

Central Rural Electric Cooperative
Board Meeting Summary
June 2, 2016

The Regular Meeting of the CREC Board of Trustees was held June 2, 2016.

CENTRAL OFFICER BOARD ELECTIONS *Max Myers*

Mark Pittman, was elected president, Stu Preston, was elected vice president and Carol Dvorak was elected secretary/treasurer.

CENTRAL COMMUNITY FOUNDATION DIRECTOR APPOINTMENTS *Mark Pittman*

Donna Dollins of District 5, Leon Caldwell of District 6 and Dennis Delano of District 8 were approved as Central Community Foundation directors for a three-year term.

RATES *David Hedrick*

David Hedrick reported on the rate study performed due to power cost increases and the oil and gas decline in revenue and the need to review rates and other changes to retain necessary revenue requirements.

Following discussion on the extensive financial forecast associated with power cost increases which make up nearly 70 percent of Central's costs, noting implementation of all cost saving initiatives, the presented rate tariffs were approved as presented to begin with August 2016 usage on September 2016 bills.

TERMS AND CONDITIONS OF SERVICE *David Swank*

An amendment to the terms and conditions of service was approved.

CEO SESSION *David Swank*

David Swank presented the CEO Report.

Miscellaneous Update

- New facility
- Solar Array
- CVEC Oklahoma Corporation Commission investigation letter
- OG&E transmission line
- Bold Leadership Awards- local press release
- June newsletter
- July 19 Stakeholder meeting 3:00-5:00
- June 23 Open House 5:30 to 7:30
- OSURF Energy Park
- State Representative Contributions
- NRECA International Foundation
- CFC Integrity Fund

PERFORMANCE MANAGEMENT / OPERATIONAL EXCELLENCE *Michelle Perzee*

Michelle Perzee reported the dashboards now available on the board gateway. She shared the performance and major initiative highlights:

LEGAL REPORT *Max Myers*

Max Myers presented the legal report.

SAFETY REPORT *David Swank*

The safety report was reviewed.

MONTHLY FINANCE REPORT *Stephanie Rossander*

Stephanie Rossander presented the April dashboard and a variance report.

ESTATE CAPITAL CREDITS DISCOUNT RATE *Stephanie Rossander*

Estate capital credits discount rates were updated.

BANCFIRST SIGNATURE CARD *Stephanie Rossander*

BancFirst signature card was updated.

2016 AUDIT REQUEST FOR PROPOSAL *Stephanie Rossander*

Stephanie Rossander reported that staff had reviewed proposals received back from five financial firms for auditing and tax services.

KAMO REPORT *Raymond Nettles*

Raymond Nettles presented the KAMO report including the following:

- KAMO board retreat
- Generation
- AECI projected rate increase
- Security

UPCOMING MEETINGS *Donna Bowman*

Donna Bowman presented the upcoming meetings.