

**CHOPTANK ELECTRIC COOPERATIVE, INC.  
MINUTES OF  
ANNUAL MEMBER MEETING**

**April 27, 2017**

The 79<sup>th</sup> Annual Member Meeting of Choptank Electric Cooperative, Inc. ("Cooperative") was held at The Wicomico County Youth and Civic Center, in Salisbury, MD, on Thursday, April 27, 2017. Registration and voting by Members in person began at 4:30 p.m., followed by refreshments for all in attendance.

Mr. Robert Behlke, Vice President of Member Affairs, called the meeting to assemble at 5:50 p.m. He announced to the Members that the time for voting was about to end and that any qualified Member who wished to vote in the election of Directors should promptly complete and sign his ballot and turn it in to the Credentials & Election Committee ("C & E Committee").

The meeting was called to order at 6:00 p.m. by Olin S. Davis, III, Chairman of the Board of Directors of the Cooperative. All Cooperative Directors were in attendance, as were President & CEO, Michael I. Wheatley, Recording Secretary, Dawn M. Bowie, and Attorney, H. Michael Hickson.

The National Anthem was played.

The Red Skelton Pledge Introduction video was aired.

Mr. Matthew R. Holloway, Director from the Wicomico County Director District, led everyone in the Pledge of Allegiance.

Mr. Carl R. Widdowson, Director from the Somerset County Director District, gave the invocation and asked for a moment of silence for Cooperative employees and Members who have passed away during the past year.

Chairman Davis welcomed everyone to the 79<sup>th</sup> Annual Member Meeting, and gave a brief history of electric cooperatives in our Country.

The Chairman announced that there were more than 50 registered Members present in person at the meeting, and declared that a quorum was present.

After inquiring if there was any qualified Member who wished to vote and who had not voted, and hearing no response, Chairman Davis declared the polls closed.

Chairman Davis introduced the Board of Directors and others on stage. Chairman Davis commented on Director Francis Ruffo's retirement in December of 2016 and thanked him for his many years of dedicated service and contributions to the Board.

Michael I. Wheatley, President & CEO of the Cooperative, introduced his staff and employees, and commended them for their hard work and dedication to the Cooperative.

A motion was made, seconded and duly carried by the Members to dispense with the reading of the notice of the 2017 Annual Member meeting.

Chairman Davis noted that the minutes of the 2016 Annual Member meeting had been approved by the Board, as recommended by Robert's Rules of Order, and had been posted on the Cooperative's website since May of 2016.

President & CEO Michael I. Wheatley recognized guests and dignitaries.

Director John J. Burke, Jr., Secretary/Treasurer, then presented the Treasurer's Report for the year ended December 31, 2016, which included a PowerPoint presentation and excerpts from the independent auditor's report of Adams, Jenkins & Cheatham, CPAs relating to its audit of the financial statements of Choptank Electric Cooperative, Inc. and Subsidiary (the "Cooperative") which comprise the consolidated balance sheets as of December 31, 2016 and 2015 and the related statements of operations and comprehensive income, equities, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively the "Financial Statements"). That auditor's report, which was posted on the Cooperative's website prior to the meeting and was made available to Members at the meeting, stated, in part, that the Financial Statements "present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2016 and 2015, and the results of its operations, changes in equities, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America." After the financial presentation, a motion was made, seconded and carried by the Members at the meeting to adopt the auditor's report.

Mr. Wheatley then presented his annual report, including a power point presentation, which described some of the ways in which the Cooperative contributed in 2016 to meeting its goals of providing safe, reliable, and cost effective electricity to its Members with service excellence. Mr. Wheatley shared that the Cooperative opened the Regional Customer Service Center in Salisbury in 2016, serving the Southern Region Members and providing backup service for all Members, and completed the implementation of the AMI system. The Cooperative had replaced 58 miles of underground and six (6) miles of overhead lines; 493 poles and 25 breaker cabinets. With the help of Asplundh, vegetation was trimmed along 488 miles of line, 452 acres were mowed and 4,568 trees were removed. Mr. Wheatley reported the average interruption of service during an outage was 2.12 hours; "keeping the lights on 99.96% of the time". The average monthly residential bill in 2016 was \$141.00, the same as it was in 2009. In 2016 there was a capital credit payout of \$2.6 million. Mr. Wheatley also discussed the Cooperative's purchase of wholesale power from Old Dominion Electric Cooperative, and construction of the Wildcat

Point Generation Plant in Cecil County. The Choptank Trust awarded over \$300,000 in 2016 to various individuals and organizations in the Counties served by the Cooperative; and seven (7) \$2,000 scholarships. Since 2003 the Trust has awarded \$3.7 million. Mr. Wheatley then recognized his Senior Staff.

Chairman Davis called on Mr. William Edwards, Chairman of the Cooperative's Credentials & Election Committee, to present the C & E Committee Report regarding the election results, including ballots received by mail and electronically and counted by the election contractor, Survey & Ballot System, Inc., and the ballots cast by Members in person at the meeting.

Mr. Edwards then read the following vote totals for the election from the C&E Committee Report:

From the Cecil County Director District:  
John J. Burke, Jr. (unopposed) 1,540 votes

From the Somerset County Director District:  
Carl R. Widdowson (unopposed) 1,615 votes

From the Talbot County Director District:  
Jeffrey D. Rathell, Sr. (unopposed) 1,668 votes

From the Ocean Pines Director District:  
Robert B. Thompson (unopposed) 1,643 votes

Mr. Edwards delivered the C & E Committee Report, including the original certified count of votes received by Survey & Ballots, Inc., to Chairman Davis. Based on the C & E Committee Report, Chairman Davis declared that John J. Burke, Jr., Carl R. Widdowson, Jeffrey D. Rathell, Sr., and Robert B. Thompson, were elected from their respective Director Districts as members of the Board of Directors for a three (3) year term or until their successors shall have been elected or appointed and qualified.

There was no unfinished business to come before the Members.

There was no new business to come before the Members.

The Chairman called for questions from the floor.

The "Luck of the Draw" Scholarship Awards were drawn. Chairman Davis made an announcement that in honor of retired Director Francis Ruffo's dedication to education, the Board of Directors agreed to award one \$2,000 scholarship to a qualifying applicant in his name. Director Ruffo started his career as a teacher and retired as the Superintendent of Worcester County schools. The winner of the \$2,000 scholarship was Thomas Keene Callahan, II. The ten (10) qualified applicants for the \$1,000 scholarships were also drawn on the stage. Congratulations to the following scholarship winners: Ashley Ricciuti, Kendal Scharch, Abby Ayers, Michael Geleta, Megan Johnson, Kristen Collier, Ian Hall, Brea Bishop, Rebecca Carey and Danielle Batz.

**Door prize numbers were drawn on the stage, and door prizes were distributed to the winners by Cooperative employees. In addition, every Member who attended the meeting received a \$10.00 credit on their electric bill.**

**There being no further business, the meeting was adjourned by Chairman Davis at 7:08 p.m.**



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**John J. Burke, Jr.  
Secretary/Treasurer**