

South Louisiana Electric Cooperative Association
Regular Board Meeting
November 5, 2018

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 November 5, 2018:

- 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
- Mr. Stan Duval, Attorney
- Mrs. Yolanda George, Member Services Supervisor
- Mr. Ben Adams, Manager of Finance & Corporate Services
- Mr. Corky Saenz, Freeman Agency
- Mr. Rene' Casanova, Casanova Insurance

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 introduced Mr. Ben Adams, SLECA'S new Manager of Finance and Corporate Services. He then introduced Mr. Corky Saenz, with the Freeman Agency and Mr. Rene' Casanova, with Casanova Insurance.

Mr. Saenz and Mr. Casanova gave a brief presentation on Medicare and Supplemental Medical insurance.

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

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

The minutes and summary of the regular board meeting of October 1, 2018, and the special board meeting of October 10, 2018, were approved by the board upon motion by Mr. Acosta, seconded by Mr. DeHart.

Mr. Ticheli noted that there was a gain of 90 meters through the end of September and requested board approval of 171 new members for the month.

The board granted its approval of the new members upon motion by Mr. Boudreaux, with a second by Mr. Daigle.

Mr. Ticheli then reviewed several items from the regular ALEC monthly meeting, including the following: 1) There are some concerns that the electric cooperative issues being reviewed and examined by the PSC could end up in the state legislature; 2) NRECA is very aware of the PSC-related issues the electric cooperatives are having and has offered any kind of assistance it has at its disposal; 3) The ALEC Board approved the budget for 2019; 4) Since the September 19th PSC Meeting ALEC has been holding multiple meetings with each commissioner; and 5) After interviewing three candidates to replace Randy Pierce as CEO of ALEC, the board voted and hired Jeffery Arnold, a former member of the Louisiana House of Representatives. Mr. Arnold will begin his new position November 1.

The ALEC report was approved by the board upon motion by Mr. Boudreaux, seconded by Mr. Luke.

Mr. Ticheli began the financial report by discussing the September and October rate comparison sheets that show SLECA's rates to be some of the lowest compared to other area utilities. He also displayed charts showing fuel cost comparisons.

Mr. Ticheli reviewed kilowatt-hour sales of 62,334,940 through the end of August with cumulative sales of 389,774,040 and 45,775,421 through the end of September with cumulative sales of 435,549,461.

Mr. Ticheli said line loss through the end of September is 5.48%.

Mr. Ticheli said cost of service was \$13,029,323 and displayed charts showing electric and total revenue versus cost per kilowatt hour.

Mr. Ticheli reported total cash of \$284,329 through the end of September and said equity as a percent of assets was 38.10% and TIER was 1.22 through the end of September.

The financial report was approved by the board upon motion by Mrs. Duval, seconded by Mr. Rivet.

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

- The next regular ALEC board meeting is scheduled for Monday, December 3.
- The next SLECA board meeting is also scheduled for Monday, December 3. The board voted to move the meeting to Tuesday, December 4.
- The board Christmas dinner is scheduled for Friday, December 14 at Melvin's Restaurant starting at 6 p.m. with appetizers and dinner being served at 7 p.m.
- The NRECA Annual Meeting will be held in Orlando, Florida, on Monday, March 11, through Wednesday, March 13, 2019. Board members planning to attend are: Mr. Rivet, and Mr. Daigle.
- Employees Eric Lapeyrouse, Lenny Guillot, Marc Caldwell and Craig Fournier will attend the Superintendent and Foreman's Meeting December 5-6 in Gonzales hosted by DEMCO.

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

Mr. Ticheli informed the board that SLECA's offices will be closed Thursday and Friday, November 22 and 23, in observance of Thanksgiving and Veteran's Day.

Mr. Ticheli noted that SLECA's Thanksgiving luncheons are being held on Wednesday, November 14 in Amelia, and Thursday, November 15 in Houma.

Mr. Ticheli told the board that although hurricane season doesn't officially end until November 30, it appears we may make it through the entire season without any storms. He also said, the Farmers' Almanac is predicting warmer-than-normal temperatures with above normal rainfall along the Gulf Coast for the 2018-2019 winter season.

Mr. Ticheli said SLECA sent crews and equipment to Talquin Electric Cooperative in Florida to help in its restoration effort. SLECA sent a crew consisting of eight men and four vehicles. SLECA's crew departed Louisiana Thursday, October 11 and returned

home Saturday, October 20 and was rotated out with a second crew of seven men that returned Monday, October 29.

Mr. Ticheli announced a check was received from CFC in the amount of \$32,453.13 for interest earned through September 30, 2018, on all CFC Capital Term Certificates in conjunction with long-term loans.

Mr. Ticheli reported that even though no directors are up for election next year, some decisions concerning the annual meeting which is scheduled for April 12, 2019, still need to be made. The decisions for the annual meeting, including the selection of the giveaway, will be done at the December board meeting.

Mr. Ticheli reviewed dates and times of upcoming events in November and December.

Mr. Ticheli reported that Loren Scott, LSU economist, recently gave his annual economic forecast. He said that even though the Houma-Thibodaux-Amelia-Morgan City area lost 15,800 jobs in the last three years, it appears the area has reached the bottom of the trough and the bloodletting is over. Employment has been up every month in 2018 since February. Predictions are that our area will add 200 jobs in 2018. He also said we will experience modest growth of 700 jobs in 2019 followed by a more robust 2,100 jobs in 2020 due to increased drilling in the Gulf.

Mr. Ticheli informed the board that an article detailing SLECA's safety program and no lost time accident record was included in the latest issue of "Louisiana 811" magazine. This article also appeared nationally in the November issue of NRECA's "RE Magazine".

Mr. Ticheli then requested the board consider the Corporate Authorization Resolutions allowing Mr. Ben Adams, the new Manager of Finance and Corporate Services, to conduct business and make transactions on SLECA's accounts at Hancock Whitney Bank.

Upon motion by Mr. DeHart, and a second by Mr. Acosta the board approved the Corporate Authorization Resolutions.

Mr. Ticheli requested the board approve his manager's report and expenses.

The manager's report and expenses were approved by the board upon motion by Mrs. Duval, seconded by Mr. DeHart.

During the presentation of the safety report by Mr. Ticheli, he noted that SLECA employees had no loss-time accidents, one vehicle accident, one property and casualty claim, and no miscellaneous accidents. He said employees have worked 3,629,690 hours without a loss-time accident since December, 1996.

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

Mr. Ticheli then excused Mrs. George.

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

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

Upon motion by Mr. DeHart, with a unanimous second, the board agreed to allow the manager to distribute the end-of-the-year incentive awards.

The board approved the attorney's report and expenses upon motion by Mr. Rivet, seconded by Mr. DeHart.

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

Brian Rivet, Secretary