

CENTRAL RURAL ELECTRIC COOPERATIVE

BOARD MEETING SUMMARY

June 3, 2021

The regular meeting of the Central Rural Electric Cooperative board of trustees was held June 3, 2021.

FINANCE REPORT *Sondra White*

Sondra White presented the financial report.

Sondra presented Rural Utility Services (RUS) required resolutions for the upcoming Construction Work Plan (CWP) loan.

CFC INTEGRITY FUND *Sondra White*

Donation to the CFC Integrity Fund was approved.

COMMUNICATION REPORT *Jillianne Tebow*

Jillianne Tebow announced that both of our Kilowatts & Brats events have sold out and we have raised the limit for RSVP to 250.

She also mentioned the upcoming District Elections that are to take place:

- District 3-August 31, Perry
- District 2-September 9, Carney
- District 4-September 16, Guthrie

SAFETY REPORT *Hunter Robinson*

Hunter Robinson reviewed the Safety Report.

UNDERGROUND CONTRACTOR CHANGE *Hunter Robinson*

Red Dirt was approved as primary underground contractor in place of BHI.

CEO'S REPORT *Hunter Robinson*

Hunter Robinson presented the CEO report with updates including:

- An Economic Development initiative supported by AECI and KAMO went well and included Stillwater and Perry City and Community leaders
- Guernsey's Cost of Service Study Meeting
- COVID continues to be a concern for some as variants begin to present themselves in other countries requiring lockdowns to start again
- Cyber Security awareness is a major focus to the coop and has been for years. Measure continues to be evaluated and put in place to ensure the system is safe and protected.
- The Fiber Project's progress continues as efforts to begin connecting downline devices begins.
- The last chapter of the Governance Task Force paper was reviewed.

POLICY 613 EMPLOYEE ASSISTANCE PROGRAM *Max Myers*

Policy 613 Employee Assistance Program was approved as published.

POLICY 614 EDUCATION ASSISTANCE *Max Myers*
Policy 614 Education Assistance was approved as published.

POLICY 609 EMPLOYEE TERMINATION *Max Myers*
Policy 609 Employee Termination was tabled.

REVIEW POLICY 616 SMOKING IN THE WORKPLACE *Max Myers*
Max Myers reviewed Policy 616 Smoking in the Workplace.

REVIEW POLICY 617 DISCLOSURE OF OBSCENE MATERIALS CONTAINING MINORS
Max Myers
Max Myers reviewed Policy 617 Disclosure of Obscene Materials Containing Minors.

REVIEW POLICY 624 DONATED ANNUAL LEAVE *Max Myers*
Max Myers reviewed Policy 624 Donated Annual Leave.

LEGAL REPORT *Max Myers*
Max Myers presented the legal report to the Board of Trustees.

He reviewed proposed bylaw changes for the vote of the membership during the upcoming annual meeting.

ARTICLE I MEMBERSHIP

Section 1. Requirements for Membership. Any person, firm, association, corporation or body politic or subdivision thereof may become a Member of Central Rural Electric Cooperative, (hereinafter referred to as the "Cooperative") upon receipt of Cooperative services from the Cooperative, provided that he/she, or it, has first:

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- **(a) made application for membership therein;**
- (b) agreed to purchase from the Cooperative, services as hereinafter specified;
- (c) agreed to comply with and be bound by the Articles of Incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Trustees;
- (d) paid the membership fee specified by the *Board of Trustees*;
- (e) executed and delivered to the Cooperative grants of easement or right-of-way on or over such lands owned by the Members, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other Members, or for the construction operation and maintenance, or the relocation of the Cooperative's electric facilities; and
- (f) *the Cooperative accepts the Membership upon compliance of all terms.*

ARTICLE III MEETINGS OF MEMBERS

Section 4. Quorum. At al l annual and special meetings of Members, five per centum (5%) of the total number of Members of the Cooperative shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided that

*the secretary shall notify any absent Members of the time and place of such adjourned meeting. **The registration of a member shall count toward the quorum requirement.***

Section 5. Voting.

- (a) Each Member shall be entitled to only one vote on each matter submitted to a vote at a meeting of the Members. All questions shall be decided by a vote of a majority of the Members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation, or these bylaws. Voting by proxy is not permitted.
- (b) Voting by Members other than Members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to, or upon registration at each Member meeting, of satisfactory evidence entitling the person presenting the same to vote. No individual may vote more than one (1) membership during any election.
- (c) The Board of Trustees shall appoint a credentials and elections committee consisting of an uneven number of Members, not less than three nor more than fifteen, who are not Trustees, and who are not close relatives or members of the same household of, existing Trustees or known candidates for Trustees to be elected at such meeting. In appointing a committee, the Board of Trustees shall have regard for equitable representation of the several areas served by the Cooperative. It shall be the responsibility of the committee to pass upon all questions that may arise with respect to the registration of Members, to count all ballots cast in any election or in any other ballot vote taken, and to rule upon the effect of any ballots irregularly marked. The committee's decisions on all such matters shall be final.
- (d) The Cooperative may allow members to register and simultaneously cast their ballot. The member's registration shall be counted as an attendee to determine the quorum for the meeting.**

Section 6. Alternate format meeting. The Annual Meeting, Election of Trustees and other meetings of the members may be scheduled to allow members to register and cast their ballot during a set period of time.

Section 7. Order of Business. The order of business at the annual meeting of the Members and, so far as possible, at all other meetings of the Members, shall be essentially as follows:

- 1. Delivery of the Annual Report of the Treasure.**
- 2. Reading the unapproved minutes of previous meetings of the Members and the taking of necessary action thereon.**
- 3. Unfinished business.**
- 4. New business.**
- 5. Adjournment.**

ARTICLE VII
NON-PROFIT OPERATION

Section 2. Patronage Capital in Connection with Furnishing Cooperative Services.

In the furnishing of Cooperative services, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of Cooperative services in excess of operating costs and expenses properly chargeable against the furnishing of Cooperative services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated

to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses as related to the services received by the patron. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate manner to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account; provided that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amount for capital. **Any patron who discontinues Cooperative services before the end of the calendar year, donates that year's allocated patronage to the Cooperative.**

All other amounts received by the Cooperative from its operation in excess of the costs and expenses shall, insofar as permitted by law, be:

- (a) used to offset any losses incurred during the current or any prior fiscal year; and
- (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

Upon dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative has been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of Members. If, prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired, the capital then credited to patron's accounts may be retired in full or in part. The method utilized to retire capital shall be determined by the Board of Trustees, provided however, that the financial condition of the Cooperative will not be impaired thereby.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or in part of such patron's premises served by the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise.

The cooperative may not retire capital credits to any members that has an account that is past ninety days due.

The proposed bylaws were approved.

KAMO REPORT *Mark Pittman*

Mark Pittman presented the KAMO report, including the following:

- 2021 Annual Business Meeting
- March Power Deliveries
- Regulator Trailer
- Line Structure Replacements

- Jay Interconnect 69
- Peoria
- Reeds Spring
- March Generation to serve member load and variable cost

OAEC REPORT *Stu Preston*

Stu Preston mentioned recent legislation that could benefit a cooperatives broadband project.

UPCOMING MEETINGS AND TRAVEL *Tiffany Hyer*

Tiffany Hyer reviewed the upcoming meetings and travel.