



TRUSTEE HANDBOOK



Butler Rural Electric
Cooperative, Inc.

Your Touchstone Energy® Partner 

Thank you

FOR YOUR INTEREST IN SERVING ON THE BOARD OF TRUSTEES!

We provide electricity to over 11,800 homes and businesses in Butler, Hamilton, Preble, and Montgomery counties and employ almost 50 people. Our service territory is divided into nine districts, which are below.

DISTRICT 1

Israel and Oxford townships

DISTRICT 2

Milford Township

DISTRICT 3

Somers Township

DISTRICT 4

German and Gratis townships

DISTRICT 5

Madison and Wayne townships

DISTRICT 6

Reily Township

DISTRICT 7

Hanover and St. Clair townships

DISTRICT 8

Harrison and Morgan townships

DISTRICT 9

Colerain, Crosby, Fairfield, and Ross townships



OUR MISSION

To be a dynamic, progressive organization guided by cooperative principles and to provide energy and other value-added services to members. The cooperative will participate in its community, providing leadership and support to improve the quality of life for all of its citizens.

THE COOPERATIVE DIFFERENCE

We're **led by our members**. Our leaders and employees live in the community and many are co-op members.

We **belong to the community we serve**, so we share profits with members.

Even though we're locally-owned and operated, we work with other electric cooperatives to develop new technologies, invest in equipment and infrastructure, and assist with major outages. This allows us to **address complex challenges while remaining true to our local roots**.

We were **built by the community, belong to the community, and continue to be led by the community** — that's the cooperative difference.



EXCELLENT SATISFACTION

Our member satisfaction score is 90 out of 100. That means satisfaction with the co-op is higher than well-known businesses like Apple and Coca-Cola.

RELIABLE ELECTRIC SERVICE

In 2020, the average outage time per member was 107 minutes. This is significantly lower than outage times experienced by customers of investor-owned utilities and municipals, who are without power for an average of 160 minutes each year.



AVERAGE OUTAGE TIME
PER MEMBER:
107 MINUTES

NOMINATING COMMITTEE

Butler Rural Electric Cooperative is owned by our members and is governed by a nine-person board of trustees. Co-op members choose who's on the board by voting for candidates each spring. Our nominating committee is responsible for finding these candidates. 18 members serve on the nominating committee — two from each district. The committee members for the 2022 election are below.

DISTRICT 1

Larry Niehoff
Susan Rooney

DISTRICT 2

Steve Black
Bob Ison

DISTRICT 3

Ted Cornthwaite
Lewis Willeford

DISTRICT 4

Karen Emerick
Christine Geisen

DISTRICT 5

Christopher Flowers
Steven Wells

DISTRICT 6

Mike Egbert
Ernst Schlichter

DISTRICT 7

Glen Beckett
Ralph Gross

DISTRICT 8

Tom Boyd
Darryl Huff

DISTRICT 9

Kenneth Estep
June Niederman

BOARD MEMBER REQUIREMENTS

MEMBERS

Cooperative members elect three trustees each year to serve three-year terms. Board members represent *all* members, not only the members in the township or district they live in. Board members work together to make important decisions that impact the day-to-day operations of the co-op. Board members are below.

THOMAS MCQUISTON
President
District 3

ROBERT HOELLE
Vice President
District 5

DAVID EVANS
Secretary and Treasurer
District 1

JAMES MEADOR
District 2

JAY HASBROOK
District 4

RONALD KOLB
District 6

MICHAEL TILTON
District 7

ROBERT SPAETH
District 8

WILLIAM FOSTER JR.
District 9

EDUCATION AND BACKGROUND

Members, just like you, have the opportunity to run for and be elected to serve on the board of trustees. Board candidates do not need to have electric or utility knowledge. Orientations are provided to new board members.

A person is eligible to become a board member if they

- > Are a member of the cooperative.
- > Are not employed by or financially interested in a competing business selling electricity; a business selling supplies to the cooperative; or a business selling electrical or plumbing appliances, fixtures, or supplies to co-op members.
- > Have not been a co-op employee within the last five years.

BOARD MEMBER RESPONSIBILITIES

Board members are required to fulfill the following duties:

- > Hire, delegate, and appraise the general manager.
- > Govern the co-op through policies and plans.
- > Comply with trustee duties and standards of conduct.
- > Provide direction through strategic planning.
- > Authorize resources consistent with the strategic plan and the long-range financial plan.
- > Serve as a regulator by setting rates.
- > Provide monitoring and oversight of the cooperative.
- > Demonstrate due diligence through board assessment.
- > Facilitate member dialogue regarding improving the quality of life in our community.
- > Recognize the impacts of regulatory and legislative issues on the cooperative.
- > Actively participate in state and national associations to drive public policy supporting electric cooperatives.
- > Engage members to support local, state, and federal elected officials who support electric cooperatives.

TIME COMMITMENT

Board members are responsible for the governance of the cooperative. They spend around 25 hours per month attending meetings and reviewing documents. This time includes attending monthly board meetings, preparing for meetings, and attending conferences.

BOARD MEMBER

RESPONSIBILITIES

LOCAL MEETINGS

Trustee orientation

New board members meet with the board president and general manager to learn about the co-op and to prepare for their first board meeting. This meeting is on a weekday at the cooperative's office and usually lasts two hours.

Monthly board meetings

Board members attending meetings at the cooperative's office on the last Wednesday of each month. The meetings begin at 9 a.m. and typically conclude by 2 p.m.

Annual meeting

Butler Rural Electric Cooperative's annual meeting is held at the end of April, typically at Miami University's Millett Hall. Board election results are announced during the meeting.

System tour

Board members and members of the co-op's management staff travel throughout the co-op's service territory to view the electric system and the communities we serve every three years.

Strategic planning

Board members meet with the co-op's management staff as-needed to discuss strategic issues for future planning.

Member attitude survey

Board members review member attitude survey results each year to understand the attitudes and demographics of our members. Survey results are presented during a regular board meeting.

ACSI survey

Board members review our American Customer Satisfaction Index, or ACSI, survey results to understand our members' satisfaction levels. Survey results are presented during a regular board meeting.

BOARD MEMBER RESPONSIBILITIES

STATE MEETINGS

Trustee orientation

Ohio's Electric Cooperatives, the service organization for electric co-ops in Ohio, conducts a new trustee orientation to facilitate the learning process for board members. The orientation helps board members learn about industry issues, interact with statewide leaders, and meet trustees from other electric cooperatives in Ohio. The orientation is held in Columbus and is conducted over a two-day period.

Annual meeting

Ohio's Electric Cooperatives conducts its annual meeting in August in Columbus. The meeting is a two-day event.

Training seminars

Ohio's Electric Cooperatives conducts meetings throughout the year for trustees to learn about issues affecting electric cooperatives and the electric utility industry. These meetings are typically two-day events and are held in Columbus.

NATIONAL MEETINGS

Annual meeting

The National Rural Electric Cooperative Association, or NRECA, conducts an annual meeting in February or March. Attendees learn about national issues affecting electric cooperatives and attend director training classes. The meeting is conducted over a three-day period. Locations vary.

Regional meeting

NRECA conducts regional meetings throughout the country. These meetings are two-day events held during the first part of September and are located on the East Coast or in Indiana, Michigan or Ohio.

Summer schools

These meetings are held throughout the country to educate and train board members about their duties and responsibilities as elected representatives. Meetings vary from two-day sessions to four-day sessions.

BOARD MEMBER

RESPONSIBILITIES

LOCAL EVENTS

We're involved in our community and often sponsor local events. Board members are encouraged to attend.

Oxford Summer Music Festival

The co-op sponsors one evening in the Oxford Summer Music Festival concert series each June. Enjoy a summer evening and hear great music at this outdoor festival.

Fireworks

We sponsor the College Corner fireworks and the Hueston Woods Fireworks extravaganza each year. Make sure to bring your family to these fun events!

Family Day

One of our most popular events, Family Day is our annual member appreciation event. Members come to our office each July for hot dogs, popcorn, Flub's ice cream, games, and prizes.

County fairs

Employees meet with visitors and hand out giveaways in our tent at the Butler County Fair.

We partner with Darke Rural Electric Cooperative from Greenville to sponsor an exhibitor picnic at the Preble County Fairgrounds in Eaton. 4-H exhibitors and their families enjoy hot dogs, chips, cookies, and drinks after spending the day moving their animals and equipment onto the fairgrounds preparing for the Preble County Fair.

The co-op also supports local youth by participating in livestock auctions and sponsoring awards at our local county fairs.

BOARD MEMBER

RESPONSIBILITIES

COMMITTEES

Board members can serve on committees that review the code of regulations, annual meeting, annual budget, board policies, and the nomination and election process. Committee meetings are scheduled throughout the year.

Executive committee

This committee consists of the president, vice president, secretary and treasurer, and the general manager. The committee provides advice and assistance to the general manager.

Annual meeting committee

This committee consists of one board officer, three board members, and a designee of the general manager. The committee will assist in planning the annual meeting.

Policy and code of regulations committee

This committee consist of one board officer, three board members, the general manager, and the attorney. The committee ensures board policies and the code of regulations are up-to-date.

Nomination and election committee

This committee consists of four board members, the general manager, and the attorney. They review and recommend changes to the nomination and election process.

Budget committee

This committee consists of the board of trustees. The committee reviews the annual budget and the ten-year financial forecast.

Governance committee

This committee consists of the board of trustees. The committee reviews the co-op's governance and transparency every three years.

COMPENSATION

The cooperative provides equitable compensation (per diem) to trustees for attending board meetings, conferences, and training programs. The average annual compensation for Butler Rural Electric Cooperative's board members is \$13,700. The compensation is based on office and certification. Board members do not receive health insurance through the cooperative.

EMPLOYEES

Board members direct the functions of the general manager, attorney, and auditors. The general manager is responsible for all employees and contractors.

General manager

The duties and responsibilities of the general manager are defined by board policy. The general manager oversees the day-to-day operations of the co-op and reports to the board. Board members evaluate the performance of the general manager annually.

Attorney

This position advises the board of trustees on the co-op's legal matters. Board members evaluate the performance of the attorney annually. Lee Geiger, a partner at Cincinnati's Graydon Law Firm, is our attorney. He focuses on labor and employment, education, and health law and oversees Graydon's Butler and Warren county offices.

Auditors

This position evaluates the co-op's fiscal status and compliance issues. The auditors report to the board of trustees and prepare an annual report for members.

EMPLOYEES

The co-op's administrative staff is responsible for the management and functions of each department. They are listed below, along with the co-op's departments and their functions.

Tom Wolfenbarger
General Manager

Greg Phillips
Director of Corporate Services

Mike Murray
Director of Operations

Judie Persinger
Director of Accounting and Finance

Lisa Staggs Herrmann
Director of Member and Community Relations

Julie Abbott
Director of Administration

Charlie Young
Manager of Engineering

Adam Osborn
Manager of Safety and Compliance

HUMAN RESOURCES

Responsible for human resources, policy administration, safety, and compliance issues.

ENGINEERING

Responsible for line design, engineering technology, line staking, field data services, and service calls.

OPERATIONS

Builds and maintains electric lines and facilities and oversees right of way management and service needs.

ACCOUNTING

Maintains and evaluates financial and accounting data and files reports.

MEMBER SERVICES

Responsible for member inquiries, maintaining consumer accounts, communications, and marketing programs.

SYSTEMS AND PLANNING

Coordinates system applications and technology.

PHYSICAL FACILITIES

Responsible for mechanical duties, inventory, grounds maintenance, and cleaning.

BOARD MEMBER CERTIFICATION

Board members complete training courses covering the roles, responsibilities, knowledge, and skills to govern Butler Rural Electric Cooperative. These courses address board governance, financial decision-making, strategic planning, and current and emerging issues.

Each board member is expected to attain the Credentialed Cooperative Director certificate within their first three-year term, the Board Leadership Certificate in the second three-year term, and the Director Gold Certification prior to completing their third three-year term.

Course lengths, locations, and dates vary. Board members have several opportunities to attend courses, including before NRECA's annual meeting, annual directors' conference, summer schools, and regional meetings and various conferences through Ohio's Electric Cooperatives.

CREDENTIALED COOPERATIVE DIRECTOR CERTIFICATE (CCD)

The CCD curriculum consists of five courses that provide the basic knowledge and skills required for co-op directors. The CCD is earned by attending the required courses listed below and successfully completing a learning assessment for each.

- 2600 Director Duties and Liabilities
- 2610 Understanding the Electric Business
- 2620 Board Operations and Process
- 2630 Strategic Planning
- 2640 Financial Decision Making

BOARD MEMBER

CERTIFICATION

BOARD LEADERSHIP CERTIFICATE (BLC)

The Board Leadership Certificate consists of issue and skill-based courses for directors. The certificate can be attained after earning the Credentialed Cooperative Director certificate and completing 10 credits from the courses below. The credit value is indicated after the decimal point for each course.

- 901.1 Rules and Procedures for Effective Board Meetings
- 903.1 The Role of the Board Chair in Conducting Effective Meetings
- 913.1 Cooperative Foundations: Co-op Legacy, Principles, and Impact on Communities
- 914.1 Cooperative Communications and Public Opinion – The Director’s Perspective
- 918.1 Maximizing Your Grassroots Strategy
- 921.1 Risk Oversight: The Board’s Role in Risk Management
- 923.1 New and Emerging Technologies – What Every Director Needs to Know
- 924.1 When Disaster Strikes – Continuity Management and Emergency Response Planning for Directors
- 925.1 Co-op Bylaws: Guiding Principles and Current Issues
- 929.1 Current Issues in Policy Development
- 930.1 Ethics and Governance: Implementing the New Accountability
- 935.1 Appraising and Compensating the CEO
- 939.1 Applying Governance Concepts to Real Boardroom Challenges
- 945.1 Under Scrutiny: The Board’s Role in the Age of Consumer Activism and Transparency
- 951.2 Developing Effective Boardroom Decision-Making
- 955.1 Your Board’s Culture: Its Impact on Effectiveness
- 956.1 Crucial Conversations in the Boardroom
- 957.1 How to Evaluate and Improve Board Performance
- 958.1 Succession Planning: Developing the Purpose-Driven Organization
- 966.1 Understanding the New World of Power Supply
- 970.1 The Role of Renewables in Power Supply
- 972.1 Energy Efficiency, Conservation, and Demand Response in Today’s Cooperative
- 974.1 Rate Strategies for 21st Century Challenges
- 975.1 Capital Credits: Legal and Financial Issues

DIRECTOR GOLD CREDENTIAL

To receive this credential, board members complete three BLC classes. 13 BLC credits are needed to qualify for Director Gold status. To maintain this certification, board members take three additional BLC-level classes every two years. One of the credits can be earned by alternate means, such as attending the CFC Forum or CoBank Energy Directors Conference. After attaining the Director Gold Certification, board members complete continuing education courses and earn three credits for additional terms on the board.

THE COOPERATIVE NETWORK

Butler Rural Electric Cooperative is part of a nationwide network of nearly 900 co-ops in 48 states. Here's what the cooperative network looks like.

LOCAL

Distribution co-ops like ours serve members and share information and resources with peers at other electric cooperatives.

STATE

Generation and transmission co-ops provide wholesale power to distribution co-ops through their own electric generation facilities or by purchasing power on behalf of distribution members. This group also provides distribution, engineering, and planning support, education and training programs, marketing information, and economic development support. **Buckeye Power** is our generation and transmission cooperative. It's owned by Ohio's 24 distribution electric cooperatives. Buckeye Power owns the coal-fired Cardinal Plant on the Ohio River in northeast Ohio. We purchase power from Buckeye Power, who's office is located in Columbus.

Statewide associations are service organizations that engage in advocacy activities with state entities and agencies. These associations provide support to electric co-ops in their state on topics like communication, training, and safety. **Ohio's Electric Cooperatives, or OEC**, is our statewide association. OEC provides services like loss control and safety training, lobbying, education, youth programs, and communications. OEC produces *Ohio Cooperative Living* magazine each month. It's office is in Columbus.

NATIONAL

The **National Rural Electric Cooperative Association, or NRECA**, represents electric co-ops and provides a broad range of products and services like outreach and advocacy, workforce development, operational and business strategies, and employee benefits. NRECA is located in Arlington, VA.

Touchstone Energy[®] is the national brand of electric co-ops and provides tools and resources to help us engage with and serve members. Its office is in Arlington, VA.

BOARD CANDIDATE INTERVIEWS

MONDAY, NOVEMBER 15 AT 6 P.M.

Board candidates will be interviewed by the nominating committee, which consists of 18 people. Candidates will be asked about their background and experience, their views on Butler Rural Electric Cooperative and the electric industry, and their commitment to serving the community. All candidates will be interviewed, including incumbent board members.

The committee will choose two candidates from each district after the interviews. These candidates will appear on the ballots for the 2022 election. Candidates who are not nominated can run by petition, which are due December 30.

PHOTOS

Candidates will have their photos taken by Jade Guthrie, Butler Rural Electric Cooperative's communications representative, before their interview with the nominating committee on November 15. Professional business attire is suggested for the interview and the photo. Board candidate photos will be used in *Ohio Cooperative Living* magazine and on all voting materials.

BIOGRAPHIES

Jade Guthrie will contact each candidate to answer questions to be used in biographies for the magazine and voting materials. Candidates will receive their biographies by e-mail prior to them being published and can make changes or suggestions.

ELECTION TIMELINE

JULY 2021

Members in districts 3, 4, and 9 receive notices letting them know they can run for the board of trustees.

12th

Nominating committee meets with co-op's attorney to discuss the committee's responsibilities and the election.

SEPTEMBER 2021

13th

Nominating committee meets with attorney to discuss board candidates and develop a plan to recruit candidates.

NOVEMBER 2021

15th

Nominating committee interviews members running for the board. Committee selects up to two candidates for each district after the interviews.

DECEMBER 2021

30th

Petitions due at co-op's office. Qualified members can submit petitions with 25 member signatures to run for the board.

BOARD CANDIDATE INTERVIEWS

VIDEOS

Board candidate videos will be on our website and online ballots for members to view before voting for board members.

Videos are recorded by Tim Baldwin, the videographer for Ohio's Electric Cooperatives. Video scripts are provided to use during filming and cover candidate backgrounds, leadership, hobbies, and community activities.

Videos will be filmed at the cooperative's office in February 2022. A co-op employee will contact board candidates to schedule filming. The videos are voluntary. Candidates are not required to have their video filmed to run for the board of trustees.

VOTING

Voting for trustees takes place before the annual meeting in April. Cooperative members can vote online, through SmartHub, or by mail.

ELECTION TIMELINE

JANUARY 2022

10th

Nominating committee interviews candidate(s) who filed petitions, if needed.

MARCH 2022

28th

Election begins. Members can vote for one candidate in each district. Voting is completed by mail, online, or through SmartHub.

APRIL 2022

26th

Election ends

28th

Annual meeting
Election results announced

JULY 2022

Next election cycle begins

Board seats in District 6 (Reily Township), District 7 (Hanover and St. Clair townships), and District 8 (Harrison and Morgan townships), are up for election in 2023.

Indemnification of board members

The cooperative will maintain insurance to provide protection against lawsuits and judgements. The amount and terms of such insurance is reviewed and adjusted annually by the board.

Board and management relationship

The board of trustees and general manager agree to follow all principles involving the delegation of authority and are committed to maintaining this respectful relationship.

Non-conflict

It is the policy of all trustees, management staff, and employees to refrain from any transaction which may violate law or good business ethics and to refrain from making decisions that would provide or imply personal gain.

Anti-harassment

The cooperative will not tolerate any type of harassment based on race, color, religion, sex, national origin, age, or disability in the workplace and encourages employees to report all incidents of harassment. Any trustee violating this policy may be subject to discipline up to and including termination of service.

This handbook is for the use and information of Butler Rural Electric Cooperative's trustees. It is not a contract between the cooperative and any trustee and it should not be construed as such. The handbook is a guide and describes the procedures the cooperative will attempt to follow in most cases. The cooperative reserves the right to vary from these procedures when needed and to ignore them completely at the discretion of the cooperative's board of trustees and/or management. If questions arise concerning any policies, programs, or procedures included in this handbook, please bring it to the attention of the general manager or board president for clarification.

Questions?

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