

BUTLER RURAL ELECTRIC COOPERATIVE, INC.**BOARD OF TRUSTEES****JULY 29, 2020**

The regular meeting of the Board of Trustees of Butler Rural Electric Cooperative, Inc. was held at the Cooperative office, at 3888 Stillwell Beckett Road, Oxford, Ohio on July 29, 2020. The meeting was called to order by Tom McQuiston at 9:00 a.m.

Mike Murray recognized Daniel Chaney and Levi Tipton for completing their COLT training. Daniel is trained to be a "qualified observer" and Levi has completed his apprentice training and is now a journeyman lineman.

ROLL CALL

Board members present were Tom McQuiston, Bob Hoelle, David Evans, Butch Foster, Jay Hasbrook, Ron Kolb, Jim Meador, Bob Spaeth and Mike Tilton. Others present were: Lee Geiger, Attorney; Tom Wolfenbarger, General Manager; Greg Phillips, Director of Corporate Services; Judie Persinger, Director of Accounting and Finance; Michael Murray, Director of Operations; Lisa Staggs Herrmann, Director of Member and Community Relations; Julie Abbott, Director of Administration; Charlie Young, Manager of Engineering and Adam Osborn, Manager of Safety and Compliance. The meeting was opened with the invocation and the Pledge of Allegiance to the Flag by Jim Meador.

MINUTES

A motion was made by Butch Foster, seconded by Mike Tilton, that the minutes of the special board meetings on June 22 and 23 and the regular board meeting held on June 24, 2020 be approved. Motion carried.

FINANCIAL REPORT

The unaudited financial statements were presented to the Board by Judie Persinger. Bob Hoelle reviewed the checks written for the month of June. A motion was made by Mike Tilton, seconded by Jim Meador, that the past payment of bills be approved and the unaudited financial statements be accepted as presented. Motion carried.

WHOLESALE POWER COST RETAIL RATE REPORT

Judie Persinger reported on the Wholesale Power Costs Retail Rate for 2020 - 2030 and reviewed the Variable and Non-Variable Rate Projection for 2020 – 2021. (see attached report)

PATRONAGE CAPITAL RETIREMENT

Judie Persinger presented and proposed the 2020 Capital Retirement recommendation. A motion was made by Bob Spaeth, seconded by Butch Foster, to approve the following resolution as presented.

PATRONAGE CAPITAL RETIREMENT RESOLUTION

WHEREAS, it is the intent of the Board of Trustees to execute the retirement of capital credits in accordance with the Code of Regulations, and;

WHEREAS, the retirement of capital credits is based on the operating and non-operating margins of the Cooperative only, and;

WHEREAS, the Board of Trustees has evaluated the financial condition of Butler Rural Electric Cooperative, Inc., and;

WHEREAS, upon this analysis, the 2019 retirement of capital credits will not jeopardize the financial condition of Butler Rural Electric Cooperative, Inc. and favorably meets the provisions of the Code of Regulations;

THEREFORE, BE IT RESOLVED, the Board of Trustees approves the retirement of 100% of the 2004 patronage capital credit balance, 4.5% of 2005 patronage capital credit balance and 13% of the 2019 patronage capital credit balance.

Motion carried.

BANK AND LENDER RESOLUTIONS

Judie Persinger presented First Financial Bank and Miami University and Community Federal Credit Union resolutions and schedules and authorized signatures with CoBank. A motion was made by Mike Tilton, seconded by Bob Spaeth, to approve the resolutions as presented. Motion carried. (see attached)

ENGINEERING REPORT

Charlie Young reported on the 2019 ARC Flash Study and provided the board with an update on the fiber project with Cincinnati Bell. He provided reports on the latest net metering systems, solar/windmill inquiry, the community solar production and SAIDI, SAIFI, and CAIDI reliability reports.

SAFETY & COMPLIANCE REPORT

Adam Osborn reported on the Safety and Compliance performance and activities for the month of June which included eleven crew observations, a Federated visit, and pole top rescue.

OPERATIONS REPORT

Mike Murray reported on activities of the internal crews including substation work. He provided an update on the roof lawsuit. Mike updated the Trustees on the mound septic system for the cooperative and the disposal of the old Tolbert substation transformer. He reviewed the Service Interruption Report for the month of June.

MEMBER SERVICES UPDATE

Lisa Staggs Herrmann reviewed member issues and concerns and provided an events update. She provided an update on member services and the COVID-19 changes made following the July billing regarding disconnects and payment arrangements. Lisa reported on the fiber project video and communication with members and Cincinnati Bell. She updated Trustees on best practices projects for the NISC Customer Information System (CIS).

\$50 BILL CREDIT WINNERS

William M. Danner.
Doras Singleton

Karen Miller.
Ralph Donathan Jr.

Kathryn G. Hutchison

CORPORATE SERVICES

Greg Phillips reported on the completion of the RC3 assessment and red flags that have taken place in the past month. NISC best practices have been reviewed over the past few months. He updated the Trustees on a new teleconference phone purchased and on a technology review and comparisons.

VOIDED AND NEW MEMBERSHIPS

A motion was made by Mike Tilton, seconded by Ron Kolb, that 93 members be accepted into the membership of the Cooperative for June. There were two voided memberships for the month of June. Motion carried.

CAPITAL CREDITS

A motion was made by Jim Meador, seconded by Bob Hoelle, that the payment of seven capital credits or estates, totaling \$21,412.10 be approved. Motion carried.

CAPITAL CREDITS - SETOFF

A motion was made by Bob Spaeth, seconded by Mike Tilton, that three capital credit setoffs totaling \$624.42 be approved. Motion carried.

BAD DEBTS WRITE-OFF

A total of \$4,273 was submitted to the Board to be written-off for June. A motion was made by Bob Hoelle, seconded by Jay Hasbrook, to write-off bad debts. Motion carried.

LEGAL UPDATE

Lee Geiger reported on an informative meeting at the cooperative regarding cooperative legal work, which included a tour of Butler's system.

TRUSTEE'S REPORT**STATEWIDE REPORT**

Tom McQuiston submitted a report of the Ohio Rural Electric Cooperatives, Inc. regular monthly meeting prior to the meeting. He addressed questions.

BUCKEYE POWER INC.

Tom Wolfenbarger provided an electronic copy of the regular monthly meeting of Buckeye Power, Inc. prior to the meeting and highlighted the Our Solar program.

PRESIDENT'S REPORT

Tom McQuiston provided an electronic report of the virtual NRECA summer board meeting prior to the meeting. He announced the 2021 NRECA annual meeting will be held February 21-24, in-person in San Diego, CA.

Tom McQuiston submitted ballots for Whitewater Valley REMC and CoBank board elections.

DIRECTOR OF ADMINISTRATION REPORT

Julie Abbott provided an update on employees and on the July Nominating Committee meeting. She requested approval of an exception to Policy E207, during special circumstances with COVID-19, to allow employees to use accumulated sick time to supplement pay for those affected by the FFCRA law. Mike Tilton made a motion, with a second by Butch Foster, to allow employees to use accumulated sick time during the special circumstances under the FFCRA law as presented. Motion carried.

MANAGER'S REPORT

Tom Wolfenbarger provided the Board with a rolling twelve-month Trustee compensation report. He presented a contingency plan for the purchase of the Tolbert substation transformer. Tom Humbach is helping with language in the terms of liability and the purchase of the transformer. Mike Tilton motioned, with a second by Butch Foster to accept the contingency plan as presented if an agreement is not reached. Motion carried.

Tom proposed a change in vehicle for the General Manager. Instead of purchasing a new vehicle, he will drive the cooperative electric vehicle. In accordance with policy B02, Tom announced his intention to appoint Charlie Young and Adam Osborn to the Administrative Staff. The Board was in support of both the vehicle and staff changes. Tom submitted a new organizational chart to show staff reporting changes and an electronic manager's activities report.

Tom presented resolutions for Form 674 and Form 675 for approval of authorized signatures following the General Manager change. Bob Spaeth motioned, with a second by Jay Hasbrook to authorize the Board Secretary to sign Form 674 and Form 675 as presented. Motion carried. (see attached resolutions)

OTHER ITEMS OF DISCUSSION**CORRESPONDENCE**

Items of correspondence were received by the Trustees.

ADJOURNMENT

There being no further items of business to discuss, Tom McQuiston adjourned the meeting at 1:20 p.m.

Respectfully submitted,



David Evans, Secretary Treasurer