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**MINUTES OF THE REGULAR BOARD MEETING
HELD TUESDAY, OCTOBER 20, 2020
SMECO HEADQUARTERS AUDITORIUM
15035 BURNT STORE ROAD
HUGHESVILLE, MD 20637
And via Zoom/Teleconference**

The regular meeting of the Board of Directors of Southern Maryland Electric Cooperative, Inc. (SMECO) was held on Tuesday, October 20, 2020, 1:00 p.m. in the SMECO Headquarters Auditorium, 15035 Burnt Store Road, Hughesville Maryland 20637, and via Zoom/Teleconference.

Attendance:

Directors:

W. Rayner Blair, III
Gilbert O. Bowling
Fern G. Brown (via Zoom)
William R. Cullins, III
Daniel W. Dyer
Kenneth L. Dyson
J. Douglas Frederick
Susan Hance-Wells

Joseph Gilbert Murphy
W. Michael Phipps
William L. Purnell
James A. Richards (via Zoom)
P. Scott White
Richard A. Winkler
Nancy W. Zinn

Board Attorney: Joseph R. Densford

SMECO Personnel:

President and Chief Executive Officer (CEO) Sonja M. Cox
Senior Vice President of Engineering and Operations and
Chief Operating Officer (COO) Kenneth M. Capps (via Zoom)
Vice President of Financial Services and
Chief Financial Officer (CFO) Beth Kennedy (via Zoom)
Senior Vice President of External Affairs and
General Counsel Mark A. MacDougall
Senior Vice President of Customer & Enterprise Services and
Chief Information Officer (CIO) Joseph Trentacosta
Senior Vice President and
Chief Strategy & Innovation Officer (CSIO) Campbell Hawkins (via Zoom)
Executive Assistant to the President & CEO Teresa M. Barringer
Office Administration Supervisor Theresa Moasser (via Zoom)

Call to Order – Chairman P. Scott White called the meeting to order at 1:00 p.m.

Minute for Safety – Director Purnell gave the minute for safety.

Presentation of Director Gold Certificates – Chairman P. Scott White presented Director Gold Certificates to:

- Fern G. Brown
- William L. Purnell
- Nancy W. Zinn

On behalf of the Board of Directors, Chairman White extended congratulations to these Directors.

Approval of Minutes – The minutes of the September 15, 2020 Regular Board Meeting were considered. A motion was duly made, seconded, and unanimously carried approving the minutes of the September 15, 2020 Regular Board Meeting.

NRECA Governance Video: Directors Communicating with Employees - Chairman White shared a video, which explored employee-director communication, specifically the boundaries dealing with confidentiality.

September 2020 Financial Performance and Statistics Reports – CFO Kennedy reviewed the financial highlights for the period ending September 30, 2020.

CFO Kennedy also reviewed the Corporate Goal Results for Third Quarter 2020 for both Management and Bargaining Unit.

Committee Reports:

Board Risk Oversight Committee – Committee Chairman Winkler reported that the Board Risk Oversight Committee (BROC) did not hold a meeting; therefore, no report was given.

Next Committee Meeting – Committee Chairman Winkler advised that the Board Risk Oversight Committee (BROC) will hold their next meeting on Tuesday, November 17, 2020, at 10:30 a.m. in the SMECO Headquarters Auditorium, SMECO Headquarters, Hughesville, Maryland or via Zoom/Teleconference.

Capital Projects Committee – Committee Chairman Blair reported that the Capital Projects

Committee did not hold a meeting; therefore, no report was given.

Next Committee Meeting – Committee Chairman Blair advised that the Capital Projects Committee will hold a meeting on Monday, November 9, 2020, at 10:00 a.m. in the SMECO Headquarters Auditorium, SMECO Headquarters, Hughesville, Maryland or via Zoom/Teleconference.

Committee on Strategy and Innovation – Committee Chairman White reported that the Committee on Strategy and Innovation recently held meetings on the following dates and that a report will be shared during Executive Session:

- Tuesday, September 29, 2020, 9:00 a.m.
- Thursday, October 15, 2020, 1:00 p.m.

Personnel and Benefits Committee – Committee Chairman Cullins reported that the Personnel and Benefits Committee did not hold a meeting; therefore, no report was given.

Next Committee Meeting – Committee Chairman Cullins advised that the Personnel and Benefits Committee will hold a meeting on Tuesday, December 15, 2020, at 10:00 a.m. in the SMECO Headquarters Auditorium, SMECO Headquarters, Hughesville, Maryland or via Zoom/Teleconference.

Policy, Audit and Budget Committee – Committee Chairman Phipps reported that the Policy, Audit and Budget Committee did not hold a meeting; therefore, no report was given.

Date of Next Committee Meeting – Committee Chairman Phipps advised that the Policy, Audit and Budget Committee will hold a meeting on Friday, November 20, 2020, 9:00 a.m., in the SMECO Headquarters Auditorium, SMECO Headquarters, Hughesville, Maryland and/or via Zoom.

Public Relations Committee – Committee Chairman Frederick reported that the Public Relations Committee held a meeting on Tuesday, October 20, 2020, 11:00 a.m., in the SMECO Headquarters Auditorium, SMECO Headquarters, Hughesville, Maryland and via Zoom, and the

following report was given:

Review SMECO 2020 Annual Members' Meeting - Committee Chairman Frederick reported that Corporate Communications Managing Director Terry Ressler provided a recap of the 2020 SMECO Annual Members' Meeting held on Thursday, August 27, 2020, SMECO Transportation Building, Hughesville, Maryland, 6:00 p.m. The review included discussion on mail-in ballots, online voting, attendance, candidates, bylaw revision, meeting chairman, and location.

SMECO 2021 Annual Members' Meeting - Committee Chairman Frederick reported that the committee recommended Thursday, August 26, 2021, 6:00 p.m., as the date and time to hold the 2021 Annual Members' Meeting. Various locations were discussed, but no decision was made on the meeting venue at this time.

A possible Bylaw revision to allow for virtual meetings was discussed. General Counsel MacDougall advised that this was something he was working on and he will report on his findings at a later date.

Effective with the 2021 Annual Members' Meeting, board candidate application packages will be available online only; all candidates must submit applications electronically.

Ms. Ressler advised that emailing login credentials plus two reminders would be an option offered by SBS for next year. The committee was open to this idea, and felt this may increase the number of votes cast. In addition, it may diminish the issue of people thinking the Annual Meeting notice is junk mail. This option would be available for those SMECO customers whose email addresses are in our customer database.

Review SBS Voting Summary Report – Committee Chairman Frederick advised that Committee members discussed, analyzed, and interpreted the data contained in the SBS Voting Summary Report. After discussion, there were no requests for changes to the report. Of the ballots

that were not valid, most did not have a signature, which will be remedied with the Bylaw change adopted this year that eliminates the requirement for a signature on the ballot.

A motion to recommend to the Board that the 2021 Annual Members' Meeting be held on Thursday, August 26, 2021, 6:00 p.m., location to be determined, was duly made and unanimously carried.

A motion to recommend that the Board approve adopting the proposal from SBS to email login credentials only (no reminder emails) for the 2021 Annual Members' Meeting was duly made and unanimously carried.

Reading Material – Chairman White called attention to board reading material.

Board Policy of the Month – Board Policy 3-7: Attendance at Business Meetings. A synopsis was provided in board materials.

President's Report – CEO Cox updated the Board on current topics of interest regarding the business of the Cooperative and entertained questions regarding her written report.

Directors' Comments:

There were no Director comments.

Unfinished Business:

Report on 2020 NRECA Online Regional Week - Chairman White advised he and CEO Cox attended the General Session of 2020 NRECA Online Regional Week held on Wednesday, October 14, 2020. Chairman White was the voting delegate for both Federated and CFC and Daniel W. Dyer was the voting delegate for NRECA. In addition, William L. Purnell attended the CFC online meeting virtually as alternate voting delegate.

All attendees provided updates.

New Business:

Authorization – President & CEO to Cancel Life Insurance Policies with Sun Life Financial and Board Resolution – CEO Cox referred the board to the board resolution and surrender documents for the cancellation of executive life insurance policies issued by Sun Life Financial on BoardPaq.

A motion was duly made, seconded, and unanimously carried to authorize CEO Cox to submit the corporate markets surrender and loan request for cancellation of executive life insurance policies issued by Sun Life Financial and for Secretary-Treasurer Fern G. Brown to approve the board resolution.

2021 Industry Meetings & Director Training Selections Memo - Chairman White referred the Board to the memo in Boardpaq, which was also distributed. The Board was instructed to indicate their top two meetings or seminars they are interested in attending in 2021 and return the sheet or email choices to Terrie Barringer no later than Friday, November 6, 2020.

Executive Session – A motion was duly made, seconded, and unanimously carried to go into Executive Session at 2:47 p.m. (Senior Vice President of Engineering and Operations and Chief Operating Officer (COO) Kenneth M. Capps, Vice President of Financial Services and Chief Financial Officer (CFO) Beth Kennedy, Senior Vice President of Customer & Enterprise Services and Chief Information Officer (CIO) Joseph Trentacosta, Senior Vice President of External Affairs and General Counsel Mark A. MacDougall, Senior Vice President, Chief Strategy & Innovation Officer (CSIO) Campbell Hawkins, and Office Administration Supervisor Theresa Moasser were excused from the meeting).

President and CEO Sonja M. Cox and Executive Assistant Teresa M. Barringer left Executive Session at 3:04 p.m.

A motion was duly made, seconded, and unanimously carried to come out of Executive Session at 3:07 p.m. and resume the Regular Board Meeting.

Confirm Date/Time for Next Board Meeting – The next regular meeting of the Board of Directors will be held on Tuesday, November 17, 2020, at 1:00 p.m., SMECO Headquarters or via Zoom/Teleconference.

Adjournment of Meeting – There was no further business to come before the Board of Directors; therefore, a motion was duly made, seconded, and unanimously carried approving the adjournment of the meeting at 3:07 p.m.



Fern G. Brown
Secretary-Treasurer