

BUTLER RURAL ELECTRIC COOPERATIVE, INC.**BOARD OF TRUSTEES****November 25, 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 November 25, 2020. The meeting was called to order by Tom McQuiston at 9:00 a.m.

ROLL CALL

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

MINUTES

A motion was made by Ron Kolb, seconded by Mike Tilton, that the minutes of the regular meeting held on October 28, 2020 be approved. Motion carried.

Minutes were provided for the special Strategic Planning meeting on November 23, 2020. Butch Foster moved with a second by Jim Meador to approve the minutes as presented. Motion carried.

AUDIT REPORT

Amanda Pridemore, Audit Manager, with BHM CPA Group, Inc. reviewed the Independent Auditor's Report, Financial Statements, Notes to Financial Statements, Report on Internal Control Over Financial Reporting and Compliance, and the Management Letter for the period ending September 30, 2020. The auditors reported no significant accounting issues or findings. (See copy of report.)

It was moved by Butch Foster with a second by Bob Spaeth to accept the Audit Report as presented by BHM CPA Group, Inc. Motion carried.

2020 is the last year for the current three-year auditing contract. Judie provided a proposal from BHM CPA Group, Inc. for the 2021, 2022, and 2023 auditing period and asked for Board thoughts on selecting an auditing firm for the next three-year period. A motion was made by Mike Tilton, with a second by Bob Spaeth to secure BHM CPA Group, Inc. for 2021, 2022, and 2023 as presented. Motion carried.

FINANCIAL REPORTS

REVIEW STATEMENTS AND CHECKS WRITTEN

The unaudited financial statements were presented to the Board by Judie Persinger for the month of October. It was moved by Bob Spaeth, seconded by Mike Tilton, to approve the financial reports as presented. Motion carried.

CFC KEY RATIO TREND REPORT (KRTA)

Judie Persinger presented the Key Ratio Trend Analysis for 2019. The KRTA is an analytical tool used to compare performance of Butler Rural Electric Cooperative, Inc. to the US total, state grouping, consumer size, power supplier and plant growth. (See a full report attached with the minutes)

LINE EXTENSION AND MISCELLANEOUS RATES

Judie Persinger presented some modifications to the Ten-Year Forecast and 2021 Budget as presented at the October board meeting. She presented the Line Extension and Miscellaneous Rates. Modifications included adjusted board per diems, decreased electrician services rates, increased material revenue, and material expense, and decreased telephone/radio expense and advertising. It was moved by Bob Spaeth, seconded by Bob Hoelle, to approve the 2021 Line Extension and Miscellaneous Rates as presented. Motion carried.

TEN YEAR FINANCIAL FORECAST & BUDGET FOR 2021

Judie Persinger presented two changes to the draft of the Ten Year Financial Forecast and 2021 Budget as presented at the October board meeting. Mike Tilton made a motion, with a second by Bob Spaeth, to adopt the Ten Year Financial Forecast and 2021 as modified. Motion carried. (See attached documents)

RUS FORM 219 AND SPECIAL EQUIPMENT SUMMARIES

Judie Persinger presented RUS Form 219s and Special Equipment Summaries April thru September 2020 to be submitted to Rural Utilities Service (RUS) for approval. A motion was made by Mike Tilton, seconded by Butch Foster to approve the RUS Form 219s as presented. Motion carried.

WORK ORDERS

| Inventory Number | Work Order Month | Year | Total Amount | Adjustment | Net Amount |
|------------------|------------------|------|--------------|----------------|--------------|
| 9656 | April | 2020 | \$341,286.71 | \$0.00 | \$341,286.71 |
| 9657 | May | 2020 | \$58,384.59 | \$0.00 | \$58,384.59 |
| 9658 | June | 2020 | \$46,126.93 | \$0.00 | \$46,126.93 |
| 9659 | June | 2020 | \$5,417.22 | \$0.00 | \$5,417.22 |
| 9660 | July | 2020 | \$505,466.66 | (\$138,601.92) | \$366,864.74 |
| 9661 | August | 2020 | \$80,700.52 | \$0.00 | \$80,700.52 |
| 9662 | August | 2020 | \$6,119.49 | (\$1,661.00) | \$4,458.49 |
| 9663 | September | 2020 | \$546,062.00 | \$0.00 | \$546,062.00 |
| 9664 | September | 2020 | \$38,395.32 | \$0.00 | \$38,395.32 |

| | | | |
|-------|----------------|----------------|----------------|
| Total | \$1,627,959.44 | (\$140,262.92) | \$1,487,696.52 |
|-------|----------------|----------------|----------------|

SPECIAL EQUIPMENT

| Cost Summary Month | Year | Total Amount | Funded by General Funds | Net Amount |
|-----------------------|------|-----------------|----------------------------|---------------|
| April | 2020 | \$18,526.64 | \$0.00 | \$18,526.64 |
| May | 2020 | \$14,331.00 | \$0.00 | \$14,331.00 |
| June | 2020 | \$34,220.86 | \$0.00 | \$34,220.86 |
| July | 2020 | \$82,819.32 | \$0.00 | \$82,819.32 |
| August | 2020 | \$13,290.00 | \$0.00 | \$13,290.00 |
| September | 2020 | \$37,133.40 | \$0.00 | \$37,133.40 |
| Total | | \$200,321.22 | \$0.00 | \$200,321.22 |

TOTAL WORK ORDER AND SPECIAL EQUIPMENT COSTS

| Type of Request | Total Amount | Funded by General Funds | Net Amount |
|--------------------|-----------------|----------------------------|----------------|
| Work Orders | \$1,627,959.44 | (\$140,262.92) | \$1,487,696.52 |
| Special Equipment | \$200,321.22 | \$0.00 | \$200,321.22 |
| Total | \$1,828,280.66 | (\$140,262.92) | \$1,688,017.74 |

CAPITAL CREDIT RETIREMENT

Judie Persinger presented a capital credit retirement comparison for years 2018, 2019, and 2020 of dollar amount, checks issued, and amount applied to bill.

STAFF REPORTS

ENGINEERING UPDATE

Tom Wolfenbarger presented a report prepared by Charlie Young. Tom provided a review of the 2021 Construction Work Plan (CWP). He provided an update on the fiber progress for Butler sites and member sites, and net metering systems for the month. He reported on the latest NERC reliability compliance program and any changes with reporting. A report of the community solar production by month and the SAIDE, SAIFI and CAIDI outage charts were provided for review.

SAFETY & COMPLIANCE REPORT

Adam Osborn reviewed safety and compliance activities and measures for the month of October. The report included ten field visits, a vehicle incident, property damage and a report of safety performance.

OPERATIONS UPDATE

Mike Murray reported on activities of the internal BREC crews which included substation work, pole replacements, and a relocation of underground services. Four linemen traveled to North Carolina at the end of October to assist Energy United Cooperative during hurricane Zeta. Outage figures for the month were presented.

MEMBER SERVICES UPDATE

Lisa Herrmann reviewed member issues and concern for the month. She provided an update on the board election process and 2021 annual meeting. She reported on communications, capital credits, and provided an electric vehicle update.

\$50 Bill Credit Winners

Robert Bailey

Joseph Schueler

Florence McWhorter

Scott Jenkins

Asher Seidel

CORPORATE SERVICES UPDATE

Greg Phillips reported on a red flag involving a member. He reviewed server and banking upgrades.

VOIDED & NEW MEMBERSHIPS

A motion was made by Bob Spaeth, seconded by Butch Foster, that 78 members be accepted into the membership of the Cooperative for October. The motion also included one voided membership. Motion carried.

CAPITAL CREDITS

A motion was made Ron Kolb, seconded by Jay Hasbrook, that the past payment of capital credits for 15 estates, totaling \$35,313.62 be approved. Motion carried.

CAPITAL CREDITS SETOFFS

A motion was made by Jim Meador, seconded by Bob Spaeth, to approve five capital credits setoffs totaling \$2,187.76. Motion carried.

BAD DEBTS WRITE-OFF

A total of \$2,514.81 was submitted to the Board to be written-off for October. A motion was made by Bob Hoelle, seconded by Jim Meador to write off bad debts. Motion carried.

MANAGER'S EXPENSE REPORT

A motion was made by Bob Spaeth, seconded by Ron Kolb, that the Manager's expense report for October in the amount of \$29.32 be approved. Motion carried.

LEGAL UPDATE

Tom Humbach reported on the Nominations Committee meeting held in November and has notified the candidates of their nominations for districts #1 (David Evans and Shannon Maddock), #2 (Jim Meador and Jason Barnes), and #5 (Bob Hoelle and Vickie Barger) for the 2021 election. He provided an update on the HVAC judgement.

TRUSTEES REPORT

Jay Hasbrook reviewed the NRECA 2620 course he attended at the statewide office. Bob Hoelle reported on the virtual NRECA 953.1 course he participated in this month.

STATEWIDE REPORT

There was no monthly board meeting held by the Ohio Rural Electric Cooperatives, Inc.

BUCKEYE POWER INC.

There was no monthly board meeting held by the Buckeye Power, Inc. Board of Trustees.

PRESIDENT'S REPORT**2021 NATIONAL VOTING DELEGATES AND ALTERNATES**

Tom McQuiston agreed to keep the same voting delegates for 2021 as set in June of 2020.

| | |
|------------------|--|
| NRECA | Bob Hoelle, Voting Delegate Butch Foster, Voting Alternate |
| CFC | David Evans, Voting Delegate Jim Meador, Voting Alternate |
| NRTC | Mike Tilton, Voting Delegate Jay Hasbrook, Voting Alternate |
| Federated | Ron Kolb, Voting Delegate Butch Foster, Voting Alternate |
| NCSC | Jim Meador, Voting Delegate Ron Kolb, Voting Alternate |

GENERAL MANAGER EVALUATION

The trustees were reminded to complete the General Manager's evaluation and return to Julie Abbott. The evaluation will be reviewed with the General Manager at the December 30 regular board meeting.

HUMAN RESOURCES REPORT

Julie Abbott provided a staffing and benefits update as well as training and education for November and December. She provided member survey comments.

MANAGER'S REPORT

Tom Wolfenbarger reviewed the power delivery committee report and discussed the Duke Energy switching plan. He asked the Board to review the Construction Standards document provided on Call to Order. He will present more information at the December board meeting. Tom discussed with the Trustees their interest in meeting with newly elected State officials to share with them information about cooperatives. They are in favor of scheduling a meeting.

ACTIVITIES REPORT

Tom Wolfenbarger distributed a list of dates of past and future activities.

EXECUTIVE SESSION

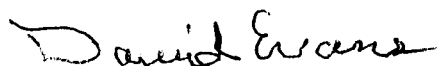
A motion was made by Mike Tilton, with a second by Jay Hasbrook to enter into an executive session at 1:50 p.m. Motion carried. Tom Wolfenbarger presented information for discussion.

Mike Tilton and Bob Spaeth made motions to come out of executive session at 2:18 p.m. Motion carried.

ADJOURNMENT

There being no further items of business to discuss, Mike Tilton and Jay Hasbrook motioned to adjourn the meeting. Motion carried.

Respectfully submitted,

A handwritten signature in cursive script that reads "David Evans".

David Evans, Secretary/Treasurer