

## RECC Regular Board Meeting March 24, 2015

The March regular meeting of the Board of Directors of Rural Electric Convenience Cooperative Co. was held at the cooperative headquarters on March 24, 2015, at 6 p.m., with all members present. Also present were President/CEO David Stuva; Manager of Operations & Maintenance Lou DeLaby; Director of Member and Public Relations Dana Smith; Manager of Finance & Administration Matt Sheerin; Accountant Daniel Drumeller; Executive Assistant Sandy Lex; Network Administrator Brandon Taylor; and Attorney Jerry Tice. Also present was Aaron Johnson, Vice President of the CoBank Electric Distribution Group.



- \* The minutes of the February regular Board meeting, held March 3, were approved as presented.

- \* CEO Stuva discussed the cooperative's loan portfolio from USDA's RUS and FFB programs, with various short-term and long-term interest rates. While RECC has taken advantage of very low short-term rates since 2009, he said most expectations are for interest rates to rise in coming years. He introduced Aaron Johnson from CoBank, who discussed a proposal to convert RECC's RUS and FFB loans to fixed-rate loans from CoBank. Stuva pointed out that CoBank's financing procedures are more flexible and timely than the government-sponsored programs, and some interest rates would be lower than present RUS loans.

- \* CEO Stuva and Dana Smith reviewed RECC's legislative visits made to Illinois lawmakers on March 10 and March 17.

- \* CEO Stuva reported the next IMEA Board Meeting is April 30.

- \* The AIEC report was presented by Chairman Ayers with a review of the executive summary of the March 19 AIEC Board meeting.

- \* There was no Attorneys' Report.

### **President/CEO's Report**

CEO Stuva reviewed the following reports which had either been mailed or distributed to all directors and attorney: Job Training and Safety, Meters and Outages, Operations and Maintenance, Engineering and Construction, Member and Public Relations, Cash Flow, Cash Disbursements Summary, and Check Listing. The financial and statistical reports for February 2015 were reviewed and accepted for placement in the cooperative's files.

CEO Stuva also:

- \* Presented the Cooperative's final USDA/RDUP Financial and Statistical Report – RDUP – Form 7 for calendar year 2014. He reviewed each category of the final Form 7 with the Directors. The Board approved the 2014 Form 7 report to be filed with Rural Utilities Service and such other agencies as required.

- \* Presented a proposal for conducting the cooperative's cost of service study. The Board directed CEO Stuva to obtain more information regarding the options and costs for conducting the cost of service study.

\* Reported that the Nominating Committee met on March 10, and nominated Andy Goleman (District 7); Lou Weitekamp (District 8); and Cassie Eigenmann (District 9) to stand for election at the RECC Annual Meeting on June 11. He noted that nominations by petition could be submitted by members until May 12.

\* Reviewed plans for upcoming meetings and classes.

### **Board Action**

The Board acted on the following:

\* Approved the application for, or reinstatement of, membership and electric service for 8 persons.

\* Approved a Resolution to accept CoBank's proposal to refinance all outstanding RUS and FFB loans with fixed-interest loans from CoBank, with approximately the same length of terms as negotiated by management.

\* Approved a Resolution approving the pre-payment of all RUS Qualified Notes and loan agreements, to end the cooperative's financing from the RUS/FFB program.

\* Directed management to prepare policies regarding operations and maintenance of RECC's facilities, in lieu of RUS regulations that set many operating guidelines under its loan terms.

The meeting adjourned at 10:10 p.m.