

CENTRAL RURAL ELECTRIC COOPERATIVE

REGULAR BOARD MEETING SUMMARY

September 5, 2019

The regular meeting of the Central Rural Electric Cooperative board of trustees was held September 5, 2019.

DISTRICT 8 MEETING

District 8 meeting is scheduled for 7 p.m., September 24 at the First Southern Baptist Church in Arcadia.

FINANCIAL REPORT *Craig McBrain*

Craig McBrain reviewed the financials.

CFC EQUITY REVIEW *Billy Kulwicki*

Billy Kulwicki, CFC, presented equity management basics for cooperative management noting this will set the stage for Central's preliminary look at capital credit retirements and preparation for board strategic planning.

Billy Kulwicki reported that electric cooperative's primary motivation is to provide safe and reliable energy and great customer service at the lowest competitive cost.

AECI REPORT *David Tudor*

David Tudor, CEO at Associated Electric Cooperative, Inc. (AECI) thanked the board for allowing him to attend their board meeting. He reported that AECI considers what is in the best interest of its member owners and Central is a member owner.

He ended sharing the AECI survey noting that members appreciate the advantage of 3-tier system.

PATRONAGE CAPITAL REVIEW *Craig McBrain*

Craig McBrain shared three possible patronage capital retirement scenarios.

Reviewed the current capital credit policy and provided a considerations for general retirements

PCA FACTOR ADJUSTMENT *Craig McBrain*

Craig McBrain updated the board on the PCA factor.

COMMUNICATION REPORT *Daniel Thrasher*

Daniel Thrasher reported the following:

- Ambassador program
- Co-op Community Initiative
- August Social Media outage recap

SAFETY REPORT

Hunter Robinson reviewed the safety report.

BENEFITS APPROVAL *Michelle Phelps*

2020 employee health benefits were approved.

MANAGER'S REPORT *Hunter Robinson*

Hunter Robinson reviewed the following:

- Aware meetings
- Strategic planning agenda
- Oklahoma Corporation Commission and OAEC map project
- Territory integrity

POLICY 102 BOARD OF TRUSTEES COMPENSATION AND TRAVEL *Hunter Robinson*

Discussion will continue.

POLICY 309 REIMBURSEMENT OF TRAVEL AND OTHER BUSINESS EXPENSES *Hunter Robinson*

Discussion will continue.

LEGAL REPORT

The attorney provided the legal report.

Board member qualifications were discussed.

KAMO REPORT

Mark Pittman presented the KAMO report including:

- Power delivery
- Generation
- Touchstone Energy value
- Stillwater 138KV upgrade
- Zena to Gray build
- Branson 69KV breaker addition
- Management and staff updates

OAEC REPORT *Stu Preston*

Stu Preston did not attend the OAEC Board Meeting.

He reviewed the NRECA Legal Update that he recently attended including:

- South Carolina recent events review
- Crisis communication
- Schedule 0 of the IRS 990
- Due diligence
- Pole attachments
- Monarch butterfly may become endangered

UPCOMING MEETINGS AND TRAVEL *Donna Bowman*

Donna Bowman reviewed the upcoming meetings and travel.