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**MINUTES OF THE REGULAR BOARD MEETING
HELD TUESDAY, JULY 20, 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, July 20, 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 External Affairs and
General Counsel Mark A. MacDougall
Senior Vice President of Customer & Enterprise Services and
Chief Information Officer (CIO) Joseph Trentacosta
Vice President of Financial Services and
Chief Financial Officer (CFO) Beth Kennedy
Vice President, Human Resources Cindy Rauner
Executive Assistant to the President & CEO Teresa M. Barringer
Distributed Energy & Sustainability Vice President Jeff Shaw
Energy/Technology Programs Distributed Energy Resources Manager Mike Hyland

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 – EmPOWER Maryland Programs - Distributed Energy & Sustainability Vice

President Jeff Shaw presented an update on the 2021-2023 EmPOWER MD programs; specifically,

the EmPOWER MD 5.0 programs for both commercial and residential customers.

Presentation – EV Public Charging Program - Energy/Technology Programs Distributed Energy Resources Manager Mike Hyland provided an overview of the SMECO “EV Recharge” Program. Topics included the current status in Southern Maryland for EV’s and EV Charging Station Infrastructure, Details of SMECO EV Recharge Program, Interesting Statistics, and Future Outlook.

Mr. Shaw and Mr. Hyland left the meeting at the conclusion of the presentation.

Approval of Minutes – The minutes of the June 15, 2021 Regular Board Meeting were considered. A motion was duly made, seconded, and unanimously carried approving the minutes of the June 15, 2021 Regular Board Meeting.

June 2021 Financial Performance and Statistics Reports– CFO Beth Kennedy reviewed the financial highlights for the period ending June 30, 2021.

Committee Reports:

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

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.

Date of Next Committee Meeting – Committee Chairman Cullins advised that the Personnel

and Benefits Committee will hold their next meeting on Tuesday, August 17, 2021, 10:00 a.m., in the SMECO Headquarters Auditorium.

Policy, Audit and Budget Committee – Committee Chairman Phipps reported that the Policy, Audit and Budget Committee held a meeting on Tuesday, July 20, 2021, 10:00 a.m. in the SMECO Headquarters Auditorium, and the following report was given:

Bylaw Review – Committee Chairman Phipps reported that the Committee conducted a review of the current bylaws and proposed some possible revisions to take into consideration for the 2022 SMECO Annual Members' Meeting.

Director Compensation - Committee Chairman Phipps advised there was discussion on the topic of Director Compensation, which resulted in revisions to Board Policy 1-6: Board Member Compensation, Meetings, Training, and Travel Expense Reimbursement.

A motion was duly made and unanimously carried from the Policy, Audit and Budget Committee to accept the revisions to Board Policy 1-6, Board Member Compensation, Meetings, Training, and Travel Expense Reimbursement as discussed.

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 3-17: Americans with Disabilities (ADA). 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:

There was none

New Business:

GIS Contract - SVP and CIO Joseph Trentacosta shared the request for contract execution for the GIS Digital Transformation Project. The GIS Digital Transformation project is a multi-year initiative that was kicked off in 2019 to upgrade our electric distribution system mapping/design software suite and stay on a vendor supportable platform.

To move forward with this project, a Statement of Work with SSP Innovations must be executed, the total cost of which is \$2,268,792, which will span over two years – 2021-2022.

A motion was duly made, seconded, and unanimously approved granting President & CEO Cox contract execution authority above her current limit of \$1M, but not to exceed \$2.3M, to execute this agreement.

Affirmative Action Plan –Vice President of Human Resources Cindy Rauner advised the Board of the results of SMECO's efforts to meet its annual Affirmative Action goals. Data is analyzed annually by Jackson Lewis to ensure compliance and identify deficiencies. Annual reports are submitted to the EEOC and the U.S. Department of Labor, Veterans Services.

Opportunities are established as a way of helping to build the recruitment strategy so that SMECO can work towards building out a workforce that is representative of the community in which we serve.

The presentation included information on job categories to measure, 2020 employment statistics, 2020 terminations, three-year comparison, and Affirmative Action opportunities.

Worker's Compensation Self-Insured Third Party Administrator - Vice President of Human Resources Cindy Rauner reviewed SMECO's historical claims experience for the last five years regarding the Cooperative's self-funded Worker's Compensation Trust as well as 2020-2021 claims.

SMECO is in year three of a three-year renewal timeframe with SISCO. Vice President Rauner reported that lost time claims were slightly up from the prior year and 2020 claims are down significantly. The policy was renewed with SISCO for another three-year term.

2021 NRECA Region I & IV Meeting – Chairman White advised that the 2021 NRECA Region I & IV Meeting will be held September 8-10, 2021 (Online attendees September 9-10, 2021) with Pre-Meeting Education held September 8, 2021 (for in-person attendees) at the Gaylord National Resort & Convention Center, National Harbor, Maryland. Directors Dyer, Frederick, Phipps, Richards, and Zinn will be attending.

Appointment of Voting Delegates and Alternates for the 2021 NRECA Region I & IV Meeting & Director Training – A motion was duly made, seconded, and unanimously carried to appoint the following Voting Delegates and Alternate Voting Delegates:

National Rural Utilities Cooperative Finance Corp. (CFC) (Thursday, 9/9/2021, 11:30 a.m.)

- Voting Delegate – W. Michael Phipps
- Alternate Voting Delegate – James A. Richards

National Rural Electric Cooperative Association (NRECA) (Friday, 9/10/2021, 8:30 a.m.)

- Voting Delegate – J. Douglas Frederick
- Alternate Voting Delegate – Daniel W. Dyer

Appoint 2021 Credentials & Election (C&E) Committee – Board Attorney Densford announced that the 2021 Credentials and Elections Committee will meet on Thursday, August 26, 2021, 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.

A motion was duly made, seconded, and unanimously carried to appoint the 2021 Credentials and Elections Committee as follows:

CALVERT COUNTY (2)

Guy H. Hall
Terry Shannon (new member)

CHARLES COUNTY (3)

Joyce Hilwig
James A. Wheeler
Jerome Short

PRINCE GEORGE'S COUNTY (1)

Gary Tarbox, Jr.

ST. MARY'S COUNTY (2)

Bryant Joseph (new member)
Ernie Williams (new member)

Confirm Date/Time for Next Board Meeting – The next regular meeting of the Board of Directors will be held on Tuesday, August 17, 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 2:50 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, Vice President of Financial Services and Chief Financial Officer (CFO) Beth Kennedy, Vice President, Human Resources Cindy Rauner, and Executive Assistant Barringer were excused from the meeting).

A motion was duly made, seconded, and unanimously carried to come out of Executive Session at 3:05 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 3:05 p.m.



Fern G. Brown
Secretary-Treasurer