

Central Rural Electric Cooperative  
Board Meeting Summary  
August 4, 2016

The Regular Meeting of the Central Board of Trustees was held August 4, 2016.

**SBU/TECH COMMITTEE MEETING REPORT** *Gary McCune*  
Gary McCune reviewed the July 20, SBU/Tech Committee meeting.

He reported that the meeting was very informative and solidified the importance of the Strategic Business Units (SBU) and the valuable role they will play in this economic climate and changing industry.

David Swank reviewed the SBU governance hierarchy assuring accountability and compliance to Central, the sole owner of the SBU.

David Swank presented the Air Solutions marketing plan which will reach out to cooperatives and other potential customers.

**SES –NESI SES BOARD REPRESENTATIVE** *Max Myers*

Len Tontz was appointed to the SES Board as a director for a three year term from June 2016 to June 2019. Len Tontz will also serve on the NESI-SES Association board.

**CEO SESSION** *David Swank*

**Miscellaneous Update**

David Swank reported that as a part of rate implementation, a tool has been made available to help members estimate the change in their power bill.

He reported that meter testing will increase to ensure accuracy as loads decline and create possible range issues.

David Swank reported that succession planning continues. He introduced Cortney Branham who is now taking an active role in the Strategic Business Units (SBU) and SES.

David Swank reported that 2017 board strategic planning is scheduled for November 14, 15 and 16.

**Financial Forecasting**

David Swank reported on the four strategic priorities of the finance pillar: financial intelligence, strategic rate design, enterprise risk management and business performance management.

He reported that Central is monitoring the oil and gas load and continues to evaluate the impact on the cooperative.

He reported on a number of financial strategies.

David Swank presented the current five year forecast to the board.

**Smart Community Source**

David Swank presented the components he has been sharing with each of the community leaders, noting these components will be introduced at the Smart Community Workshops.

He reviewed the Smart Community website and iPad app.

**Innovation Point**

David Swank reviewed the signs that will be at each of Innovation Pointe's PREP sites.

He reviewed the Innovation Pointe next steps:

- Central facility priorities
- Financial assessments and evaluation
- Neighbor meetings
- Community leadership, city officials and chamber meetings
- Realtor discussions
- Furniture bids
- Demolition of old building
- Innovation Pointe business model and covenants
- Signage

David Swank reported that Smart Grid 101 training, a collaboration between Central, Oklahoma State University and Meridian Technology will begin soon for our linemen and others.

He recognized Central linemen for their knowledge, eagerness for advanced education and their efforts to interconnect solar, battery and central station power to Central's new facilities.

**ARKANSAS ELECTRIC REVENUE SHARING** *David Swank/Pat McClafferty*

Pat McClafferty, Arkansas Electric Cooperative, reported that Central has received over \$1 million from Arkansas Electric Cooperative since the 2007 sole source agreement.

**DG-PREP RIBBON CUTTING AND COMMISSIONING** *David Swank*

Board meeting recessed to lunch and to conduct the solar ribbon cutting and commissioning which was attended by over 60 individuals including state representatives, Oklahoma Corporation Commission, AECEI, KAMO, Arkansas Electric Cooperative, Federated Insurance and OSU.

**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 financials, dashboard, and variance report.

**PATRONAGE CAPITAL ALLOCATION** *Stephanie Rossander*

Patronage capital allocation of \$4,381,411 was approved.

**PATRONAGE CAPITAL RETIREMENT** *Stephanie Rossander*

The method of patronage capital retirement was reviewed and set as an agenda item for the next board meeting.

**INTERCONNECTION AGREEMENT OF DISTRIBUTED RESOURCES (IDR)** *Stephanie Rossander*

In accordance with CPR 1730 Subpart C, as an RUS borrower with an approved RUS electric program loan, Central Rural Electric Cooperative Board of Trustees reviewed and approved the Interconnection of Distributed Resources.

**COMMUNICATIONS REPORT**

David Swank shared the advertisements and marketing material the communication department is publishing.

**NRECA REGIONAL MEETING VOTING DELEGATES** *Mark Pittman*

Stu Preston and Bill Davis were approved as voting delegates to CFC, Federated, NCSC, NISC, and NRTC at the NRECA Regional Meeting.

**COBANK DIRECTORS CONFERENCE REVIEW** *Mark Pittman*

Raymond Nettles, Clyde Habben and Mark Pittman attended the CoBank Directors Conference reporting it was a good meeting and commented on the speaker Ted Kopple, author of *Lights Out* which examines a threat unique to our time and evaluates potential ways for America to prepare for a cyber-catastrophe. Political strategists Donna Brazile and Ana Navarro also addressed the conference.

**KAMO REPORT** *Raymond Nettles*

Raymond Nettles reported Central is doing outstanding in power delivery as compared to other KAMO members.

He reported that Central has been encouraging KAMO to perform Enterprise Risk Management (ERM).

**UPCOMING MEETINGS** *Donna Bowman*

Donna Bowman presented the upcoming meetings.