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**MINUTES OF THE REGULAR BOARD MEETING  
HELD TUESDAY, JUNE 15, 2021  
SMECO HEADQUARTERS AUDITORIUM  
15035 BURNT STORE ROAD  
HUGHESVILLE, MD 20637**

The regular meeting of the Board of Directors of Southern Maryland Electric Cooperative, Inc. (SMECO) was held on Tuesday, June 15, 2021, 1:00 p.m. in the SMECO Headquarters Auditorium, 15035 Burnt Store Road, Hughesville Maryland 20637.

**Attendance:**

Directors:

W. Rayner Blair, III	Joseph Gilbert Murphy
Gilbert O. Bowling	W. Michael Phipps
Fern G. Brown	William L. Purnell
William R. Cullins, III	James A. Richards
Daniel W. Dyer	P. Scott White
Kenneth L. Dyson	Richard A. Winkler
J. Douglas Frederick	Nancy W. Zinn
Susan Hance-Wells	

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) Roger Schneider  
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  
Vice President, Human Resources Cindy Rauner  
Executive Assistant to the President & CEO Teresa M. Barringer  
Rates & Energy Procurement Vice President Eugene Bradford  
Economic Services Director Lezael Rorie  
Enterprise Risk Management Managing Director Dave Viar  
Distribution Engineering Director Adam Mierzwa  
Controller Angie Verras

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

**Minute for Safety** – Director Murphy gave the minute for safety.

**Presentation – Transformer Load Management (TLM) Overview and Demo** - Distribution Engineering Director Adam Mierzwa provided an overview of the TLM and a demonstration of the program. A question and answer session followed.

**Approval of Minutes** – The minutes of the May 18, 2021 Regular Board Meeting were considered. A motion was duly made, seconded, and unanimously carried approving the minutes of the May 18, 2021 Regular Board Meeting.

**May 2021 Financial Performance and Statistics Reports**– Controller Angie Verras reviewed the financial highlights for the period ending May 31, 2021.

**Committee Reports:**

**Board Risk Oversight Committee (BROC)** – Committee Chairman Winkler reported that the Board Risk Oversight Committee (BROC) held a meeting on Tuesday, June 5, 2021, 10:30 a.m., in the SMECO Headquarters Auditorium and/or Via Zoom, and the following report was given:

Enterprise Risk Management (ERM) - Committee Chairman Winkler advised that Reliability, Compliance & Security Managing Director Dave Viar provided the ERM presentation. Highlights included 2021 ERM Key Performance Indicator Objectives, ERM Reporting (SMECO's Enterprise Risk Model and KRI Risk Reporting), NERC Compliance (Critical Infrastructure Protection (CIP), Large Project Risk Assessment, and G&T Top Ten Risks Benchmark Study (ACES).

Portfolio Update – Committee Chairman Winkler advised Rates & Energy Procurement Vice President Eugene Bradford provided a presentation on the Power Portfolio Update, Hedge Plan Compliance, Credit Status, Trading Violations, Rate Comparison, and Retail Choice.

**Capital Projects Committee** – Committee Chairman Blair reported that the Capital Projects Committee did not hold a meeting; therefore, no report was given.

**Committee on Strategy and Innovation** – Committee Chairman White reported that the Committee on Strategy and Innovation did not hold a meeting; therefore, no report was given.

Date of Next Committee Meeting – Committee Chairman White advised that the Committee on Strategy and Innovation will hold their next meeting on Friday, July 30, 2021, 9:00 a.m., in the SMECO Headquarters Auditorium.

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

**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.

**Public Relations Committee** – Committee Chairman Frederick reported that the Public Relations Committee did not hold a meeting; therefore, no report was given.

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

**Board Policy of the Month** – Board Policy 3-16: Code of Ethics for SMECO Power Supply. 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:**

Discussion ensued on various topics.

**Unfinished Business:**

Line Extensions Presentation - Economic Services Director Lezael Rorie gave an update to her previous presentation on line extensions which was presented to the Board in November of 2020.

In December 2020, SMECO filed those Board-approved charges with the Maryland PSC and responded to a number of data requests through January and February 2021. In February of this

year, PSC staff informed SMECO that they did not accept our proposed changes. The presentation detailed SMECO's revised proposal and methodology.

A motion was duly made, seconded, and unanimously carried to proceed with the revised filing with the Maryland PSC for single family homes and town home dwellings with the provision to analyze again after a few years with real-time data.

The revised filing will be submitted with the PSC, and pending PSC approval, new line extensions charges will be effective August 1, 2021.

Report on ACES 2021 Members' Conference – Chairman White advised CEO Cox, CSIO Hawkins, and Directors Blair, White, and Winkler attended the ACES 2021 Members' Conference held June 2-4, 2021, Indianapolis, Indiana. All who attended agreed it was an informative and successful event.

**New Business:**

NRECA Annual Membership Dues – Chairman White advised the National Rural Electric Cooperative Association (NRECA) Membership Dues for the member year beginning July 2, 2020 totaled \$148,175. A motion was duly made, seconded, and unanimously carried to authorize continued membership in the NRECA for the member year beginning July 2, 2021, at a cost of \$148,175.

Cybersecurity Presentation - Reliability, Compliance & Security Managing Director Dave Viar provided a presentation on Cybersecurity. The presentation included information on Cyber Threats, Top Cyber Threats including Phishing/Social Engineering, and Ransomware, and SMECO Cyber Defenses.

Lineman Staffing Issue – COO Roger Schneider shared a presentation requesting a lineman apprentice class for 2021. Recent class history, potential attrition, and current/future staffing were some of the topics covered. Mr. Schneider will provide feedback on this issue later this year.

A motion was duly made, seconded, and unanimously carried to authorize an apprentice class of 10 in the fall of 2021. Another apprentice class will be budgeted to be held in the spring of 2022.

Report on Executive Team Retreat – CEO Cox advised the Executive Team Retreat was held May 23-25, 2021, at the Bavarian Inn, Shepherdstown, West Virginia. CEO Cox, SMECO Executive Team, facilitator Joe Raia, ACES Staff (Jason Painter and Andrew Hall), Emily Bermes, and Guidehouse Consultants attended.

2021 Credentials & Election (C&E) Committee Discussion – Board Attorney Densford reviewed the members of the C&E Committee with the Board. Discussion ensued on filling vacancies. The Board will appoint the 2021 C&E Committee at the next Regular Board Meeting to be held July 20, 2021.

The 2021 C&E Committee will meet on Thursday, August 26, 2020, 4:00 p.m., at SMECO Headquarters Auditorium, Hughesville, Maryland, prior to the 2021 SMECO Annual Members' Meeting to be held at the Mechanicsville Volunteer Fire Department, Mechanicsville, Maryland, 6:00 p.m.

**Confirm Date/Time for Next Board Meeting** – The next regular meeting of the Board of Directors will be held on Tuesday, July 20, 2021, at 1:00 p.m., SMECO Headquarters Auditorium.

**Executive Session** – A motion was duly made, seconded, and unanimously carried to go into Executive Session at 3:11 p.m. (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, Chief Strategy & Innovation Officer (CSIO) Campbell Hawkins, Senior Vice President of Engineering and Operations and Chief Operating Officer (COO) Roger Schneider, Vice President, Human Resources Cindy Rauner, Rates & Energy Procurement Vice President Eugene Bradford, Economic Services Director Lezael Rorie, Enterprise Risk Management Managing Director Dave Viar, Distribution Engineering Director Adam Mierzwa,

and Controller Angie Verras were excused from the meeting).

A short break was called and Executive Session resumed at 3:16 p.m.

A motion was duly made, seconded, and unanimously carried to come out of Executive Session at 3:39 p.m. and resume the Regular Board Meeting.

**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 3:39 p.m.



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Fern G. Brown  
Secretary-Treasurer