

**BUTLER RURAL ELECTRIC COOPERATIVE, INC.****BOARD OF TRUSTEES****AUGUST 28, 2019**

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 August 28, 2018. The meeting was called to order by Tom McQuiston at 9:00 a.m.

**ROLL CALL**

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

**MINUTES**

A motion was made by Mike Tilton, seconded by Robert Spaeth that the minutes of the regular meeting held on July 31, 2019 be approved. The motion also included suspending the reading of the minutes. Motion carried.

**FINANCIAL REPORT****REVIEW STATEMENTS AND CHECKS WRITTEN**

The unaudited financial statements were presented to the Board by Judie Persinger. Robert Hoelle reviewed a report of the checks written for the month of July. A motion was made by Ron Kolb, seconded by Jim Meador, that the past payment of bills be approved and the unaudited financial statements be accepted as presented. Motion carried.

**CFC KEY RATIO TREND REPORT (KRTA)**

Judie Persinger presented the Key Ratio Trend Analysis for 2018. The KRTA is an analytical tool used to compare performance of Butler Rural Electric Cooperative, Inc. to the US total, state grouping, and consumer size, power supplier and plant growth.

**2019 BHM ENGAGEMENT LETTER**

Judie Persinger provided information on the contract with BHM, CPA Group, Inc. and the engagement letter. This letter includes management and auditor responsibilities, reporting and audit documentation. A motion was made Mike Tilton, seconded by Robert Spaeth to approve the Engagement Letter as presented. Motion carried.

**POSITIVE PAY**

Judie Persinger presented information on the automated fraud detection tool, Positive Pay and the cooperative's experience with this detection tool.

**ENGINEERING REPORT**

Tom Wolfenbarger reported on meetings held in August for planning purposes with Duke Energy and a meeting with Cincinnati Bell on fiber. He updated the Trustees on pending net metering systems and applications and monthly community solar production. A review was made of the SAIDI, SAIFI, and CAIDI reliability reports.

**SAFETY & COMPLIANCE REPORT**

Adam Osborn reported on safety & compliance activities for the month of July, which included field observations, property damage, investigations, and training.

**OPERATIONS REPORT**

Mike Murray reported on the activities of the internal BREC crews, which included replacement of equipment and poles and the completion of the conversion of a three-phase line. He provided an update on the resealing of the cooperative parking areas and other physical facilities improvements. Mike reported on new services connected and on outages for the month of July.

**MEMBER SERVICES REPORT**

Lisa Staggs Herrmann reviewed member issues and concerns. She provided an update on Butler and community events. Lisa presented the results from the American Customer Satisfaction Index (ACSI) survey.

**\$50 BILL CREDIT WINNERS**

John W. Payne

Barbara Louder

Kathleen Kihm

Sandy Downey

Carmen Ashley Parkhurst

**CORPORATE SERVICES REPORT**

Greg Phillips reported that Butler Rural passed the annual required Payment Card Industry (PCI) Compliance testing and monthly scans. He reviewed refresher training completed with employees on NERC compliance removable media and mobile computing.

**VOIDED & NEW MEMBERSHIPS**

A motion was made by Ron Kolb, seconded by Jim Meador, that 79 memberships be accepted into the membership of the Cooperative for July. There were no voided memberships in July. Motion carried.

**CAPITAL CREDITS**

A motion was made by Robert Hoelle, seconded by Robert Spaeth, that the past payment of capital credits for six estates, totaling \$15,199.33 be approved. Motion carried.

**CAPITAL CREDITS SETOFFS**

A motion was made by Butch Foster, seconded by Jim Meador, to approve nine capital credits setoffs totaling \$2,023.81. Motion carried.

**BAD DEBTS WRITE-OFF**

A total of \$12,907.29 was submitted to the Board to be written-off for July. A motion was made Robert Hoelle, seconded by Mike Tilton, to write off bad debts. Motion carried.

**MANAGER'S EXPENSE REPORT**

A motion was made by Robert Spaeth, seconded by Butch Foster, that the Manager's expense report for July in the amount of \$226.25 be approved. Motion carried.

**LEGAL UPDATE**

Tom Humbach provided an update on lawsuits related to Beiser, HVAC, and cable company. The Beiser law suit was dismissed.

Tom provided the latest information on roof issues with Sherwin Williams. After Board discussion, a motion was made by Butch Foster, seconded by Mike Tilton, to proceed with the process of painting the roof within the next ten days, contingent upon receiving a lower cost for replacement of the roof in this time frame. The motion also included the maintenance of the painting as well as an inspection of the finished product. Motion carried.

**PRESIDENT'S REPORT**

Tom McQuiston verified that the board members received the memo of Tammy Mann's resignation from the Board of Trustees.

Tom provided information for the CoBank 2020-2021 Nominating Committee Election. A motion was made by David Evans, seconded by Mike Tilton, to approve the nominating committee slate as presented. Motion carried.

**OHIO'S ELECTRIC COOPERATIVES & BUCKEYE POWER INC.**

An electronic report of the Buckeye Power, Inc. regular monthly meeting of the Board of Trustees were submitted prior to the meeting by Mike Sims. Tom McQuiston submitted an electronic copy of the monthly meeting of the Ohio Electric Cooperatives, Inc.

**TRUSTEES REPORT**

Tom McQuiston asked for comments from the OEC Summer Conference. Trustees reviewed highlights from the meeting.

**HUMAN RESOURCES REPORT**

Julie Abbott reviewed the Annual Benefit Plan Rating for 2020 and recommended no changes to the plans. She reviewed past and upcoming meetings and training for employees and Trustees.

**MANAGER'S REPORT**

Mike Sims provided an update on the Reily Woods lighting issue. He asked for approval to seek new vendor options for the mail and online voting for the 2020 Annual Meeting election.

**APPRECIATION FOR SERVICE RESOLUTION**

Mike Sims presented a resolution for the employees' outstanding service. A motion was made by Butch Foster, seconded by Jim Meador, to authorize management to grant employees a personal day as a token of their appreciation. Motion carried. (See attachment)

**ACTIVITIES REPORT**

Mike Sims submitted an electronic list of dates of past and future activities.

**CORRESPONDENCE**

Items of correspondence were received and shared with the trustees.

**EXECUTIVE SESSION**

Staff was dismissed, except Julie Abbott and Mike Sims. The Board entered into an executive session to discuss options for the Trustee vacancy in District 4.

**ADJOURNMENT**

There being no further items of business to discuss, the meeting was declared adjourned at 2:15 p.m. by Tom McQuiston.

Respectfully submitted,



David Evans  
Secretary/Treasurer