

Status of Your Cooperative



Yates Adcock

President, CVEC Board of Trustees

Before us, we have a great opportunity to choose a new direction for your cooperative; one of forward, progressive-minded leadership, designed to enable a stronger CVEC to emerge.

Allow me to bring you up to speed as to our current status. The consolidation/shared services with CREC is off the table. CVEC has requested the assistance of the National Rural Electric Cooperative Association to assist in filling the position of interim general manager, while pursuing a search to fill the position of permanent general manager. We have enlisted the resources of financial, budgeting, and compliance consultants to arrive at a budget and

a compliance plan that reflects our status as a stand-alone cooperative. The goal is to provide and maintain compliance, regulatory, and financial requirements. We will continue to work closely with the Oklahoma Corporation Commission (OCC) to exercise proper oversight during this time of transition and reorganization.

I need to report to you that we have issues with mold in our 50+ year old headquarters facility. We have taken precautions to protect the employees through isolation of the area, and we have passed the most recent air quality test in the areas left in operation. We are currently working through options and I assure you that the goal is to provide a safe workplace environment for the employees. This is a work in progress as we continue to monitor air quality and evaluate our options as we move forward.

The future direction of CVEC is that of a stand-alone cooperative. We will put in place all the necessary measures to meet our lender's financial requirements. We will work closely with the OCC to satisfy all regulatory compliance issues. We will work hard to resolve all issues brought to light by the consolidation process. Our continued goal is provide you, our members, with reliable and affordable electricity.

While it is my understanding that the consolidation would have provided the means to invest in the development and maintenance of facilities

and equipment with no impact on rates, it is still too early to speak specifically to the issue of a rate increase, when or how much. We are currently working with financial consultants to arrive at an acceptable means to address compliance issues, and how these issues may impact the budget is just unknown at this time. However, I would like to share some facts with you concerning our energy business environment:

Oil and gas revenues are trending down. As this type of load is a major source of revenue for CVEC, the downward trend will have a major impact on revenues.

There are threats to the current cooperative business model. Distributed generation, including wind and solar, can negatively impact revenues as they reduce kilowatt hour sales while still requiring the same cost to build and maintain the infrastructure necessary to serve the load.

Consumer's expectation for newer technologies also comes with increased cost. Pre-paid metering and smart grid applications are examples of technologies that have great benefits, but also have great cost.

While it is true, that we have many challenges ahead; your board of trustees and your employee group are dedicated to the work in progress, using every resource available to arrive at our collective goal...reliable and affordable electricity.

Continued on page 2.

CANADIAN VALLEY
ELECTRALITE

P.O. Box 751 Seminole, OK 74818

Serving Hughes, Lincoln, McIntosh, Okfuskee, Pottawatomie, Seminole & portions of Oklahoma, Cleveland & Creek counties

Main Office and Headquarters

Interstate 40 at the Prague/Seminole Exit

Area Office

35 W. JC Watts Street, Eufaula

Office Hours

8 a.m. to 5 p.m., Monday - Friday

Board of Trustees

President - Yates Adcock, Dustin	District 8
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Telephone Numbers

Seminole	(405) 382-3680
Shawnee, Tecumseh, Earlsboro	(405) 273-4680
Eufaula	(918) 689-3232
Toll-free	(877) 382-3680

In Case of Trouble

1. Check for blown fuse or tripped circuit breakers.
2. Check with your neighbors. Ask if their electricity is off and if they have reported it.
3. If not call the office and report the trouble.

Read Billing date

Cycle 1	26th-31st	5th	1-1/2% penalty is
Cycle 2	6th-11th	15th	applied 20 days
Cycle 3	16th-21st	25th	after billing date

Operating Statistics for October

	2014	2015
Operating Revenues	\$5,305,765	\$4,148,516
Wholesale Cost of Power	\$3,969,314	\$3,011,444
Percentage WPC is of Revenue	74.81	72.59
Revenue per Mile of Line	\$1,016.82	\$792.61
Consumers per Mile of Line	4.65	4.65
KW Peak Demand - This month	131,706	115,470
Billing kW demand	109,675	107,263
KW Peak Demand - YTD	184,404	153,277
KWh Purchased - This month	58,460,080	51,411,596
Taxes Paid	\$104,873	\$93,134
Interest on Long Term Debt	\$186,348	\$186,596
System Load Factor	59.7	57.1

New Services Staked in November

During the month of November 28 new services were staked. The total new services staked in 2015 is 336. This compares to 415 for the same period in 2014.

Status of Your Cooperative

Continued from page 1.

Concerning the investigation by the Public Utility Division (PUD) of the OCC, Mr. Brandy Wreath, Director of the PUD, reported to the membership that attended the two latest Aware Meetings, held in Shawnee and Seminole in November 2015. Mr. Wreath stated that based on the information reviewed to date, "There is no evidence of fraud or scheming that has been found." He reported that he has worked with CVEC's independent auditors and financial analysts and agrees with their findings that no wrongdoing was found regarding CVEC. He also reported that he had reviewed the contracts and payments made by CVEC to acquire shared management services with CREC through Cenergy, used while pursuing the potential consolidation, and he found them to be reasonable and typical business transactions with no irregularities. The compensation amounts were appropriate for the services provided based upon methodology used in previous utility rate case reviews.

If you will remember at our Annual Meeting, held in August 2015, you the membership came out in record numbers to vote on the consolidation. I don't mind telling you, that was a discouraging day for me. Your board had completed the responsibility of investigating the options to the best of our ability, "leaving no rock unturned," and the majority of your board, with the exception of one, believed that the consolidation provided a great opportunity to solve many problems and delay a need for any rate increases for several years, as the financial analysis showed a potential for \$40 million in savings over the next ten years. What you may not realize is that your board found out, just hours prior to the start of the Annual Meeting, that CREC had retracted the offer to consolidate based upon an allegation of a CVEC board member breaking his fiduciary duty. This offer withdraw, left CVEC no opportunity to consolidate. Because the investigation, pertaining to the alleged breach, is still ongoing, it is not appropriate to divulge any further information or details at this time. Upon the release of the report, we will convey the appropriate information to you. Your board desires to keep you informed and is prepared to take the steps necessary to prevent situations like this from damaging our energy future and your cooperative.

Today, the consolidation attempt has failed; CVEC has one board member that admittedly has been non-support-

Continued on page 3.

Be Prepared for Winter Storms

When winter temperatures drop and storms hit, it can be challenging to stay safe and warm. Winter storm severity varies and some years our area is plagued with more snow and ice than other years. But no matter how bad this winter is, CVEC cares about your safety, and we want you to be prepared.

Heavy snow and ice can lead to downed power lines, leaving co-op members without power. During extremely low temperatures, this can be dangerous. During a power outage, our crews will continue to work as quickly

and safely as possible to restore power, but there are a few things you can do to prepare yourself.

- Stay warm – Plan to use a safe alternate heating source, such as a fireplace or wood-burning stove during a power outage. These are great options to keep you and your loved ones warm, but exercise caution when using, and never leave the heating source unattended. If you are using gasoline-, propane- or natural gas-burning devices to stay warm, never use them indoors. Remember fuel- and wood-burning

sources of heat should always be properly ventilated. Always read the manufacturer’s directions before using.

- Stay fed – The CDC recommends having several days’ supply of food that does not need to be cooked handy. Crackers, cereal, canned goods and bread are good options. Five gallons of water per person should also be available in the event of an extended power outage.

- Stay safe – When an outage occurs, it usually means power lines are down. It is best not to travel during winter storms, but if you must, bring a survival kit along, and do not travel alone. If you encounter downed lines, always assume they are live. Stay as far away from 706291206 the downed lines as possible, and report the situation to our dispatchers by calling 877-382-3680, if possible.

Status of Your Cooperative

Continued from page 2.

ive of the consolidation. He admits, in his opinion, the financial analysis is accurate. The accusations of fraud and scheming have been investigated and proven to have no merit. The OCC supports the factual and financial basis of consolidation between the two cooperatives.

This report may seem to be just “doom and gloom,” however, there is opportunity. We have before us a chance to design a much different, stronger, and better CVEC. One that is financially efficient and organizational-ly well maintained. New emphasis can be placed on employee development, cutting edge compliance guidelines that are based on factual industry practices, and development of a headquarters that is appropriate for our business. It’s not rocket science; it is reliable and affordable electricity for all the members. We own the system; let’s do this! And, let’s do it together!

I thank you for the opportunity to serve you. The last few months have been both a difficult and challenging time for me and all involved. I sincerely thank you for the kindness you have shown me as I have stood before you at many meetings, trying to provide you with all necessary information.

Your true cooperative spirit has been so well expressed in your attendance at these meetings and as you voiced your desire to “do the right thing.” I am deeply thankful for your support and words of encouragement offered to me at the meetings. I will continue to serve you, as I would want to be served; I am a member too and I desire a strong, secure, and well operated CVEC. I will continue to strive to be a good steward of the responsibility you have entrusted to me. I desire the Lord’s blessing for you in 2016.

Best,
Yates Adcock
CVEC Board President

Find Your Account Number and Win \$25

If you find your account number hidden in this issue of *The ElectraLite*, you could win \$25.

In order to win, the account number must be your own.

You need to report finding the number to us by the 15th of the month.

And you need to report finding it by phone, mail or in person. Good luck!



OPERATION ROUND-UP FINANCIAL STATEMENT

BEGINNING BALANCE 10/31/15.....	\$237,903.40
DEPOSITS.....	8,099.06
INTEREST INCOME	9.42
CHECKS ISSUED	11,956.59
APPROVED, NOT YET PAID	-9,234.52
BALANCE 11/30/15.....	\$224,820.77

CVEC Foundation administers and disburses funds collected through CVEC's Operation Round-Up Program.

Electralite Classified Ads

Each CVEC member family is limited to ONE free classified ad per month. Length of the ad cannot exceed space provided below. Ads run only one time and must be resubmitted to appear in the next edition. **Return the completed form to P. O. Box 751, Seminole, OK 74818. Forms may also be dropped off at either office location, or email your ad to editor@canadianvalley.org.**

All information below must be completed.

Name _____

Address _____

Account # _____

Phone # _____

AUTOMOBILES & BIKES

2009 Chevy extended cab 1/2 ton auto, a/c, new transmission, 58K miles, \$17,000 OBO, 279-2480.

1998 Lincoln Town Car, dark green, vinyl top, 128K miles, 302 engine, runs great, auto, \$3,000, 997-5629.

2004 Ford Taurus, runs great, loaded, 200K miles, \$1,600, 598-5450.

2012 Dodge 2500 HD, 4x4, Hemi, gas, \$36,000 firm, 899-7113.

1973 MG Midget convertible, 48,990 miles, new seats, carpet & convertible top, \$3,500, for info/pics text 221-7446.

2011 Honda motorcycle, \$3,800; 2010 F150 XLT pickup, 4-dr., \$18,000 OBO, 432-8064.

Willys/overland pickup, V6, auto, 20" chrome wheels, will trade, \$7,500, 567-4343 or 567-9088.

1978 1/2 ton Silverado, good motor/ transmission & body, needs brake work, \$1,750, 918-866-2564.

White 1993 Ford F150 pickup, bedliner, Tractor Supply Co. toolbox, runs good, \$1,200, 566-8954.

1967 Mustang, good tag & title, 289 V8 3-speed standard, needs restoration, not running, set of aluminum mags & 4 B.F. Goodrich tires, \$2,000 OBO, 328-4151.

Women's Murray bike, GT Dyno Air bike, both \$20, 207-8405.

FARM & RANCH

Flatbed trailer with gooseneck hitch, 35' long, new tires, leave message 273-6767.

Good clean prairie hay, small

square bales \$4 each, 598-5860.

Powder River calf squeeze chute, \$225, 547-2582.

Young Cinnamon Queen laying hens, raised on certified organic feed, free range pasture birds. Farm processed Cornish cross chickens, vacuum sealed, 3-9 lbs. frozen, Oklahoma Dept. of Ag approved, 590-2822 text or call after 4 p.m.

4-point bottom plow, 3-point 5' disc plow, 3-point lift boom, 8' A-frame, 567-3685.

16'x 76" tandem utility trailer with ramps, like new, \$1,500, 918-689-2320.

Hay - 4'x5.5' bales, some net-wrapped, \$25-\$40, 12 miles south of Cushing, 918-368-2352.

4 registered black polled Limousin bulls, 14-17 months old, low birth weight, highly muscled, outstanding confirmation, 613-5170.

Massey Ferguson 180 \$3,000; GN 2000 Prowler, 1 slide out with awning \$5,000; GN flatbed trailer 27' plus dove tail 8' wide, \$6,000, 580-925-2644.

Alpacas 202-9967.

80 acres, 4 ponds, 16'x80' trailer home, storm cellar, about 50 acre hay meadow, rest is wooded, \$140,000 OBO, 918-470-3654.

Bermuda grass hay, square bales \$6 & \$7; concrete finisher & all the tools, \$450, 640-9531.

9 roosters, several different breeds, \$8 each, 1 Bantam rooster, \$4, 207-8405.

Billy Cook reining saddle, excellent condition, \$599 cash; heavy-duty

hitch, \$200, 918-866-2555.

About 150 4'x5' bales Bermuda hay, \$20, can load, some weed, sprayed, 481-6825.

Weanlings, yearlings, 2-year-old, mare in foal, small horse trailer, 382-3504.

All steel truck bed, J and I hitch 9' long, 7' wide, \$850, 273-3879.

HOME & LAND

10 acres, water well, electric garage, trailer/cabin, lots of trees, best offer, 426-0236 or 454-0808, Tribbey.

40' 5' 3/8" heavy pipe, 500' 8" pipe, 333-2258.

Several farm or driveway security gates, 273-5698 or 708-1288.

Reese 5th wheel hitch with rails, 16K, like new condition, \$250, 664-9973, Shawnee.

1.5 acres, 5 miles north of I-40 on Harrison, has well and septic, 1933 Vicky restored and runs, 227-6070.

40 acres, south of Seminole, excellent hunting land, 631-1505.

2-3 bedroom house for rent, 1 bath, 2-car carport & storage building, big porch & patio with lots of yard space, 380-4451.

Oak table, bench and corner seating and storage, \$300 OBO, 878-8735.

MISCELLANEOUS

Four cemetery lots, Resthaven Memorial Park, Shawnee, Garden of Prayer, \$8,000, 918-781-2187.

Large roll top desk, very good condition, \$2,500 OBO, other furniture,

878-0180.

4-string electric bass guitar, hard case, practice amp, \$160 OBO, 200-5974.

Pond boat \$100, drum set \$125, 2005 TTR, 125 motorcycle, \$1,200, 567-5147.

Quick Way drag line, 35' stick, 4 tents, yard bucket, \$5,000 or trade, 918-869-9278.

1995 Airstream land yacht motor home, 33 ft., licensed in Oklahoma, stored in California, \$17,000, 559-259-0268.

Refrigerator runs good, \$50, hay rake good tires, \$600, 454-0510.

Firewood, post oak and pecan, will deliver, 684-8434 or 598-2468.

Small library of books, 125 to 150, mostly Christian fiction, top authors, 50-cents to \$1 each, 452-3495.

4'x15' above ground pool, sand pump with mineral and chlorine feeder, all metal frame, vacuum and ladder, \$700, 513-2986.

10 sheets of used galvanized sheet iron, 12' long, \$6 each, 382-1141.

California king bedroom suit, dark wood, no mattress \$500, extra large dark wood hutch, \$500, 712-2621.

Whirlpool chest-type freezer, \$100, 273-4703.

2 propane dryers, Whirlpool and Admiral, \$50 each OBO, 279-3638.

Spring, summer wedding dresses, sizes 6, 10, 12, \$50 OBO, wedding table cloths, 598-1202.

1840 Czech violin \$650, 918-490-2223.

\$40 Dazey Churn \$125, Fender Frontman 15G \$40, Coleman 5K BTU heater \$25, Rigid 2" pipe cutter, \$40, 454-2046.

2 piece entertainment cabinet, 4-door bottom with lock, 2 glass door top with lights, solid oak, \$600, 273-7042.

King size mattress \$50, 4 solid oak chairs \$20 each, 12" trailer tire \$50, Nicklaus golf club set best offer, 279-3897.

DPMS 223 Panther Arms 2 30-round clips, gun case, scope mounts, \$900, 273-7887.

Wanted: free rocks, bricks, or concrete pieces for creek erosion and low water creek crossing, 932-4336.

Beautiful registered (show quality) Akita black and white female 2 yr. old, \$325, 878-6697.

Nurf-bar for pickup, \$50; go-cart frame/motor \$100; multi small & large items (ask for it), I have it all, 918-968-5524.

Buffalo nickels \$20 roll, 25 arrows \$30 for all, 273-1845.

17' trailer loaded w/'64-'68 Volkswagon parts. Transaxles, stock wheels, etc., \$500 (trailer not included) 944-9982.

Toro 22" mower, electric start, self-propelled, rear bagger, \$150, 219-2673, 598-5780.

Looking for a card table to match my chairs. Medium brown color, vinyl, legs fold, manufactured around the 1950s or 1960s. 454-3221.

International Cub '76 model tiller & deck, \$700; electric brake control, \$40; travel trailer, canopy 30' L - 12' W - 13' T, to be torn down \$400, 598-5286.

Compost or fresh manure, small pickup load, \$50, supply own vehicle, will load, off 360 south of 99A, 382-4468.

Pocket Constitution, \$4 postage paid, 380-2438.

Propane system & numerous parts, \$200 cash firm no tank, 235.17 tire, \$20, dorm-size refrigerator, \$25, 4-step concrete steps, \$75, 388-9008.

Matching set Whirlpool top-load washer & dryer, both work well, have all paperwork, \$200, 200-5974.

Wanted: old American Indian items such as bead work, pottery, rugs, jewelry, paintings, photos, etc., 454-5420.

10 pieces used 12' sheet metal, 3' chain link gate, some wire, office desk, file cabinets, 382-1141.

Oak firewood, different sizes, ideal for fireplace or big shop stove, all size canning jars, 598-1140.

Free to be hauled off, dried wood, good in wood stoves, fireplaces, and fire pits, 382-5793.

2006 Wildwood lite 24' RV, cheap; 2 Redbone and Australian Shepherd pups, 1 male, 1 female, free, 207-8405.

Nice 33' RV sleeps 6, full bath & kitchen, Chevy V8, auto, low miles LHD, 1987, \$8,500 OBO, 356-9637.

Parade/show tractor, 1947 Oliver row crop 60 total restoration, all original, new paint, seat, tires, \$4,000 OBO, 382-1444.

1,000 '60s, '70s, '80s rock albums & others, lots of rare LPs, \$1,000; 152 Easy Rider Super Cycle, '77-'96, Harley parts, \$200, 918-623-0582.

Pleasant Heath wood stove, heats 2,000 sq. ft., glass front, fire brick, good, has blower, 20" wood, pipe, pad & tools, \$300, 918-652-5496.

Firewood, 598-6274.