

Central Rural Electric Cooperative
Regular Board Meeting Summary

The regular meeting of the Central Rural Electric Cooperative Board of Trustees was held January 4, 2018.

EXECUTIVE COMMITTEE REPORT *Mark Pittman*

Mark Pittman reviewed the Executive Committee meeting held December 19, 2017.

FINANCE AND AUDIT COMMITTEE REPORT *Bill Davis*

Bill Davis reviewed the Finance and Audit Committee meeting held November 30.

2018 BOARD CALENDAR *Mark Pittman*

The board approved the 2018 board calendar.

STRATEGIC PLAN REVIEW *David Swank/Craig McBrain*

David Swank reported that data is critical for the operation of the digital utility and he shared trends in investment priorities. He reported the importance of the customer experience known as touchpoints.

David Swank presented Central's competitive positioning that has taken place since 2007 that maintains Centrals competitive rates, and increased reliability. This included strategic digital investments, investments in skills and competencies and cultivating an innovative culture.

David Swank provided a hard copy of the draft strategic plan that will be presented for board approval at the January 24 special board meeting.

BUDGET REVIEW *David Swank/Craig McBrain*

David Swank and Craig McBrain reviewed the budgeting process with the board noting the value of Placemaking over the typical construction work plan. The usage of deferred credits and deferred revenue and their impact on the upcoming budget was reviewed.

SBU FRAMEWORK – LINKING TO CEC STRATEGY *David Swank*

David Swank reviewed Central's strategy using the SBUs.

BOARD LINCPOINTE REVIEW *David Swank*

The board Lincpointe that will replace the board gateway for information management.

CEO SESSION *David Swank*

David Swank presented the following miscellaneous items:

- 2017 Awards Ceremony at the Sparrow
- Stillwater Block 34 meeting
- Tax reform impact on IOU's
- Drone RE Magazine article
- Stillwater Gifted Students event held at Central
- Stillwater STEM Program held at Central

CEO REVIEW PROCESS AND TIMELINE *David Swank*

David Swank reviewed the CEO review timeline and process.

INNOVATION POINTE CAMPUS UPDATE *David Swank*

David Swank updated the board on the Innovation Point campus.

SAFETY REPORT *Michelle Perzee*

The safety report was acknowledged as published.

FINANCIAL REPORT *Craig McBrain*

The financial report was acknowledged.

2017 YEAR END PROJECTIONS *Craig McBrain*

Craig McBrain reviewed the year-end adjustment process and the projections for the 2017 year-end.

USE OF DEFERRED REVENUES (RESOLUTION) *Craig McBrain*

The board approved the recommended resolution for the use of deferred revenues.

PCA ADJUSTMENT *Craig McBrain*

A tariff amending the annual PCA calculation will be recommended to the board for approval.

RUS LOAN STATUS *Craig McBrain*

Craig McBrain reported that the RUS loan has been submitted in full and Central is waiting for approval, which could take from six to eight months.

OAEC REPORT *Gary McCune*

Gary McCune reviewed the December 12, 2017 OAEC report including the following:

- 2018 Nominating Committee appointed
- 2018 board meeting dates were approved
- OAEC IT Association was created
- OAEC budget and 3 percent increase in dues was approved
- Kenny Sparks presented a state legislative update
- Senator Jim Inhofe was recognized by NRECA for his contribution to cooperatives
- ACRE added a new contribution level, the Leadership Circle (\$1,000)

ENERGY TRAILS CHALLENGE

The board discussed contributions to the Energy Trails Challenge.

KAMO REPORT *Raymond Nettles*

Raymond Nettles reviewed the KAMO board meeting including:

- Legal expenses
- AECI margins
- Power deliveries
- Distributed generation
- Copper theft

UPCOMING MEETINGS AND TRAVEL *Donna Bowman*

Donna Bowman reviewed the upcoming meetings and travel.