

South Louisiana Electric Cooperative Association
Regular Board Meeting
January 7, 2019

Upon proper notice, the following members of the Board of Directors of South Louisiana Electric Cooperative Association met at 2:00 p.m. at the office of the Cooperative, Coteau Road, Houma, La., on January 7, 2019:

- Mr. Alexander Doyle, President
- Mr. David Luke, Vice-President
- Mr. Brian Rivet, Secretary
- Mr. Terry Trahan, Treasurer
- Mrs. Tracy Duval
- Mr. Eroy Acosta
- Mr. Roger Dale DeHart
- Mr. Larry J. Daigle
- Mr. Julien J. D. Boudreaux III
- Mr. Lloyd Gibson, Advisor

Also present were:

- Mr. Joseph Ticheli, General Manager
- Mrs. Yolanda George, Member Services Supervisor
- Mr. Kyle Marionneaux, Marionneaux Kantrow
- Ms. Kara Kantrow, Marionneaux Kantrow

Mr. Doyle opened the meeting by declaring a quorum present. He then called on Mr. Gibson for the invocation and Mr. Luke for the pledge.

Mr. Ticheli then introduced Mr. Kyle Marionneaux and Ms. Kara Kantrow of Marionneaux Kantrow.

The board went into executive session upon motion by Mr. Rivet, seconded by Mr. Trahan.

The board resumed in regular session upon motion by Mr. DeHart, seconded by Mr. Daigle.

Upon motion by Mr. Doyle, seconded by Mr. DeHart the board agreed to hire Kyle Marionneaux and Kara Kantrow of Marionneaux Kantrow Law Firm as SLECA's attorneys.

The minutes and summary of the regular board meeting of December 4, 2018, the manager's evaluation meeting of December 17, 2018 and budget committee meeting of December 18, 2018, were approved by the board upon motion by Mr. Acosta, seconded by Mr. Daigle.

Mr. Ticheli noted that there was a gain of 112 meters through the end of November and requested board approval of 159 new members for the month.

The board granted its approval of the new members upon motion by Mrs. Duval, with a second by Mr. DeHart.

Mr. Ticheli noted that there was no ALEC meeting since the last SLECA Board Meeting.

Mr. Ticheli began the financial report by discussing the November and December rate comparison sheets that continue to show SLECA having some of the lowest rates compared to other area utilities. He also displayed charts showing fuel cost comparisons.

Mr. Ticheli reviewed kilowatt-hour sales of 48,043,021 through the end of October with cumulative sales of 483,592,482 and 37,341,860 through the end of November with cumulative sales of 520,934,342.

Mr. Ticheli said line loss through the end of November is 5.43%.

Mr. Ticheli said cost of service was \$16,012,305 and displayed charts showing electric and total revenue versus cost per kilowatt hour.

Mr. Ticheli reported total cash of \$668,227 through the end of November and said equity as a percent of assets was 38.48% and TIER was 1.74 through the end of November.

The financial report was approved by the board upon motion by Mr. DeHart, seconded by Mr. Acosta.

Continuing with his report, Mr. Ticheli reported on the following schools and meetings:

- The next regular ALEC board meeting is scheduled for Monday, January 28.
- The next SLECA board meeting is scheduled for Monday, February 4.
- The NRECA Annual Meeting will be held in Orlando, FL, Monday, March 11 – Wednesday, March 13, 2019. The following directors plan to attend: Mr. Rivet, and Mr. Daigle.

- Several outside employees are scheduled to attend the annual one day arborist training class being hosted by DEMCO in Baton Rouge on January 29, 2019.

Mr. Ticheli discussed rates for December that show SLECA having some of the lowest rates in the area.

Mr. Ticheli mentioned the Christmas Open House in Amelia and Houma was very successful again this year. He said the Amelia office had over 300 children and the Houma office hosted 600 children. He thanked Mr. Daigle who donated apples and oranges and Mrs. Duval for helping with the expenses.

Mr. Ticheli mentioned that the judging for the Christmas Lighting Contest was held Monday, December 17. He said this year we had 34 entries which is more than in previous years.

Mr. Ticheli thanked the board for hosting the Christmas dinner at Melvin's. He said it was a very nice evening and everyone had a great time. He also thanked the Board for the very nice Christmas gift they had given him.

Mr. Ticheli told the board that employees had asked him to express their appreciation for this year's end-of-the-year incentive bonus and for the Christmas Eve and New Year's Eve holidays.

Mr. Ticheli told the board that SLECA paid a total of \$1,198,095 in property taxes for 2018. He said this year's total property taxes were \$37,988 more than last year.

Mr. Ticheli informed the board that there are two conflicts with the 2019 Board Meeting Dates: Monday, September 2, conflicts with Labor Day and Monday, December 2, conflicts with the ALEC meeting.

Mr. Ticheli informed the board that a grand total of \$644,811 was collected in delinquent accounts as of December 20, 2018.

Mr. Ticheli mentioned that Commissioner Campbell has requested a meeting of general managers and one board member from each cooperative to be held January 15 in Baton Rouge. Mr. Rivet volunteered to attend the meeting with Mr. Ticheli.

Mr. Ticheli told the board that SLECA received a check in the amount of \$24,738.00 from Federated Insurance for the balance of our member equity account

from 2009 and also another check was received from LA Generating in the amount of 123,243.90 for Service Funding for 2018.

Mr. Ticheli reported that RUS Field Accountant, Willard Garrett paid SLECA a visit and performed a routine audit of SLECA's loan documentation, work order practices and internal accounting records and procedures as they relate to RUS. The audit report received on December 27 stated that the audit went extremely well and nothing unusual or irregular was documented. The auditor complimented SLECA on the excellent manner in which SLECA follows RUS accounting procedures.

Mr. Ticheli requested the board formally approve the 2019 budget as presented to and approved by the Board Budget Committee on December 18, 2018.

The 2019 budget was approved by the board upon motion by Mr. Rivet and seconded by Mr. DeHart.

Mr. Ticheli requested the board renew the Audit Arrangement Letter with SLECA's auditor and tax preparer, LaPorte for another year. Mr. Ticheli informed the board that the fee for the 2018 audit will increase 3% which is about the same annual increase as in past years.

The Audit Arrangement Letter with LaPorte was renewed by the board upon motion by Mr. DeHart and seconded by Mr. Rivet.

Mr. Ticheli then requested the board appoint the voting delegate and alternate for the 2019 annual meetings of NRECA, CFC, FEDERATED and NRTC.

The voting delegate, Mr. Daigle and alternate, Mr. Rivet were approved by the board upon motion by Mr. DeHart and seconded by Mr. Luke.

Mr. Ticheli then requested the board approve his manager's report. There were no expenses.

The manager's report was approved by the board upon motion by Mr. DeHart, seconded by Mr. Daigle.

During the presentation of the safety report by Mr. Ticheli, he noted that SLECA employees had no loss-time accidents, no vehicle accidents, no property and casualty claims, and no miscellaneous accidents. He said employees have worked 3,659,285 hours without a loss-time accident since December 1996.

The board approved the safety report upon motion by Mr. Acosta, seconded by Mr. Boudreaux.

The board went into executive session upon motion by Mr. DeHart, seconded by Mr. Luke.

The board resumed in regular session upon motion by Mr. Boudreaux, seconded by Mr. Daigle.

The board then approved the attorney's expenses upon motion by Mr. Rivet, seconded by Mr. Luke.

The meeting was adjourned upon motion by Mr. Rivet, seconded by Mr. Luke.

Brian Rivet, Secretary