members was held on September 18, 2020 at the American Legion in Delhi. President Oles called the meeting to order just long enough to take a motion to adjourn the meeting until November 12, 2020 so that the meeting can be held remotely via Zoom. This will allow members to participate safely despite the risks associated with the COVID-19 pandemic.

SAFETY REPORT:

Injury Report:

- There were 3 incident reports this month involving bumps and bruises. Medical care was not required in any of these cases.

Safety Committee Activity

- All employees completed fire extinguisher training on October 21, 2020.



PROPOSED PRACTICE TO IMPLEMENT
SERVICE CLASS DESIGNATION CHANGES BASED ON ENERGY CONSUMPTION
IN ACCORDANCE WITH SERVICE RULES AND REGULATIONS

Existing Policy: The Service Rules and Regulations were last reviewed and updated by the board of directors on 11/27/2018. The table below summarizes the policy requirements for moving members between service classes based on energy consumption.

From Class/Rate	To Class/Rate	Trigger	Number of Accounts Requiring Examination	Recommended Exceptions
SC-1/Rate 101	SC-2/Rate 202	Annual consumption < 2,500 kWh	521	<ul style="list-style-type: none"> For members with renewable distributed generation, if kWh consumed > 2,500 but net kWh < 2,500, leave in Rate 101. If service shares a transformer with another service for the same member, then both services can stay in Rate 101.
SC-D, Rate 101D	SC-1/Rate 101	Annual consumption < 36,000 kWh	7	<ul style="list-style-type: none"> For members with renewable distributed generation, if kWh consumed > 36,000 but net kWh < 36,000, leave in Rate 101D. If service shares a transformer with another service for the same member, then both services can stay in Rate 101D if combined annual consumption > 36,000 kWh.
SC-2/Rate 202	SC-1/Rate 101	Annual consumption > 7,500 kWh	413	<ul style="list-style-type: none"> Upon request by members with renewable distributed generation, billing will review kWh consumption (ignoring kWh generated) and if annual kWh consumption > 7,500, then move to Rate 101.



SC-3/Rate 301	SC-2/Rate 202	Annual consumption <5,000 kWh	10	<ul style="list-style-type: none"> For members with renewable distributed generation, if kWh consumed > 5,000 but net kWh < 5,000, leave in Rate 301. If service shares a transformer with another service for the same member, then both services can stay in Rate 301.
SC-4A/Rate 4xx or 5xx	SC-3/Rate 301	Annual consumption < 7,500 kWh	0	<ul style="list-style-type: none"> For members with renewable distributed generation, if kWh consumed > 7,500 but net kWh < 7,500, leave in Rate 4xx or 5xx. If service shares a transformer with another service for the same member, then both services can stay in Rate 4xx or 5xx.

Suggested review cycle: Annually (no more than 14 months between review cycles).

Suggested additions to policy:

- Include all exceptions as described in the table as footnotes in the Service Rules & Regulations under the descriptions of the electric rate classifications.



POLICY

SUBJECT: Organization of the Cooperative

POLICY: There shall be established an Organization Chart of the Cooperative staffed by capable and qualified personnel. It shall be the policy of the Cooperative to maintain an Organization Chart with job classifications and descriptions of responsibility in the office of the Cooperative at all times.

PROCEDURE: As outlined in Policy and Organization Chart dated November 30, 2020 below.

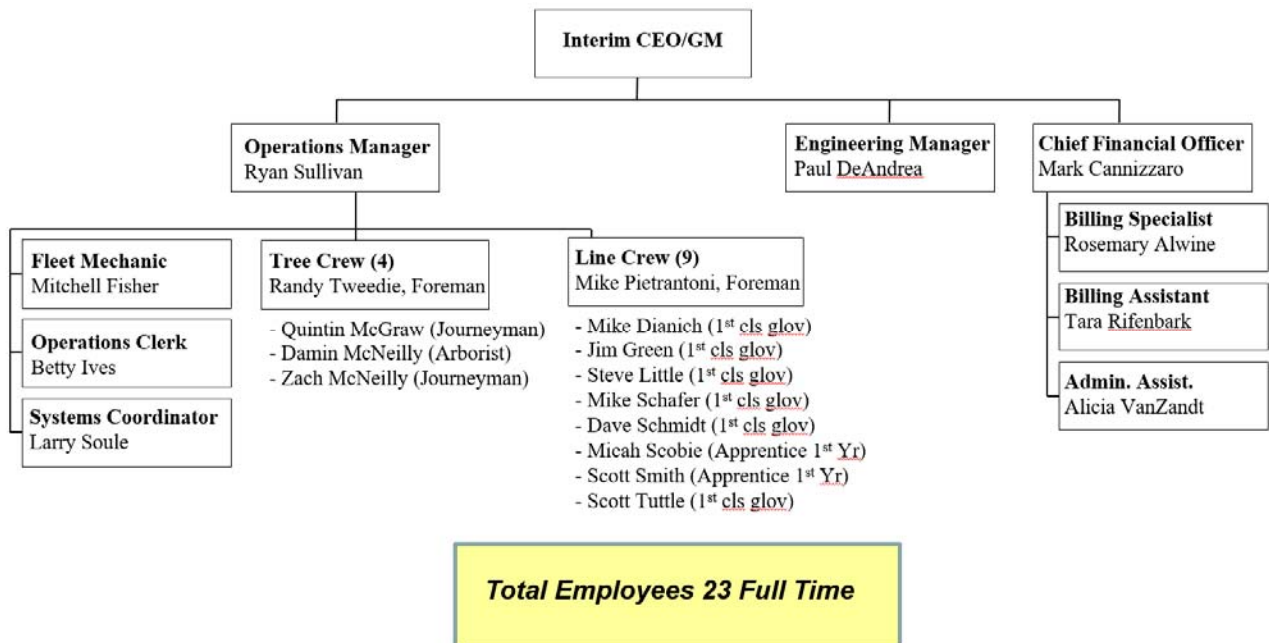
RESPONSIBILITY: General Manager

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Mar 24, 1961
Revised by Board of Directors	Jul 21, 1971
Revised by Board of Directors	Apr 18, 1979
Revised by Board of Directors	Aug 24, 1983
Revised by Board of Directors	Jan 24, 1989
Revised by Board of Directors	Jan 26, 2000
Revised by Board of Directors	Oct 24, 2000
Revised by Board of Directors	Sept 24, 2002
Revised by Board of Directors	Sept 23, 2008
Revised by Board of Directors	Aug 27, 2013
Revised by Board of Directors	Sep 22, 2015
Revised by Board of Directors	Aug 22, 2017
<u>Revised by Board of Directors</u>	<u>Oct 27, 2020</u>



Cooperative Organization Chart – Effective November 30, 2020





POLICY

SUBJECT: Design and Construction of Electric Facilities

POLICY: It shall be the policy of the Cooperative to design, construct, maintain and operate its electric plant and other facilities in accordance with the requirements established by the USDA Rural Utilities Service and other generally-accepted industry practices and standards.

PROCEDURE: The Cooperative shall comply with the specifications, operational procedures and maintenance practices established by the USDA Rural Utilities Services.

RESPONSIBILITY: The Board of Directors and CEO/General Manager

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Mar 25, 1961
Reviewed by Board of Directors	Jul 21, 1971
Reviewed by Board of Directors	Jan 24, 1989
Revised by Board of Directors	Jul 25, 1995
Revised by Board of Directors	Mar 27, 2012
Reviewed by Board of Directors	May 26, 2015
Reviewed by Board of Directors	July 25, 2017
<u>Reviewed by Board of Directors</u>	<u>Oct 27, 2020</u>



POLICY

SUBJECT: Bank Accounts

POLICY: It shall be the policy of the Cooperative to maintain ~~seven (7)~~ eight (8) separate bank accounts to comply with requirement of the USDA Rural Utility Service (RUS) and Article X of the Cooperative's bylaws, and which support good accounting and operating practices. These accounts shall be maintained at a local financial institution approved by the Board of Directors. Accounts shall include:

General Funds Account
 Money Market Account
 Construction Fund Account
 Payroll Account
 Capital Credit Account
 Healthcare Reimbursement Account (HRA)
 Energy Efficiency Account
Electronic Checking Account

Every effort should be made to maintain the accounts in an institution that provides insurance, security or other protection (e.g. FDIC) to the invested funds except as noted below.

The "General Fund Account" shall be used for daily deposit and payment activities as determined by the Finance Manager, with oversight by the General Manager, to protect the interests of the Cooperative. Deposits into and transfers out of the "Money Market Account" shall be made at the discretion of the Finance Manager, with oversight by the General Manager, to ensure maximum return on funds invested. The "Construction Fund Account" shall be used to receive loan proceeds to fund the Cooperative's Construction Work Plan. Deposits into the "Payroll Account" shall be made for payroll distribution. Deposits into the "Capital Credit Account" shall be made as needed to support the retirement of capital credits to members. Deposits into the "HRA Account" shall be made as necessary to meet the Cooperative's obligations vis a vi the third party administer, who pays qualifying healthcare costs on behalf of subscribers to the Cooperative's group health insurance benefits. Deposits into the "Energy Efficiency Account" shall be made on the basis of 1 mil per kWh (\$0.001/kWh) for every kWh sold to a member of the Cooperative. Disbursements from the "Energy Efficiency Account" shall be made for qualifying expenses in accordance with the Cooperative's commitments to the New York Power Authority. The "Electronic Checking



Account” shall be used for payments and receipts via electronic means that are not interfaced with NISC. In this way the “Electronic Checking Account” reduces the frequency and number of different entities conducting electronic transactions with other bank accounts of the Cooperative.

Nothing in this policy shall restrict investment accounts or other accounts the Cooperative may open and maintain with the National Rural Utility Cooperative Finance Corporation (NRUCFC), CoBank, or the Delaware National Bank of Delhi, except that no account shall be opened without the written authorization of the General Manager and all accounts shall be managed in accordance with the Cooperative’s Financial Goals and Objectives.

Cooperative management shall utilize a system of dual controls whereby the bank account reconciliation function is performed by a different person than the person who conducts transactions in the bank accounts. All account statements shall be made available to the Cooperative’s Treasurer on a monthly basis for the Treasurer’s review and signature.

PROCEDURE: This policy shall be used as the general practice for DCEC financial management practices.

RESPONSIBILITY: General Manager and Chief Financial Officer ~~Finance Manager~~ shall administer this policy and practice.

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Mar 24, 1961
Revised by Board of Directors	Jun 16, 1971
Revised by Board of Directors	Aug 25, 1987
Revised by Board of Directors	Oct 25, 1988
Revised by Board of Directors	Jul 23, 1991
Revised by Board of Directors	Jun 22, 1993
Revised by Board of Directors	Apr 6, 2004
Revised by Board of Directors	Jan 25, 2011
Revised by Board of Directors	Aug 23, 2011
Revised by Board of Directors	Sep 23, 2014
Revised by Board of Directors	Nov 22, 2016
Revised by Board of Directors	Feb 26, 2019
<u>Revised by Board of Directors</u>	<u>Oct 27, 2020</u>



POLICY

SUBJECT: Procurement, Receiving & Disbursement

POLICY: It shall be the policy of the Board to outline practices and authorities to ensure financial stewardship of the Cooperative. This policy specifically outlines those procedures and practices that shall be followed relating to procurement, receiving and disbursement processes.

PROCEDURE:

Purchase Orders & Purchasing: It shall be the policy of the Cooperative that all purchases of materials, supplies, and services be accomplished through a purchase order process. It shall further be the policy of the Cooperative that, wherever possible, those purchases of high value be made only after a competitive bidding process administered by the Cooperative.

The Operations Clerk/Field Planner, General Clerk, and Administrative Assistant shall have the ability to create electronic purchase orders in the Cooperative's enterprise software system or, in their absence, members of the Cooperative's management staff shall be so authorized.

Upon the creation of the purchase order, the purchase order must be approved prior to being released to a vendor. The following individuals shall have the authority to approve individual purchase orders.

Operations Clerk/Field Planner	up to \$100	
General Clerk	up to \$100	
Administrative Assistant	up to \$100	
<u>Billing Assistant</u>	<u>up to \$100</u>	
Finance Manager/Director <u>Chief Financial Officer</u>		up to \$100
Operations/Engineering Managers	up to \$10,000 <u>\$5,000</u>	
CEO/General Manager	See paragraph below	

The CEO/General Manager is authorized to approve purchase orders up to ~~\$25,000~~ \$10,000. In addition, the CEO/General Manager may approve purchase orders for Regular Bills of the Cooperative in any amount. A complete list of the Regular Bills of the Cooperative is found in Appendix A to this policy. The CEO/General Manager must receive approval from the Board of Directors before approving purchase orders over ~~\$25,000~~ \$10,000 that are not Regular Bills of the Cooperative. Examples of purchase orders that are not Regular Bills of the Cooperative include right-of-way clearing contracts, vehicle purchases, and facilities improvements.

The Cooperative shall issue purchase orders with unique reference numbers and, unless otherwise specified, shall issue purchase orders referencing the Cooperative's standard terms & conditions of purchase.



Exceptions to the Purchase Order Process:

Credit Card Purchases on the Cooperative's Main Credit Card: The Cooperative shall maintain a credit card account with a \$30,000 limit. This credit card is known as the Cooperative's "main credit card." The CEO/General Manager shall determine the number of physical cards associated with the Cooperative's main credit card account, and all cards shall be stored in the Cooperative's safe when not in use. Cooperative employees may make authorized purchases with the Cooperative's credit card as follows: 1) Cooperative staff members shall have the authority to make purchases with the use of the Cooperative's credit card when necessary, the amount of such credit card purchases not to exceed the staff member's purchase order authorization limit; and 2) purchases may be made by any employee, and by Cooperative staff members in excess of their purchase order authorization limit, upon the written approval from a staff member with a purchase order authorization limit at least as high as the purchase amount. Board meeting minutes, e-mail messages, and signed hand-written notes shall all be considered acceptable forms of written approval. Written approvals shall be provided by the purchasing staff member to the Chief Financial Officer ~~Finance Manager~~ at the time of purchase. The ~~Finance Manager~~ Chief Financial Officer shall review the monthly credit card statement and reconcile each line item with a written approval as appropriate. Due to the liability, risk, and cost to the Cooperative associated with undocumented purchases on credit cards, employees who repeatedly fail to turn in itemized receipts for credit card purchases will have their authorization to use the Cooperative's main credit card rescinded by the CEO/General Manager. In such cases, employees without credit card authorization will be provided cash per diems when required to travel in the interest of the Cooperative. The CEO/General Manager shall review the monthly credit card statements to ensure that purchases made with the credit card are valid and appropriate. Payments to the credit card issuer shall follow the practices for Disbursement as described below.

Credit Card Purchases on the Cooperative's On-Call Credit Card: The Cooperative shall maintain a credit card account with a \$500 limit. This credit card is known as the Cooperative's "on-call credit card." The Cooperative shall maintain four (4) physical cards associated with the Cooperative's on-call credit card account, and all cards shall be stored in a lock-box when not in use. The Cooperative's on-call employees may make purchases of fuel and outage meals only, up to the available limit on the on-call credit card. The on-call employee making the purchase shall retain itemized receipts for all purchases on the on-call credit card and shall deposit such receipts in the lock-box upon returning to the shop. Due to the liability, risk, and cost to the Cooperative associated with undocumented purchases on credit cards, employees who repeatedly fail to turn in itemized receipts for credit card purchases will have their authorization to use the on-call credit card rescinded by the CEO/General Manager.

Fleet Repair and Maintenance Purchases Under \$1,500 ~~\$1,200~~: The repair and maintenance of vehicles in the Cooperative's fleet regularly require the Cooperative's Fleet Mechanic to make independent decisions as to the appropriateness of purchases of goods and services. For this reason, the Fleet Mechanic shall have the authority to order goods and services up to \$1,500 ~~\$1,200~~ directly from vendors without prior approval through the purchase order creation process. The Fleet Mechanic's authorization to order goods and services shall be limited to those goods and services needed for the maintenance and repair of the Cooperative's fleet.



Purchases by Operations Staff on Store Credit Under \$100: During the regular course of business, members of the operations staff may need to immediately purchase small items to avoid an interruption of the smooth and efficient work of the crews. For example, a Lineman or a member of the Tree Crew may need some nuts and bolts, a hand tool, degreaser, replacement blades, a drill bit, or blade sharpening. For this reason, members of the operations staff shall have the authority to purchase goods and services up to an aggregate of \$100 on store credit at local stores where the Cooperative has established a line of credit. If a member of the operations staff needs to make a purchase on store credit for more than \$100 in aggregate, prior approval from the CEO/General Manager is required. The Operations and Engineering Managers may also grant such approval in the absence of the CEO/General Manager. The Operations Clerk shall review the monthly store credit statements and reconcile each line item with a written approval as appropriate.

Receiving/Approval of Invoices: The above individuals who are authorized for creation of purchase orders shall also be responsible for receiving such materials, supplies and services and in ensuring that the delivered goods and services are consistent with the requirements of the purchase order.

Invoices issued by vendors shall be approved for payment by those individuals who perform the receiving. Approved invoices will be marked accordingly and provided to the Cooperative's finance department for processing of payment.

In cases where the materials and/or services received are noncompliant with the Cooperative's purchase order, or where there are other material inconsistencies between the Cooperative's purchase order and vendor performance, invoices shall not be approved and the responsible staff shall have the responsibility of communicating with the vendor to resolve the inconsistency and/or dispute. Personnel responsible for the purchase order(s) shall escalate issues to appropriate management staff as necessary.

Disbursements: Disbursements made by the Cooperative for accounts payables, employee payroll and for reimbursement for qualified expenses (e.g. business travel costs and certain benefits).

Accounts payable disbursements shall be made by the Cooperative through "paper" check or electronic payment. The CEO/General Manager ~~or, in his absence,~~ the Operations Manager **and Chief Financial Officer**, shall have the authority to authorize payment for (and sign checks as applicable) disbursements up to ~~\$25,000~~**\$10,000**. ~~The Finance Manager shall have the authority to approve payment for (and sign checks as applicable) for disbursements up to \$1,000.~~ Disbursements ~~>\$25,000~~**>\$10,000** require authorization by the CEO/General Manager and an officer of the Board of Directors. Regardless of amount, the CEO/General Manager shall review a statement of all disbursements (check and electronic) on a weekly basis.

For the sake of clarity, it is noted that Chief Financial Officer's disbursement limit is \$25,000 whereas his or her purchase order approval limit is only \$100. This is because the Chief Financial Officer is required to regularly make electronic payments on behalf of the Cooperative for purchase orders approved by others or regular bills of the



Cooperative as defined within this policy. The other members of the management team with disbursement authorization have disbursement authorization limits that match their purchase order approval limits.

Exceptions to the disbursement authorization limits described herein include the following:

- Disbursements for regular bills of the Cooperative may be made in any amount.
- Transfers to lenders may be made in any amount.

PROCEDURE: This policy shall be used as the general practice for DCEC internal control procedures.

RESPONSIBILITY: CEO/General Manager and ~~Finance Manager~~ Chief Financial Officer shall administer this policy and practice.

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Jan 25, 2011
Revised by Board of Directors	October 25, 2012
Revised by Board of Directors	January 28, 2014
Revised by Board of Directors	April 26, 2016
Revised by Board of Directors	February 20, 2018
Revised by Board of Directors	September 24, 2019
<u>Revised by Board of Directors</u>	<u>October 27, 2020</u>



Appendix A – Regular Bills of the Cooperative

Payroll & Benefits

- Payroll – Processed weekly – Paid via ACH deposits and checks.
- Payroll Taxes (Federal and State Tax Withholding, Social Security and Medicare Withholding, Federal and State Unemployment Taxes) – Paid via on-line payment services which generates ACH withdrawal. Some quarterly returns paid via ACH withdrawal.
- Payroll Benefits (Medical/Prescription & Dental Insurance Premiums, R & S contributions, 401k contributions, Life Insurance Premiums, NYS Disability Insurance Premiums, Long & Short Term Disability Insurance Premiums, including Paid Family Leave) – Paid via AP and on-line payment services which generates ACH withdrawal.
- Payroll Deductions (Medical/Prescription & Dental Insurance Premium Share, 401k Contributions, 401k Loan Payments, Homestead Contributions, IBEW Local 10 Union Dues, Aflac Insurance Premiums, Supplemental Life Insurance Premiums) – Paid via AP and on-line payment services which generates ACH withdrawal.
- 401k Administration Fees – paid annually via on-line payment services which generates ACH withdrawal.

Banking, Taxes, & Utilities

- Loan Payments – CFC, FFB and NCSC – paid via quarterly vendor initiated ACH automatic withdrawal. CoBank paid through monthly AP check.
- Credit/Debit card transaction fees – paid monthly via vendor initiated automatic ACH withdrawal.
- Safe Deposit Box Fees – paid annually via vendor initiated automatic ACH withdrawal.
- Monthly Sales Tax – paid via on-line payment services which generates ACH withdrawal.
- Quarterly Highway Use Tax – paid via on-line payment services which generates ACH withdrawal.
- Delhi Telephone Company – paid monthly via vendor initiated automatic ACH withdrawal.
- Returned Check Fees - paid as charged via vendor initiated automatic account debit.
- ~~Jack Henry & Associates – monthly on-line payment processing fee~~

AP Process

ACH payment via file generated during AP process and manually sent to bank via online banking:

- NYPA – Power Bill
- Bond, Schoeneck & King – outside counsel
- Deanna Stewart – Facilities Maintenance
- Evelyn Barnhart – Facilities Maintenance
- Mildred Faulkner, Ryan Sullivan – Cell Phone Reimbursement
- Operations Employees – FR Clothing and Boots Reimbursement

Checks:

- Asplundh Tree Experts – right-of-way maintenance
- Bob Coager – line/pole inspection
- National Grid – Borderline Shared Service
- NYSEG – Electric Service, Wheeling Charges, O & M Charges
- Village of Delhi – Water & Sewer Service



-
- Frontier – Radio Repeater
 - Pioneer Telephone – Toll Free Line Services
 - Verizon Wireless – Cell Phones, RTUs, AMI Lines
 - Margaretville Telephone – AMI Line, Radio Repeater
 - ~~Hughes Network Systems – AMI Line~~
 - Online Information Services – Credit Reporting
 - Information Systems Division (ISD) – Information Technology Support
 - Willard Armstrong – Lawn Maintenance
 - Delaware County Clerk, Schoharie County Clerk, Otsego County Clerk – Right-of-Way Easement Recording
 - ACRE – Monthly Member Contributions
 - Pitney Bowes & Purchase Power – Postage & Postage Meter Supplies and Lease Fees
 - Village of Sidney Clerk – In lieu of Gross Receipts Tax
 - County Treasurers – Property Taxes
 - School Tax Collectors – School Taxes
 - Delaware County Electric – Replenish Petty Cash
 - Inactive Credit Balances on Members' AR adjustments
 - Capital Credit Estates and Unclaimed Rewrites
 - Member-owned Distributed Generation Payments
 - Material purchases from UUS, HD Supply, Bridgewell Resources, Stewart Irby, Green Mountain Supply, Drogen Electric Supply, and Powerline Supply
 - Large truck/equipment inspections and repairs by Terex
 - Operations Employees – FR Clothing and Boots Reimbursement
 - U-Page – On-call Pager Device Fees
 - Bloomville Disposal Service – Trash Hauling
 - Southern Tier Credit Center – Bad Debt Collection Fees
 - Local charge account vendors – Ace, Curtis Lumber, Dubben Brothers, McDowell & Walker Delhi, NAPA Delhi, and NAPA Walton
 - Landscapers/Excavators – Delaware Bull Dozing, Down to Earth Landscaping, Ben Reynolds Construction, and LaFever Excavating

Note that all regular bills of the Cooperative listed in Appendix A are categorized according to past practice as ACH, check, etc., but that categorization does not limit the method of payment to the method listed.



2020 Annual Meeting

- Agenda -

Pre-recorded

Welcome/Call to Order.....	President Oles
National Anthem and Pledge of Allegiance.....	President Oles
Appointment of Tellers.....	DCEC Attorney Jeff Clark
Introductory Comments	President Oles
Secretary's Report.....	Secretary Pick
- Quorum Determination	
- Notice of Meeting	
- 2019 Meeting Minutes	
Treasurer's Report	Treasurer Menke
CEO/General Manager's Report.....	CEO Mark Schneider
Report from Nominating Committee	Chairperson Amber Phraner
- Opportunity for Director Nominees to Speak	
- Director Elections	DCEC's Attorney Jeff Clark
- Charitable Donation Vote.....	DCEC's Attorney Jeff Clark
Service Awards/Recognitions	President Oles
Remarks by Retiring Director	Vice President Winkler
Dairy Princess / Youth Delegate Remarks.....	Jillian Hungerford

Live Via Zoom

Unfinished Business/New Business.....	CEO Mark Schneider
Member Questions/Comments	CEO Mark Schneider
Election Results	DCEC Attorney Jeff Clark
Wrap-up & Adjournment.....	President Stephen Oles
Door Prizes	President Stephen Oles

Location: Remote via Zoom Meetings

Date: Thursday, November 12, 2020

Time: 6 pm Call to Order



RESOLUTION

Appointment of Mildred R. Faulkner as Interim CEO/General Manager

October 27, 2020

WHEREAS, the current CEO/General Manager, Mark Schneider will complete his last day of work on Friday, November 27, 2020 at 4 pm; and

WHEREAS, the Cooperative's board of directors has formed a search committee to hire a permanent CEO/General Manager; and

WHEREAS, the search committee does not anticipate having a new permanent CEO/General Manager hired by November 27, 2020; and

WHEREAS, the Cooperative's Finance Manager, Mildred R. Faulkner has demonstrated through many years of service to the members of the Cooperative that she possesses the appropriate skills, abilities, and attitudes to serve as the Interim Chief Executive Officer of the Cooperative;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby appoints Mildred R. Faulkner to the position of Interim CEO/General Manager of the Delaware County Electric Cooperative, Inc. effective Friday, November 27, 2020 at 4 pm; and

BE IT FURTHER RESOLVED, that as of the effective date of this appointment, the Board of Directors grants to Mrs. Faulkner all the rights and responsibilities normally vested in the CEO/General Manager by the bylaws and policies of the Delaware County Electric Cooperative, Inc.; and

BE IT FURTHER RESOLVED, that the Board of Directors authorizes a 21% increase in Mrs. Faulkner's salary coincident with the effective date of her appointment to Interim CEO/General Manager; and

BE IT FURTHER RESOLVED, that the Board of Directors directs President Oles and Attorney Clark to take any and all appropriate steps to carry out the intent of this resolution, including executing a contract establishing the terms and conditions of Mrs. Faulkner's appointment.

CERTIFICATE OF SECRETARY

I, Edward G. Pick, Jr., certify that I am Secretary of the Delaware County Electric Cooperative, Inc. Board of Directors and that the above is a true excerpt from the minutes of the regular board meeting of the Board of Directors of Delaware County Electric Cooperative, Inc., held on the 27th day of October, 2020 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Delaware County Electric Cooperative, Inc. this 27th day of October, 2020.

(Seal)

(Signature of Secretary)

SECRETARY'S CERTIFICATE

I, Edward G. Pick, Jr. do hereby certify that: I am the Secretary of Delaware County Electric Cooperative, Inc. (hereinafter the "Corporation;") that the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Corporation at the regular meeting held October 27, 2020, and entered in the minute book of the Corporation; that the meeting was duly and regularly called and held in accordance with the bylaws of the Corporation; and that none of the following resolutions has been rescinded or modified:

RESOLUTIONS

1. RESOLVED that Mildred R. Faulkner, the Interim CEO/General Manager of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture delivering Rural Development Utilities Programs, any and all data required by RDUP Form 674;

2. RESOLVED that Mark T. Cannizzaro, the Chief Financial Officer of the Corporation, be the Security Administrator on behalf of the Corporation, who shall give access to the Corporation's data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with RDUP Form 674; and

3. RESOLVED that both shall comply with the Instructions for RDUP Form 674 in regard to use of the government's data collection system.

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

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Corporation
this 27th day of October, 2020.

Secretary

(Corporate Seal)

To: DCEC Board Members
 From: Steve Oles, Director
 Re: NRECA Region 1 & 4 Conference
 Date: 10/16/2020

The following is an overview of the highlights experienced attending the NRECA Region 1 & 4 Conference.

Wednesday Session:

Colin Powell- guest speaker

- Energy is one of the most important needs of the USA
- Modernize facilities and share with your community
- Be strong & be peaceful
- Provide your team with the tools & equipment they need to do the job

Curtis Wynn- NRECA President

- Diversification / Equity / Inclusion “DEI” theme for his speech
- Diverse- meet the needs of all of your members
- Equity- commit to fairness to all members
- Inclusion- consider all points of view, seek alternative perspectives

NRECA Financial Reports-

- Total Revenues = \$161.7 Million
- Total Expenses = \$159.3 Million
- Net Margin= \$ 2.4 Million

Break-Out-Sessions-

1. Strategic Energy Leadership: Charting American’s Energy Future

Presenter: Susan Eisenhower

Main Points:

“There is no new normal, there is only now and a different tomorrow”

Energy Needs/usage has changed since COVID-19, examples are

- Transformed transportation-significant reduction in travel, EV’s have advanced
- Work Place – shifted to “at home” and possible movement of population to rural settings and small communities

2. Disrupting Energy: Why Accelerating Science & Technology is Disrupting the Future of Energy, Faster than You Think

Presenter: Jim Carroll

Main Points-

- Start Small then Scale Fast when evidence clearly dictates
 - Leadership Skill Sets needed to meet the future needs of the Coop–
 - Flexibility
 - Agility
 - Focus on the right skill for the current cooperative needs
 - Batteries- currently the focus of our future energy needs and there will emerge alternatives to the Lithium battery
 - EVs –Have Consumer & Technology & Investment & Corporate vision and momentum
- Who Can Help Coops- seek out locally for technology motivated individuals who can assist in establishing the future goals and objectives for the Coop.

CFC Meeting

Presenter: Sheldon Peterson CEO

Main Points:

- Maintain corporate principals
- move to a digital solution
- shift to a resilient posture

Friday Business Session-

- Committee Assignments
- Resolutions / Approval

Resolutions #1.15 Responsible Maintenance of Cooperative Infrastructure Through Use of Chemicals & #1.7 Environmental Externalities were discussed and voted on separately.

Voting-

54 Delegates participated representing 69% of the total eligible voting systems

Tuesday, October 20

10:00 a.m.	Welcome/Upcoming NYAPP Elections <i>Paul J. Pallas, NYAPP President, Village of Greenport</i>
10:00 a.m. – 11:00 a.m.	Member Roundtable 1) Steuben 2) Sherrill 3) Sherburne 4) Rockville Centre 5) Otsego 6) Oneida-Madison 7) Massena 8) Jamestown 9) Greenport 10) Green Island 11) Freeport 12) DCEC
11:00 a.m. – 11:30 a.m.	Legislative Updates: Congress, NYS Legislature Updates: Climate Action Council (Implementation CLCPA) <i>Susan Stohr, SJS Associates</i>
11:30 a.m. – 12:00 p.m.	FERC v. NYSPSC – What Does it Mean for Your System? <i>Tom Rudebusch, DWG&P</i>

Wednesday, October 21

10:00 a.m. – 10:30 a.m.	Will Distributed Energy Resources End Your Role as Load Serving Entities? <i>Tom Rudebusch, DWG&P</i>
10:30 a.m. – 11:00 a.m.	November Elections <i>Susan Stohr, SJS Associates</i>
11:00 a.m. – 12:00 p.m.	NYAPP Updates <ul style="list-style-type: none"> • Mutual Aid <i>Bill Acee, NYAPP Mutual Aid Coordinator</i> • Technology and Innovation Task Force <i>Travis Dubois, Superintendent, Sherburne Electric Department</i> • Implementation Task Force <i>Dave Leathers, General Manager, Jamestown BPU</i>



GOVERNMENT AFFAIRS REPORT

OCTOBER 2020

CONGRESS

COVID RESPONSE:

House: On October 1st the House passed a \$2.2 trillion revised version of the “Heroes” Act (H.R. 925). Provisions of significance to public power are summarized below.

- Homeowners Assistance: \$21 billion in funding to states, territories, and direct assistance to homeowners, including for utility payments.
- State Fiscal Relief: \$238 billion in funding to assist state governments with the fiscal impacts from the public health emergency caused by the coronavirus.
- Local Fiscal Relief: \$179 billion in funding to assist local governments with the fiscal impacts from the public health emergency caused by the coronavirus.
- Federal Emergency Management Agency (FEMA): \$1.3 billion to prevent, prepare for, and respond to coronavirus, provided that none of the funds can be used for any other purpose.
- Administration for Children and Families: \$4.5 billion for the Low-Income Home Energy Assistance Program (LIHEAP).
- Use of LIHEAP Supplemental Appropriations: Waives income eligibility requirements for benefits paid from the \$4.5 billion emergency supplemental (above) by allowing layoff or furlough notices or unemployment benefit applications to serve as sufficient proof of need of energy assistance.
- Extension of Credit: Extends the refundable payroll tax credits for paid sick and family leave, enacted in the Families First Coronavirus Response Act (FFCRA), through the end of February 2021. This provision is effective as if included in FFCRA.
- Repeal of Reduced Rate of Credit for Certain Leave: Coordinates changes made to the requirement to provide paid sick time to allow employers to claim up to \$511 per day, rather than \$200 per day for leave for caregivers of individuals subject to a coronavirus related stay at home order and parents providing for children affected by a coronavirus related school closure. This provision applies to days on or after the date of enactment of this Act.
- Increase in Limitations on Credits for Paid Family Leave: Coordinates changes made to the requirement to provide emergency paid family and medical leave to allow employers to claim up to \$12,000 in refundable payroll tax credits, rather than \$10,000. Allows individuals to claim the credit for a maximum of 60 days (corresponding to the \$12,000 amount) rather than 50 days. This provision is effective as if included in FFCRA.
- Federal, State, and Local Governments Allowed Tax Credits for Paid Sick and Paid Family and Medical Leave: The bill removes the exclusion disallowing the paid sick and family leave credits enacted in the FFCRA for federal, state, and local governments. It makes conforming changes to the definition of qualified wages to align the credit with the intent that the credit will pay for the leave required by the respective mandates. This provision is effective as if included in FFCRA.
- Credits not allowed for certain large employers: Provides that employers with 500 or more employees are not eligible for payroll tax credits for these wages. However, this restriction does not apply to federal, state, and local governments.
- Elimination for 2020 of Limitation on Deduction of State and Local Taxes: Eliminates the limitation on the deduction for state and local taxes for the 2020 taxable year.
- Improvements to Employee Retention Credit: Amends the CARES Act to allow state and local governments and certain federal instrumentalities to claim the credit in the event they are paying wages to employees while their operations are fully or partially shut down.
- Extension of Emergency Relief and Technical Corrections for Governmental Entities and Nonprofit Organizations: Extends the period during which the federal government will pay 50 percent of governmental entities’ unemployment insurance costs (originally provided under the CARES Act) through June 30, 2021, rather than December 31, 2020.
- Emergency Rental Assistance: Authorizes \$50 billion for an Emergency Rental Assistance program to help renters pay their rent and utility bills.

- Homeowners Assistance Fun: Authorizes \$21 billion in grants to states, territories, and tribes to provide direct assistance to homeowners for mortgage payments, property taxes, property insurance, **utilities**, and other housing related costs.
- Restrictions on Collections of Consumer Debt During a National Disaster or Emergency: Amends the Fair Debt Collection Practices Act to prevent debt collectors from collecting any “debt by way of garnishment, attachment, assignment, deduction, offset, or other seizure” from wages, income, benefits, bank, prepaid or other asset accounts, or assets or amounts due to a consumer during the “covered period” (date of enactment of this section and ending 120 days after the end of the COVID-19 national emergency declaration). It also prevents a debt collector from disconnecting or terminating electric, water, natural gas, telecommunications or broadband, water, and sewer utility service for non-payment during the covered period. A debt collector also cannot assess late fees or interest for non-payment during the covered period.
- Repayment Period and Forbearance for Consumers: Extends the time period consumers have to pay back past-due balances to one payment period for each payment missed during the covered period. It also creates a forbearance program for debt collectors that make use of the credit facility discussed below. Under the forbearance program, if a customer attests to experiencing financial hardship due to COVID-19, the debt collector must forbear from collecting payment of debt for the covered period with no fees or interest assessed.
- Credit Facility: Directs the Board of Governors of the Federal Reserve System to establish a “credit facility” to make “long-term, low-cost loans to debt collectors to temporarily compensate such debt collectors for documented financial losses caused by forbearance of debt payments under this subsection.” Under the provision, debt collectors’ required payments on such loans would be deferred until after consumers’ debt payments resume.
- Restrictions on Collections of Small Business and Nonprofit Debt During a National Disaster or Emergency: Amends the Fair Debt Collection Practices Act to prevent debt collectors from collecting any “debt by way of garnishment, attachment, assignment, deduction, offset, or other seizure” from wages, income, benefits, bank, prepaid or other asset accounts, or assets or amounts due to a small business or nonprofit organization during the “covered period” (date of enactment of this section and ending 120 days after the end of the COVID-19 national emergency declaration). It also prevents a debt collector from disconnecting or terminating electric, water, natural gas, telecommunications or broadband, water, and sewer utility service for non-payment during the covered period. A debt collector also cannot assess late fees or interest for non-payment during the covered period.
- Repayment Period and Forbearance for Small Businesses and Nonprofit Organizations: Extends the time period small businesses and nonprofit organizations have to pay back past-due balances to one payment period for each payment missed during the covered period. It also creates a forbearance program for debt collectors that make use of the credit facility. Under the forbearance program, if a small business or nonprofit organization attests to experiencing financial hardship due to COVID-19, the debt collector must forbear from collecting payment of debt for the covered period with no fees or interest assessed.
- Credit Facility: Directs the Board of Governors of the Federal Reserve System to establish a “credit facility” to make “long-term, low-cost loans to debt collectors to temporarily compensate such debt collectors for documented financial losses caused by forbearance of debt payments under this subsection and defer debt collectors’ required payments on such loans until after small businesses’ and nonprofit organizations’ debt payments resume.
- Emergency Relief for State, Territorial, Tribal, and Local Governments: Requires the Federal Reserve to expand its Municipal Liquidity Facility. It requires the MLF to purchase debt of up to 10 years, rather than two years, and to remain in operation through February 1, 2021, rather than ending in December 2020. Additionally, the facility would be open to any political subdivision of a state with a population of more than 50,000, with borrowers paying at the federal funds rate. Finally, the MLF would no longer be limited to serving as a lender of last resort.
- Use of Relief Funds: Expands the use of funds to cover lost, delayed, or decreased revenue stemming from the COVID-19 public health emergency.
- Home Energy and Water Service Continuity: Includes language that any entity that receives financial assistance pursuant under the act, “shall, to the maximum extent practicable, establish or maintain in effect policies to ensure that no home energy or public water system service to a residential customers, which is provided or regulated by such entity, is or remains disconnected or interrupted” during the length of the COVID-19 national emergency period. This section includes language to make it clear that nothing in it requires the forgiveness of debt or preempts “any state or local law or regulation governing entities that provide” home energy or water service.

Senate: The Senate failed to advance a “skinny” (\$300 billion) COVID response bill on September 10th. The Senate will reportedly consider a \$500 billion package on Wednesday. The bill includes funding for schools and the Paycheck Protection Program and liability protections for businesses and organizations. The bill does provide an additional \$300 in weekly unemployment benefits.

PUBLIC POWER PRIORITIES/COVID RESPONSE BILL:

- Direct Aid for Public Power utilities (forgivable loan program);
- A \$4.3 billion funding increases for the Low-Income Home Energy Assistance Program (LIHEAP);
- Reinstatement of the ability to issue tax-exempt advance refunding bonds;
- An increase in the small issuer exception from \$10 million to \$30 million;
- Provision of comparable incentives if COVID legislation extends or expands energy-related tax credits.

COMPREHENSIVE ENERGY BILLS:

Both the House of Representatives and the Senate have been considering (different) comprehensive energy packages during the past session. The House package passed in late September and the Senate package could be considered on the Senate floor during the “Lame Duck” session after the November elections.

Although there will be limited legislative days after the election, Senate passage and “Conference Committee” consideration to reconcile the differences between the bills and get the agreement back to each floor for passage is a (remote) possibility. Summaries of both bills are provided below.

Senate: S. 2657, the “*American Energy Innovation Act*” (AEIA) was introduced by Senators Murkowski and Manchin in late February. The bill is a compilation of more than 50 energy-related bills advanced by the reported by the Senate Energy and Natural Resources Committee in 2019. The key provisions in AEIA focus on energy efficiency; renewable energy; energy storage; carbon capture, utilization, and storage; advanced nuclear; industrial and vehicle technologies; the Department of Energy; mineral security, cyber and grid security, and modernization; and workforce development. Relevant provisions below.

- Authorizes several research, development, and deployment programs for energy storage at DOE, including a demonstration and technical assistance program, for which public power utilities would be eligible
- Directs DOE to establish a program to facilitate and encourage public-private partnerships to promote and advance the physical and cybersecurity of electric utilities, prioritizing utilities with fewer resources [modeled on APPA’s Cybersecurity for Energy Delivery Systems (CEDS) agreement with DOE]
- Authorizes \$10 million annually for fiscal year (FY) 2021 through FY 2025 for a DOE grant program for energy efficiency materials, including products, equipment, or systems that will lower energy use or fuel consumption, for non-residential and non-commercial buildings owned and operated by a non-profit organization.
- Authorizes \$100 million annually for FY 2021 through FY 2025 for a DOE grant program for energy efficiency upgrades, renewable energy technology, and zero emission vehicles and charging infrastructure at schools.
- Codifies an existing DOE program to support combined heat and power (CHP) at 10 regional technical assistance centers.
- Authorizes the existing Federal Energy Management Program (FEMP) at \$36 million annually for FY 2021 through FY 2031.
- Authorizes the Weatherization Assistance Program (WAP) through FY 2025. Amends the program to clarify that renewable energy technologies are included in the definition of weatherization materials.
- Extends incentives for hydroelectric production and efficiency authorized in the Energy Policy Act of 2005 through FY 2036.
- Establishes a research, development, and deployment program to support energy storage technology, including at least five demonstration projects, a long-term joint demonstration initiative between DOE and the Department of Defense, technical and planning assistance for rural electric co-ops and public power utilities, and an energy storage materials recycling price competition.
- Directs FERC to issue a regulation on energy storage cost recovery.
- Directs FERC to issue a rulemaking on rate incentives for advanced cybersecurity technology.
- **Directs DOE to establish a grant program to assist public power utilities and rural electric co-ops to deploy advanced cybersecurity technologies and to increase participation in cybersecurity threat information sharing programs.**
- Authorizes DOE to provide financial assistance to a state for State Energy Security Plans that assesses the state’s existing circumstances and proposes methods to strengthen infrastructure security and minimize supply disruptions.
- Directs DOE to establish a program to develop advanced energy sector cybersecurity technologies and applications; establish a program on energy sector operational support for resilience, and an advanced energy security program to secure energy networks from threats and hazards.
- Authorizes \$50 million annually (FY 2021 through FY 2029) for a DOE grid-scale energy storage program, including technical assistance for states and local governments.
- Directs DOE to establish a grant program for demonstrating technology to improve grid performance and efficiency, and a program to promote the development of microgrid systems with a focus on isolated communities and increasing the resilience of critical infrastructure.
- Authorizes \$200 million (FY 2021 through FY 2029) for DOE to establish and facilitate a process to develop model grid architecture, voluntary model pathways, submit a report to Congress on overall grid performance, and to provide, if requested, assistance to states, regional organizations, or electric utilities resource assessments and analysis for distribution planning.
- Establishes a 21st Century Energy Workforce Advisory Board to propose a strategy for DOE to support the development of a skilled energy workforce.
- Establishes a pilot program for the Secretary of Labor to provide competitively awarded cost-shared grants to support on-the-job training or pre-apprenticeship programs related to careers working in renewable energy, energy efficiency, grid modernization, or the reduction of greenhouse gas emissions.

House: On September 24th the House passed **H.R. 4447**, a comprehensive energy bill entitled the “*Clean Economy Jobs and Innovation Act*”. Many of the provisions included in H.R. 4447 are also included in the Leading Infrastructure for Tomorrow’s America (LIFT America) Act and/or H.R. 2, the Moving Forward Act. Relevant provisions below.

- Energy efficiency provisions that promote energy efficiency technology in residential, commercial, and industrial sectors.
- Public Utility Regulatory Policies Act (PURPA) “must considers” provisions for energy storage technology and electric vehicle charging stations (these provisions are not supported by public power because of the time and expense required to fulfil a PURPA section 111(d) requirement).
- Renewable energy provisions that create a voluntary, streamlined process for local permitting and inspection of distributed energy resources, energy storage, and EV charging infrastructure; language that (from H.R. 5335, the American Energy Opportunity Act of 2019 (Reps. Tonko and Fortenberry).
- Language related to an interregional transmission planning process that require the Department of Energy to report on the interregional transmission planning process and would require the FERC to initiate a rulemaking and consider several matters related to Order No. 1000, including the effectiveness of the existing planning process, changes to the existing planning process, and cost allocation. methodologies “that reflect the multiple benefits provided by interregional solutions.
- Language requiring the Department of Energy (DOE) to establish an Office of Electricity to carry out research, development, and demonstration program for grid-scale energy storage systems. Requires DOE to enter into agreements to carry out up to five demonstration projects and develop a 10-year strategic plan and cost targets for grid-scale energy storage systems.
- Provisions of “energy innovation” legislation (H.R. 6097, the Nuclear Energy Research and Development Act; H.R. 3597, the Solar Energy Research and Development Act; H.R. 3607, the Fossil Energy Research and Development Act; H.R. 3609, the Wind Energy Research and Development Act; H.R. 6084, the Water Power Research and Development Act; H.R. 4091, the ARPA-E Reauthorization Act of 2019; H.R. 4230, the Clean Industrial Technology Act; H.R. 5374, the Advanced Geothermal Innovation Leadership Act; and H.R. 5428, the Grid Modernization Research and Development Act).

NEW YORK STATE LEGISLATURE

STORM RECOVERY

Following the tropical storm Isaias in August, the Department of Public Service completed the first phase of an investigation into utility preparation and restoration efforts related to the storm and sent Notices of Apparent Violation to four utilities (Con Edison, Orange & Rockland, PSEG LI and Central Hudson) and directed the utilities to take the following corrective actions:

- Add crewing capacity via retainer contracts from private contractors or utilities located outside of New York, with a goal to be able to secure in advance of a storm double the level of internal linemen and tree crews;
- Test capabilities at all command centers, call centers and back-up command centers to ensure capability to handle an event that affects 90 percent or more of their customers in their service territory and provide confirmation back to the Department regarding the results of this test within 10 days;
- Refine coordination plans with municipalities tailored to each county (road clearing, local liaisons, etc.) and provide to the Department within 20 days a written confirmation from each county Emergency Operations Center that they understand and accept the plan; and
- Update life support equipment and critical infrastructure lists to remove or add customers as identified during Tropical Storm Isaias and file such updated lists to the Department within 10 days.

At that time the governor announced that he would be proposing legislation to increase the current legal limits on penalties and create a streamlined process for revocation of a utility's operating certificate for recurring failures. In addition, the bill will reportedly require utilities to clearly communicate with customers during outages and give accurate information regarding power restoration. The bill language has not yet been released.

NYS LEGISLATURE: Following Isaias, the NYS Senate and Assembly held a joint hearing (8/20) entitled “Emergency storm response and customer communication by utilities located in New York City, Long Island, Westchester County, and the greater Hudson Valley post Tropical Storm Isaias”. Shortly after that hearing a number of bills were introduced in the Senate and Assembly related to utility storm preparation and response. A summary of the bills below.

- S. 8907 (Comrie)/A. 10987 (Pheffer Amato). Requires gas and electric corporations to spend money (40% of operating budget) each year to improve power outage response and to storm proof power lines.
- S. 8893 (Kaplan)/A.10988 (Sayegh). Requires cell towers to be equipped with a back-up power source in case of a power outage.
- S. 8898 (Kaplan)/A.10991(Sayegh). Requires electric companies to communicate with any patient with certain medically required equipment powered by electricity.
- S. 8894 (Kaplan/Mayer)/ A.10999, (Sayegh.). Requires utility companies maintain a toll-free number for consumers to call to report service outages which shall be made available 24 hours a day, 7 days a week.
- S. 8929 (Kaplan)/A.11015 (Sayegh). Requires the emergency response plan of an electric corporation to include plans for how the communication and coordination of efforts shall occur.
- S. 8897 (Kaplan)/A.11016 (Sayegh). Requires removal of downed wires within 36 hours after notification “individual”.

- S. 8895 (Kaplan)/A.11017 (Sayegh). Requires electric companies to provide alternative measures to ensure customers with documented need for essential electricity for medical needs have access to electricity during power outages; requires electric companies to provide generators or lodging for such individuals and transportation for medical devices and prohibiting companies from passing costs for such alternative measures on to rate payers.
- S805 (Comrie, Mayer)/A.11014 (Hyndman). Requires gas corporations and electric corporations in this state to file quarterly reports with the legislature regarding infrastructure upgrades.
- S8908 (Comrie)/A.10896 (Rozic). Provides a one hundred dollar per day credit to customers of electric and gas corporations for power outages of twenty-four hours or more.
- S.8892 (Kaplan)/A.11019 (Sayegh). Requires electric companies to prioritize restoring services to police departments, fire departments, and ambulance services, when services are interrupted and prohibiting companies from charging ratepayers a higher rate for extra costs incurred due to prioritizing such services.
- S. 8931A (Comrie, Mayer)/A.10900A (Jacobson). Directs the Public Service Commission to study the feasibility and the costs of burying all or most of the electrical, telephone and internet transmission lines in New York state and to publish and deliver a report of its findings to the governor and the legislature, and requires new electrical, telephone and internet transmission lines to be buried underground.
- S. 8913 Gaughran/A.10947 (Thiele): Requires service providers to annually submit an emergency response plan to the Public Service Commission and authorizes the Public Service Commission to open an investigation to review the performance of service providers in meeting the requirements of the emergency response plan.
- S.8937 (Kaminsky)/A.10976 (Thiele). Requires a compensation statement to be filed annually with the public service commission by any public utility corporation or service provider with a gross annual operating revenue of more than one million dollars.

*Public Service Law Section 2: Definitions 14. The term “combination gas and electric corporation,” when used in [sections twenty-five-a](#), [sixty-five](#) and [sixty-six](#) of this chapter, includes any gas corporation operating in New York under common ownership with an electric corporation operating in New York or any electric corporation operating in New York under common ownership with a gas corporation operating in New York, or any successor of either such corporation; provided, **however, that such term shall not include municipally-owned utilities**, and shall not include any generating facilities owned or operated by either such corporation or any common owner thereof, or any subsidiary of such common owner.*

Climate Leadership and Community Protection Act (CLCPA) Implementation

- 85% Reduction in GHG Emissions by 2050
- 100% Carbon-free Electricity by 2040
- 70% Renewable Energy by 2030
- 9,000 MW of Offshore Wind by 2035
- 3,000 MW of Energy Storage by 2030
- 6,000 MW of Solar by 2025
- 22 Million Tons of Carbon Reduction through Energy Efficiency and Electrification

Background: CLCPA: Climate Council, Advisory Groups: The law contains little specificity on how the State will achieve the ambitious cuts in greenhouse gas emissions, but does establish a Climate Action Council (“Council”), charged with preparing the blueprint (reports, proposals and plans and policies) to be put into place to achieve the law’s mandates.

Council: The Council has 22 members and will be co-chaired by the DEC Commissioner and NYSERDA President. The other specified members of the Council include: the leaders of State departments, commissions or authorities (transportation, health, economic development, agriculture and markets, housing and community renewal, labor, DPS, NYPA, LIPA, plus two non-agency appointees of the governor. The Senate and Assembly appointments to the Council are as follows: Senate Majority: Anne Reynolds (Executive Director-Alliance Clean Energy NY); Raya Salter (attorney-environmental justice coalition); Dennis Elsenbeck (former director-National Grid). Assembly Majority: Peter Iwanowicz, Head Environmental Advocates NY); Bob Howarth (Cornell Professor-outspoken on fracking); Paul Shepson (Dean of Marine and Atmospheric Sciences at Stony Brook University). Senate Minority: Gavin Donohue (IPPNY). Assembly Minority: Donna DeCarolis (Executive, National Fuel Gas).

Climate Council Advisory Panels: The law provides for Advisory Panels on (at a minimum): Transportation; Energy Intensive and Trade-Exposed Industries; Land Use and Local Government; Energy Efficiency and Housing; Power Generation; Agriculture and Forestry.

Each Advisory Group will be chaired by an “Agency head”-no more than 5 members on each advisory panel. The panels are to work directly with the Council to provide recommendations on the roadmap to implement the provisions of the law.

FIGRE FEDELI SNYDER CAROTHERS, LLP

Certified Public Accountants and Consultants

Patrick J. Fiore, CPA
Joseph P. Fedeli, CPA
Robert P. Snyder, CPA
Stanley N. Roseberry IV, CPA

October 19, 2020

Delaware County Electric Cooperative, Inc.
39 Elm Street
Delhi, NY 13753

RE: Audit Service Fees

Dear Mark:

Per your request I'd like to present our fee proposal to perform the audit of Delaware County Electric Cooperative, Inc. for the year ended December 31, 2020.

Our fixed fees for the audit will be:

2020

\$13,500

If you have any questions feel free to give me a call at your convenience.

Regards,



Stanley N. Roseberry IV