

# Annual Meeting Moves to New Location

## Members to Vote on Bylaw Resolution

Canadian Valley's Annual Meeting will be held at a new location this year. The membership meeting is moving to Firelake Arena at 18145 Old Rangeline Road in Shawnee. It is 1/4-mile west of the intersection of S. Gordon Cooper Drive and Hardesty Road. The meeting will be Saturday, Sept. 17.

Registration begins at 9:30 a.m. and members need to complete the registration form at the bottom of this page and bring it to the meeting with them.

Registration gifts this year are a \$20 meal voucher and a \$15 electric bill credit.

Business session begins at 11 a.m. During that time, members will be asked to approve a bylaw resolution. That resolution is included in this issue of *ElectraLite*. Members with questions about the resolution are encouraged to call the Co-op prior to annual meeting.

At the conclusion of the business

session, the popular prize drawings will occur. In addition to a variety of prizes, five lucky members will win grand prizes of a Honda Rancher ATV, John

Deere X384 lawn mower, \$1,500 electric bill credit, Stihl chain saw, or one day's interest on \$1 million. Members must be present to win.

### Official Notice of Annual Meeting

Notice is hereby given that the 77th Annual Meeting of Canadian Valley Electric Cooperative, Inc. will be held at 11 a.m. Saturday, September 17, 2016 at Firelake Arena, 18145 Old Rangeline Rd. in Shawnee.

The order of business shall be as follows:

1. Determination of a quorum
2. Reading of the notice of the meeting and proof of publication
3. Approval of the minutes of previous annual meeting
4. Consideration of reports by officers and manager
5. Unfinished business
6. New business
7. Adjournment

Respectfully,  
Robert Schoenecke, Secretary-Treasurer

## OFFICIAL REGISTRATION CARD

CVEC 2016 Annual Meeting of Members September 17 Firelake Arena, 18145 Old Rangeline Rd., Shawnee

Name: \_\_\_\_\_

Address, City & Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Account #: \_\_\_\_\_

**Present this card at the Registration Booth to be eligible for prize drawings!**

Clip out this card and bring it to Annual Meeting. It entitles you to free registration gifts; limit one gift package per membership. Only active members are eligible for prizes, and you must be present to win.

# Through Transitions, CVEC is Financially Sound and Moving Forward

The following report is an overview for your information as to the co-op activities for the past 12 months. First, I want to thank all of you for your interest and involvement at last year's annual meeting. I appreciated your attendance at the numerous Aware meetings held to keep you, the member owners, informed. Your co-op has been through a challenging time. The paid advertisements in our service area newspapers made allegations prompting an investigation by the Oklahoma Corporation Commission. Good has been the result, as the investigation by the OCC has proved no merit to any of the allegations, but does require your active involvement in this year's annual meeting. To comply with OCC directives and completely resolve and prevent these types of activities from causing problems in the future, your help by attending and voting in favor of the resolution is so important. Please make your involvement a priority by attending and casting your vote. Please note the change in location of our meeting site. Please make plans to attend and express your ownership rights by voting.

During the first part of 2016 your co-op hired Robert Hood, who has proven to be an outstanding interim general manager. He has provided leadership and direction to your co-op. He has better positioned the organization by empowering employees, setting and meeting goals, and has facilitated the advancement 604160502 and hiring of much needed key employees. Your co-op is financially sound, has met the financial ratios and constraints as required by our lenders, and has a strong equity position. I consider it a huge blessing to have, at this point, avoided a rate increase and to have overcome the challenges of our aging headquarters facility. Currently, we have a safe and functional building that meets the needs of our co-op. We have chosen to

meet the demands of "best practices" in our industry by investing in the services of a qualified engineer with years of experience in the areas of pole inspection, documentation, and dependability monitoring. The result is a documented and approved method of inspections that result in a safe, dependable system that meets all the requirements of our National Rural Utility Service and our Oklahoma Corporation Commission.

Moving forward, your co-op has recently hired Colin Whitley as your new general manager. He brings a lifetime of experience and a successful record in the electric business. He has a conservative management style and has a background of being a good steward of those he represents. I anticipate time will prove his service to CVEC to be a true blessing. I am excited at the opportunity to have him leading our co-op,

and I am planning on the membership being introduced to him and his wife, Jackie, at our annual meeting.

I have served you in the capacity of president through some very difficult times of transition. Having always believed God is preparing us for tomorrow through what we face today, I am optimistic by what the future holds and our level of preparedness. Please know I am grateful for this opportunity to serve you. I consider this position, a servant position and have sincerely been stretched by this service. I appreciate and believe in the co-op business model and am grateful for your support and kindness expressed at the many gatherings where our paths have crossed. See you at the annual meeting.

Blessings to you,

**Yates Adcock**

*President, Board of Trustees*

## Hood Leaves CVEC Saying it has been "an Honor and a Pleasure" to Serve the Co-op

by **Bob Hood**

*Interim General Manager*

I just want to say, the past eight months have flown by so quickly, but also that it has been an honor and pleasure to head up the CVEC organization during these eight months. Rita and I have certainly enjoyed being a part of your co-op and your community. The employees who serve you, our member-owners, are hard-working and dedicated to doing the very best they can for you. We have worked hard together to improve the processes and work practices to provide you the very best service possible. You can be proud of both the employees and your Board, after going through all the effort to consolidate and then the consolidation not occurring, they have picked up the pieces and actually, I believe your cooperative is in a much better position than was presented to both the Board and the employees. In fact, with all that has occurred I truly believe your co-op is in a better financial and personnel position to better serve you than if the consolidation had occurred. We have added several outstanding individuals to our management staff and now the Board has hired a new general manager, who I believe has the experience, knowledge and management style to make CVEC even better at serving you, our member-owners, in the future. So I encourage you to attend the annual meeting and help your Board pass the changes to the By-Laws that will make them a more effective Board in the future.

Again, I appreciate the opportunity I have had to help serve you during the past eight months, and wish you and CVEC, your company, the very best in the future.

# RESOLUTION

## To Amend Article IV Section 2 Canadian Valley Electric Cooperative Bylaws

**WHEREAS**, the Public Utility Division of the Oklahoma Corporation has completed its investigation concerning member allegations which report is dated February 24, 2016; and

**WHEREAS**, in the Final Report of the Public Utility Division of the Oklahoma Corporation, the Public Utility Division of the Oklahoma Corporation requested Canadian Valley Elective Cooperative, Inc. to develop an action plan to be submitted to the Oklahoma Corporation Commission outlining steps that will be taken to ensure board members do not violate policies and work in a manner conducive to the overall good of the members of Canadian Valley Elective Cooperative, Inc.; and

**WHEREAS**, the board of trustees has reviewed its bylaws and determined that two additional qualifications need to be added to Article IV Section 2 regarding the qualifications of a trustee; and

**WHEREAS**, it is in the best interest of Canadian Valley Electric Cooperative, Inc. and its members to amend Article IV Section 2 of the Bylaws of Canadian Valley Electric Cooperative, Inc. to include as a qualification that after election each trustee execute the Oath of Office and that a trustee may be removed from the board for a breach of fiduciary duty.

**BE IT THEREFORE RESOLVED**, that it is in the best interest of Canadian Valley Electric Cooperative to amend Article IV Section 2 of the Bylaws of Canadian Valley Electric Cooperative, Inc. to read as follows:

### ARTICLE IV

#### Section 2. Qualifications

The persons named as trustees in the Articles of Incorporation or their successors, duly appointed or elected, shall compose the board of trustees until their successors are elected in the district meetings as hereinafter provided. Trustees elected shall serve until their successors are elected and qualified.

No person shall be eligible to file as a candidate for, become or remain a trustee or to hold any position of trust in the Cooperative who:

(a) is not an active member of the Cooperative currently receiving electrical service to his primary residence or business, and a bona fide resident of the particular district which he is to represent; or

(b) is in any way employed by or financially interested in a competing enterprise or business selling electric energy or supplies to the Cooperative. These proscriptions shall not apply if and where the degree of the prohibited activity is so inconsiderable and incidental as to pose no reasonable prospect of conflict of interest; or

(c) is the incumbent of or candidate for an elective public office in connection with which a salary or compensation in excess of one thousand dollars per annum is paid; or

(d) is an employee of the Cooperative or has been an employee of the Cooperative within the last five (5) years prior to the date of filing, or is related to any employee or trustee of the Cooperative by blood or marriage within the third degree; or

(e) has entered a plea of guilty or nolo contendere to or has been convicted of a felony; or

(f) does not have the capacity to enter legally binding contracts; or

(g) has been a member of the Cooperative less than six months; or

**(h) fails, neglects or refuses to sign the Oath of Office upon election or re-election as required by Article IV Section 9; or**

**(i) breaches his or her fiduciary duty as trustee during a previous or present term of office from and after the 17th day of September, 2016. Fiduciary duty arises from the fiduciary relationship between the Trustee and the Cooperative and includes, but is not limited to, the duty of care, duty of loyalty, and duty of obedience. It is the fiduciary duty of the Trustee to act with care for, loyalty to and obedience of the bylaws and policies of the Cooperative and decisions of the Board of Trustees.**

Upon the establishment of the fact that a Trustee is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Trustees to remove such Trustee from office.

A Trustee of the Cooperative who fails to attend at a minimum, nine of every twelve consecutive regularly scheduled Board

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## Statement of Operations

Year ending December 31, 2015

|  | 2014               | 2015               |
|--|--------------------|--------------------|
| <b>Revenue</b>                         |                    |                    |
| Total Electric Revenue                 | \$68,609,978       | \$59,828,605       |
| Non-Operating & Interest Revenue       | 1,858,543          | 1,771,770          |
| <b>Total</b>                           | <b>70,468,521</b>  | <b>61,600,375</b>  |
| <b>Expenses</b>                        |                    |                    |
| Purchased Power                        | 53,346,243         | 43,644,624         |
| Operation & Maintenance Expense        | 4,498,231          | 4,553,901          |
| Consumer Accounts                      | 1,371,776          | 1,297,000          |
| Customer Service & Information         | 341,763            | 276,530            |
| Administrative & General               | 1,636,174          | 2,123,543          |
| Depreciation                           | 3,265,795          | 3,361,229          |
| Taxes                                  | 1,381,265          | 1,250,816          |
| Interest - Long Term Debt              | 2,189,873          | 2,215,030          |
| Interest Expense - Other               | 27,906             | 32,679             |
| Other Directions                       | 18,898             | 15,357             |
| <b>Total Cost of Electric Service</b>  | <b>68,077,924</b>  | <b>58,770,709</b>  |
| G&T Capital Credits                    | 4,012,941          | 2,792,769          |
| Other Patronage Capital Credits        | 177,421            | 148,423            |
| Extraordinary Items                    | -750,000           |                    |
| <b>Margins &amp; Patronage Capital</b> | <b>\$5,830,959</b> | <b>\$5,770,858</b> |

## Balance Sheet

December 31, 2015

|  |                      |
|--|----------------------|
| <b>Assets</b>  |                      |
| Electric plant in service, less accumulated Depreciation of \$40,147,727 | \$68,466,973         |
| Other property & Investments   | 27,923,014           |
| Cash & Cash Investments  | 6,282,817            |
| Consumer & Accounts Receivable Net                                       | 5,765,392            |
| Materials & Supplies   | 1,079,838            |
| Other Assets   | 39,065               |
| <b>Total</b>   | <b>\$109,557,099</b> |
| <b>Liabilities:</b>  |                      |
| Membership Patronage Capital & Other Equities                            | 60,628,013           |
| Accumulated Operating Provisions & Asset Retirement Obligations          | 2,357,388            |
| Long-Term Debt to RUS, CFC & CoBank                                      | 36,473,880           |
| Current Maturities to RUS, CFC, & CoBank                                 | 2,780,126            |
| Accounts Payable   | 4,489,822            |
| Consumer Deposits  | 1,480,754            |
| Other Current Liabilities  | 1,347,116            |
| <b>Total</b>   | <b>\$109,557,099</b> |

In compliance with the Bylaws of Canadian Valley Electric Cooperative, Inc., the financial records are currently being audited by the independent certified firm of Finley & Cook, PLLC, Certified Public Accountants, Shawnee, for the year ending December 31, 2015. The audit has been completed but for the final report. Your Board of Trustees closely monitors the income and expenses of your cooperative, paying close attention to the level of margins and equity reflected by financial statements. I hereby submit the Statement of Operations and Balance Sheet for the fiscal year of January 1 to December 31, 2015.

Robert Schoenecke Secretary-Treasurer

## RESOLUTION *Continued from page 3.*

Meetings shall automatically lose his status as a Trustee and the remaining Trustees shall declare a vacancy on the Board from the District represented by such Trustee, to be filled in accordance with these Bylaws, unless the remainder of the Board of Trustees determines that such absences should be excused for justifiable cause.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken in any meeting of the Board of Trustees.

BE IT FURTHER RESOLVED, that the proposed amended Article IV Section 2 as set forth above be and the same is hereby approved and declared to be advisable and it is directed that the proposed amendment be submitted to the vote of the members of the Cooperative at its next annual meeting.

BE IT FURTHER RESOLVED, that notice of the annual meeting shall contain a copy of this proposed amendment to Article IV Section 2.

BE IT FURTHER RESOLVED, that upon the affirmative vote of at least 51% of the members of the Cooperative attending the annual meeting wherein a quorum has been declared Article IV Section 2 of the Bylaws of Canadian Valley Electric Cooperative, Inc. shall be amended as set forth above.

## Electralite Classified Ads

### AUTOMOBILES & BIKES

1999 Ford F250, super-duty (diesel) 7.3, needs tires, motor needs oil, and filters changed, \$500, 918-759-1111.

### FARM & RANCH

1994 Fruehauf semi float 48'x102" combo on air, 11-24-5 Bud 5' hay ex. winch straps, 40-452-3094.

John Deere #1219 swather, 405-275-2465.

1950 Ford 8-N tractor, 4-cylinders, 5' brush hog, like new, 405-598-2625.

1996 brush hog box (Razor) 48", \$700; 1996 box blade, 60" (Atlas), \$500, 405-279-3638.

Bulls black calving ease, Salers 1,200 to 1,800, ready for service, guaranteed, 405-380-7235.

Five-foot brush hog, good condition, \$450, or trade for 6' of equal value, 405-308-3506.

### HOME & LAND

2015 Fleetwood 16'x16' 2 BDR 2 BA mobile home, washer & dryer, front & back porches, set-up Shady Acres, Seminole, \$30,000, 405-808-0842.

1,800-sq. ft. house w/shed and carport on seven acres in Macomb, \$110,000 can be sold furnished and with a 2010 F150 XLT, 405-432-8064.

1994 mobile home on one acre near Boley, good well, for sale by owner, \$32,000 OBO, 918-716-8198.

Three BDR, 2 BA home on seven acres in South Rock Creek, Shawnee, 30'x40' shop/apt., barn, pond, secluded, horse friendly, available, \$275,000, 405-306-0721.

### MISCELLANEOUS

Queen-size therapeutic bed, \$700, 405-432-9098.

Maytag electric dryer, \$125; 1939 Allis Chalmers model B tractor, \$350; Wheelhorse garden tractor, Kohler engine, 6-speed transmission w/disc & 36" rotary tiller, \$525, 405-382-1444.

FREE - country-raised kittens, need to find homes for them as I have

way too many, born 7-16-16, have others, 405-706-3952.

AC unit 220x110-volt, \$200; electric cookstove, \$100; Kenmore washer & dryer, \$200, 405-275-3419.

Cedar picnic table, seats 8, good condition \$200, 405-598-6939.

Windmill, 21' tower, 5 yrs. old, ex. condition, \$5,000, 405-567-3204.

Newer Whirlpool top loading washer, \$200; older model G. E. frige, excellent condition, \$75; firm prices on both, 405-683-8177.