

FROM THE BOARDROOM
by C. Wayne Whitaker, President & CEO

The Board of Directors met on October 29, 2018, to conduct its regular monthly Board Meeting and discussed and reviewed several agenda items. During the meeting, they approved the Minutes of the last Board meeting and accepted the reports of the Attorney, President and Vice Presidents.

Agenda Items reviewed and Actions Taken

- An amendment to the attorney's contract was authorized to reflect the firm's name change to Morgan, Cook & Beck, LLP.
- The Cooperative was authorized to continue to fund the ERC Loan Program with internally generated capital as it follows its Board Policy and Procedures that are already in place regarding the program.*
- The Board accepted the reports and graphs of the Cooperative's Key Ratio Trend Analysis from CFC that exhibits the Cooperative's financial and operational health.
- The renewal of the group benefits plan for post-65 retirees was authorized.
- ARESIT reported a loss ratio of 21.6% for the trust for the month ending September 30, 2018, with a net income of \$579,774.
- The 2019 Wage and Salary Schedule for nonunion employees prepared by Winston Tan of Intandem, LLC, was authorized and increases in wages and salaries to said employees were authorized based on performance evaluations on or near the employees' employment anniversary date using the schedule and the 2019 Pay Grade Matrix.

ERC Loan Program

*At the November 1990 Board Meeting, the Board of Directors authorized Southwest Arkansas Electric Cooperative to implement the Rural Utilities Service 5% Energy Resources Conservation Loan Program, which opened the door for the Cooperative to provide low-interest loans to qualified members to be used to cover the cost of labor and materials for a number of energy conservation measures. Because the Cooperative had loans with the Rural Utilities Service, it was eligible to defer principal payments for seven years to fund its ERC program.

In 2016, following the Cooperative's liquidation of its entire indebtedness to the RUS Loan Program, SWAECC became ineligible to participate in principal deferment, which funded its 5% ERC Loan program.

At that time, the Board of Directors authorized SWAECC to fund ERC Loan Program with internally generated capital in order to continue offering ERC loans to its member consumers.

In addition, the Cooperative recently applied to receive funds valued at \$1 million from the RUS Rural Energy Savings Program (RESP) to be used for members' energy conservation projects at a rate of 3%. This funding is still pending and may take 12 to 18 months to be received.