

Central Rural Electric Cooperative  
Regular Board Meeting Summary

The regular meeting of the Central Rural Electric Cooperative Board of Trustees was held September 7, 2017.

**SBU COMMITTEE MEETING REVIEW** *Gary McCune*

Gary McCune reviewed the August 9 SBU Committee meeting.

**RECOMMENDED RATE APPROVAL** *David Swank*

Rate approval was tabled until September 12, 2017, because of changes in the recommendation from staff.

Craig McBrain presented rate options for board considerations. He recommended a five year rate plan consisting of effective use of the PCA to offset increases in wholesale power costs, strategic use of deferred revenue and closing the winter summer differential due to the changes in the price signal from the power supplier.

**RATE COMMUNICATION PLAN** *Larry Mattox*

Larry Mattox presented the proposed Rate Communication Plan.

**CEO SESSION** *David Swank*

**MISCELLANEOUS**

David Swank reviewed the following:

- Oklahoma Managers Meeting included the following discussions and presentations:
  - Congressman Mark Wayne Mullin
  - DER
  - Electric vehicles
  - FEMA
  - Compliance specialist position
  - Job Briefing App
- Innovation Pointe Campus tours continue
- Placemaking development meetings are scheduled
- OU and NRC engagement
- Tentative NESI-SES board meeting October 12
- Possible Innovation Pointe cooperative board members

**AMBASSADOR MEETING REVIEW**

David Swank reminded the board that a possible stakeholder meeting will be held the morning of October 11, with an ambassador and foundation meeting in the afternoon with lunch including all.

The agenda will include: tour of Innovation Pointe campus, meeting industry challenges, rate comparisons, member value propositions and the three tier network, PCA, DER and PURPA.

**AWARE MEETING REVIEW**

David Swank reviewed the Aware meeting timelines for the November 9, Stillwater Aware meeting and November 14, Guthrie Aware meeting.

### WHITE STAR AGREEMENT UPDATE

David Swank reported that progress continues toward agreement.

### BOARD STRATEGIC PLAN/BUDGET PROCESS

David Swank reviewed some key market and member considerations for each pillar that will be discussed at the October 23 and 24 Board Strategic Planning session.

A meeting with the Central Community Foundation Board was set for the morning of October 25.

### BOARD SYSTEM TOUR REVIEW

David Swank presented the proposed route for the September 12 Board System Tour.

### PLACEMAKING

SCS Placemaking is in stage III of online engagement. The SCS Placemaking Committee will tentatively meet September 26.

### USDA GRANT OPPORTUNITIES

David Swank reviewed his meeting with Jody Harris on USDA grant opportunities and Central's vision plan.

### SCS UPDATE

David Swank presented the SCS update including:

- Stage II vision, goals and strategies are completed
- Current online engagement includes: Stage III priority setting, leadership, ecosystem, Placemaking, quality of life)
- SCS Executive Committee Meeting is scheduled for September 15
- SCS Leadership Council is scheduled for October 18 (Stage IV: Alignment)
- Other Communities (Perry, Guthrie, Perkins, Stroud, Chandler, etc.) will soon be invited to attend an SCS meeting
- Innovation Pointe Cooperative's Stillwater board meeting is tentatively set for November 15
- LINK Stillwater Community Launch is tentatively set for December 14

### OPERATIONAL EXCELLENCE *Michelle Perzee*

Michelle Perzee presented the operations report.

### PROJECT MANAGEMENT

Michelle Perzee presented the project highlights.

### SBU UPDATE

Michelle Perzee reviewed the Business Development Dashboard and current service requests by perspective customers.

Michelle Perzee reviewed the Stillwater Wondertorium event that will be held at Central.

Michelle Perzee reported on the SBU's strategy focal points of workforce and customer experience both online and physical. She reviewed the plan to leverage labor dollars in the most efficient manner and to focus at increasing competency as a whole in the upcoming year.

She discussed the value of social media and the fact that you can connect to more people faster with social media.

#### **TECHNOLOGY CENTER**

Michelle Perzee reviewed customer expectations, the value of the customer experience and the possibility to take the current space in the Technology Center and make changes to it to more suit today's products and member/consumer demands. She presented a three phase approach from demolition to signage.

#### **2018 BENEFIT PLAN** *Michelle Perzee*

Michelle Perzee reported the rate renewal and review process for Central employee NRECA benefits is due in September.

She recommended to stay with the current plan offerings.

The Board of Trustees approved the recommended benefits as presented.

Michelle Perzee reported that the Scale Data benefit offering will be the same as Central's, but at this time has no employees.

#### **CONTRACTOR BIDDING PROCESS** *Hunter Robinson*

Hunter Robinson shared a timeline and overview of the contractor bidding process.

#### **FEMA PROCUREMENT** *Hunter Robinson*

Hunter Robinson presented an update of FEMA procurement requirements and how they are being addressed.

Hunter Robinson reported that the use of the same policies within the Oklahoma electric cooperative system should solidify practices for FEMA.

#### **VEHICLE QUOTES** *Hunter Robinson*

The board approved presented quotes for Central vehicles ready for disposal.

#### **PURPA** *Todd Hiemer*

Todd Hiemer reviewed the request of Associated, through KAMO, for Central to turn over its PURPA requirements to Associated. He reviewed PURPA, 18 CFR section 292.302, *Availability of electric utility system cost data applicability* and Central's PURPA strategy.

#### **LEGAL REPORT** *Max Myers*

Max Myers presented the legal report.

#### **BANKRUPTCIES STATUS** *Max Myers*

Max Myers presented current member bankruptcies. He reported that Central will recover all but \$13,500.

Max Myers reviewed the NRECA Legal Conference he recently attended and its discussion areas.

#### **SAFETY REPORT** *Michelle Perzee*

The safety report was reviewed.

### **FINANCIAL REPORT** *Craig McBrain*

The financial report was reviewed.

### **RUS LOAN APPLICATION APPROVAL**

Jeff Schminke, RUS reviewed the RUS program, RUS requirements, Central's long range financial forecast and Central's loan request.

The board approved the presented 2017-2026 long range financial forecast resolution.

The board approved the presented resolution requesting an FFB Guaranteed Rate Loan from the Rural Utilities Service and authorizing the president or CEO to execute the necessary certifications and assurances.

### **CAPITAL CREDIT RETIREMENT**

The Board of Trustees approved capital credit retirement.

### **990 DRAFT REVIEW AND APPROVAL**

Craig McBrain reviewed a draft of Central's 2016 IRS 990.

The board approved the presented draft of Central Rural Electric Cooperative's IRS 990.

### **OAEC REPORT** *Gary McCune*

Gary McCune presented the following from the August 8, OAEC Board Meeting:

- The annual budget is in review
- Senator Jim Inhofe was awarded NRECA Distinguished Service Award
- Clint Pack was awarded a Region 8 Award
- Tim Smith reported that NRECA will increase dues less than 2 percent
- The Insurance and Financial Service Committee approved a 2.5 percent increase to the 2018 RS plan base billing rate
- Chris Meyer's annual evaluation has been completed
- Wage and salary adjustment was approved
- Guatemala project fundraiser, "Shoot for the Nations" on August 18, 2017 included participation of specific Central employees and Gary McCune.

### **KAMO REPORT** *Raymond Nettles*

Raymond Nettles reviewed the KAMO board meeting including:

- Power deliveries
- Generation for native load
- Wind is the highest cost generation
- The 2018 AECI annual meeting location

### **UPCOMING MEETINGS AND TRAVEL** *Donna Bowman*

Donna Bowman reviewed the following meetings:

- September 12, Board System Tour beginning at 8am at Central Electric Cooperative
- September 20, SBU Committee Meeting
- October 5, Central Board Meeting
- October 9, NRECA Training
- October 11, Stakeholder and Ambassador Meeting
- October 23 and 24, Board Strategic Planning at Central Electric Cooperative
- October 25, Central Board and Central Community Foundation board meeting

- October 31 – November 2, NRECA Director Training and Regional Meeting
- November 8, Central Board Meeting
- November 9, Aware Meeting in Stillwater
- November 14, Aware Meeting in Guthrie