

Central Rural Electric Cooperative
Board Meeting Summary
December 1, 2016

The Regular Meeting of the Central Rural Electric Cooperative Board of Trustees was held December 1, 2016.

FINANCE AND AUDIT COMMITTEE REPORT *Carol Dvorak*
Carol Dvorak reviewed the recent Finance and Audit Committee Report.

CEO SESSION *David Swank*

David Swank reviewed the following:

- Campus LED lighting
- Budget/strategic planning approval scheduled for January 19, 2017
- Facility tours
- Oil and gas production decline
- Desalination and the capital credit allocation program
- Smart Community Source Leadership Council January orientation meeting
- Smart Community Source App and social medial
- Emergency management UAV meeting
- Energy Council UAV presentation
- Auction results

AECI Triennial Survey Results

David Swank reviewed the AECI triennial survey in order for the board to evaluate Central's customer service. Mr. Swank reported survey results showed high marks from Central members.

Power Support – Central Contract

David Swank reviewed the Power Support / Central contract noting the two entities are separate. The Finance and Audit Committee reviewed this contract in their recent committee meeting and recommended approval.

Demolition of Old Building

The board of trustees reviewed the bids received on the demolition of the old building and approved Total Demolition Company.

2016 BOARD DISTRICT COMPOSITION

The board's district boundaries were approved to stay as they are for 2017.

2017 BOARD CALENDAR

The board of trustees reviewed the proposed 2017 calendar.

NRECA ANNUAL MEETING VOTING DELEGATES

The following voting delegates were approved with David Swank as the alternate:

- NRECA – Stu Preston
- CFC – Carol Dvorak
- Federated – Gary McCune
- NCSC – Stu Preston
- NISC - Mark Pittman

- NRTC - Mark Pittman

LEGAL REPORT *Max Myers*

Max Myers shared the legal report.

SAFETY REPORT *David Swank*

The Safety Report was acknowledged as published.

FINANCIAL REPORT *Stephanie Rossander*

Stephanie Rossander presented the variance report and Financial Dashboard.

David Swank commended Stephanie Rossander on her excellent work.

KAMO LINE OF CREDIT *Stephanie Rossander*

KAMO line of credit was approved.

2017 PATRONAGE CAPITAL BANK ACCOUNT *Stephanie Rossander*

The 2017 patronage capital bank account was approved.

COBANK INTEREST RATE *Stephanie Rossander*

Interest rates for the T7 loan was locked in.

BRISCOE BURKE AND GRIGSBY OPERATIONAL ASSESSMENT *Stephanie Rossander*

Board approved an operational risk assessment of the following areas by Briscoe, Burke and Grigsby:

- Ethics policy
- Transaction with subsidiaries
- Cooperative property

CENTRAL COMMUNITY FOUNDATION AUDIT LETTER *Stephanie Rossander*

It was approved to table the Central Community Foundation Audit letter until next the board meeting.

CONSTRUCTION CONTRACTS *Stephanie Rossander*

The board approved to extend the construction contract of Arkansas Electric Cooperative and Terra Utility until March 31, 2017.

REVENUE DEFERRAL RESOLUTION *Stephanie Rossander*

The board approved resolution to recognize deferred funds to meet debt covenants.

POLICY 323 Accounting and Disposing of Cooperative Property

The Finance and Audit Committee recommended and the board approved Policy 323 Accounting and Disposing of Cooperative Property.

POLICY 324 Cooperative Procurement

The Finance and Audit Committee recommended and the board approved Policy 324 Cooperative Procurement.

Fleet Management

Stephanie Rossander reviewed fleet management noting further evaluation will take place.

FEDERATED ADDITIONAL COVERAGE *Stephanie Rossander*

Stephanie Rossander reported that staff is reviewing additional insurance coverage.

OPERATIONAL / PERFORMANCE REPORT *Michelle Perzee*

Michelle Perzee presented the Operational and Performance report.

She reviewed the SBU highlights including the Stillwater Smart Community Source mobile app and desktop application.

COMMUNICATION REPORT *David Swank*

David Swank and Michelle Perzee assisted the board of trustees in downloading the Stillwater Smart Community Source mobile app.

KAMO REPORT *Raymond Nettles*

Raymond Nettles presented the KAMO report including:

- Budget and off system sales
- Power deliver
- Endangered species
 - American Burying Beetle
 - Bats
- PURPA overview
 - FERC ruling that PURPA trumps all requirement contracts
 - QF compensated at AECI's avoided cost, same as net metering

TRAVEL TRAINING *Donna Bowman*

Donna Bowman reviewed the upcoming meetings.