

Central Rural Electric Cooperative

Regular Board Meeting Summary

The regular meeting of the Central Rural Electric Cooperative board of trustees was held August 2, 2018.

Bill Davis presented Mark Pittman a Gavel Award for the time he spent as Central Board President from June 2015 to May 2018.

FINANCE AND AUDIT COMMITTEE MEETING REVIEW *Carol Dvorak*

Carol Dvorak review the Finance and Audit Committee Meeting held August 1.

The committee recommended updating Policy 316 Equity Management to reflect how the board will use and communicate cooperative equity, as well as deferred revenues and other deferred credits, for planning and communications as well as guide the annual report.

OPERATION ROUND UP REPRESENTATIVES *Bill Davis*

Bill Davis reported that he will have a recommendation for District 7 at the next meeting.

OPERATION ROUND UP CONSIDERATIONS *David Swank*

David Swank reported the proposal to align Operation Round Up to Central's community work. The board president will appoint a committee to assess Operation Round Up, corporate giving and premium sales.

CEO SESSION *David Swank*

Miscellaneous

David Swank reported that recent storms with high winds had caused several outages. He reported that the drone program is lowering outage times and he is confident that SCADA and how Central uses automation is improving reliability. He noted that reliability will be reviewed at strategic planning.

David Swank reviewed the outage call-in process noting that staff is in the process of improving the procedure. A plan for improvement will be made at the Special Board Meeting, Monday.

David Swank reported that he is now a member of Governor Fallin's Aerospace and Autonomous Council.

David Swank reviewed the recent meeting he attended with OWRB, USDA and Secretary Teague. He reviewed the water project and AECOM possibilities.

KAMO Managers Meeting

David Swank reviewed the KAMO Managers meeting held at AECI in Springfield, July 17.

August 6 Special Board Meeting

David Swank reviewed the upcoming Special Board Meeting's agenda.

Innovation Pointe iEcosphere

David Swank reviewed the partner meeting held August 1.

OPERATIONAL EXCELLENCE *Michelle Perzee*

Michelle Perzee will provide the Operation Excellence report at the Special Board Meeting.

LEGAL REPORT *Max Myers*

Max Myers presented the legal report in during the Executive Session.

SAFETY REPORT *David Swank*

The safety report was acknowledged.

FINANCIAL REPORT *Craig McBrain*

Craig McBrain reviewed the LincPointe Finance Dashboard and the financials.

He reported that Central has received its federal share of disaster reimbursement from FEMA resulting in damages incurred from the December 2015 ice storm

PATRONAGE CAPITAL ALLOCATION REVIEW *Craig McBrain*

Craig McBrain reviewed the patronage capital allocation process and possible options. He reported the patronage capital allocation approval is expected to be recommended in September.

AUDITOR ENGAGEMENT LETTER *Craig McBrain*

David Swank reviewed the plan to establish a RFP engagement process for the auditor and the auditor best practices will be reviewed during the board retreat. He reported that staff will update auditor policy to reflect newly identified standards and practices.

It was approved to engage Briscoe, Burke and Grigsby for the 2018 Central audit.

KAMO REPORT *Mark Pittman*

Mark Pittman reviewed the recent KAMO Board Meeting as follows:

- Power deliveries
- Zero fiber related issues for reported month
- Photos of a switch repair
- Closing of the Wind Catcher project
- Legal expenses

COBANK DIRECTORS CONFERENCE REVIEW *McCune, Pittman and Davis*

Gary McCune, Mark Pittman and Bill Davis attended the CoBank Directors Conference and reviewed the speakers and experience:

- Thomas Halverson, CoBank President
- Margaret Heffernan, CEO Huffington Post
- Carlos Pascual, Senior Vice President, Global Energy, IHS Market
- Jeffrey Rosensweig, Global and US Economics Forecaster
- Will Sparks, Director of Global Macro
- Mike Steep, Executive Director Stanford Engineering Center for Disruptive Technology and Digital Cities
- Bob Woodward, Reporter and Associate Editor of the Washington Post

UPCOMING MEETINGS AND TRAVEL *Donna Bowman*

Donna Bowman reviewed the upcoming meetings.