

**REGULAR MEETING
BOARD OF TRUSTEES
LEE COUNTY ELECTRIC COOPERATIVE, INC.
NORTH FORT MYERS, FLORIDA
APRIL 16, 2015**

The regular meeting was called to order by President Turbeville. All Trustees were present with the exception of Trustee Pritchett. Also present were Dennie Hamilton, Executive Vice President and Chief Executive Officer; John Noland, General Counsel; Frank Cain, Director, Regulatory and Governmental Relations and Chief Risk/Compliance Officer; Rick Fuson, Director, Electric Operations; Kathy Irwin, Director, Human Resources and Facilities Services; Joe Padgett, Director, Customer Care Operations; Denise Vidal, Director, Finance and Accounting and Chief Financial Officer; Peggy Boldissar, Manager, Financial Accounting; Jason Gordon, Manager, Customer Billing and Process Assurance; Cindy Neumann, Head of Program Management and Process Management; Karen Ryan, Manager, Public Relations; Karen Sherman, Manager, Audit Services; Tricia Dorn, Key Account Executive; Mark Gilbert, Journeyman Lineman; and Julie Vaughn, Assistant to the Executive Vice President and Chief Executive Officer. Members in attendance were Tim Barrier, Lynne Criscione, Robert Neeld, and Neil Smith.

1. Call to Order
2. Roll Call

President Turbeville opened the floor for the election of officers and representatives.

3. Election of Officers and Representatives

MOTION was made by Trustee Roepstorff that all positions listed on page 13 of the Board packet remain the same. Seconded by Trustee Priddy and unanimously approved.

MOTION APPROVED

The March Board Minutes were presented for approval.

4. Consent Items
 - a. Approval of March Board Minutes
 - b. Approval of New Members/Bad Debt Write-off

The bad debt write-off for the month of March 2015 was \$55,543.04. New members for the month of March 2015 were 1,728 beginning with Charles C. Capehart, equity ownership 5537972313, and ending with Raymond W. Pantalone, equity ownership 5376824275.

MOTION was made by Trustee Cavenago to approve the Consent Items to include the March Board Minutes and New Members/Bad Debt Write-Off as presented in the handouts. Seconded by Trustee Jackson and unanimously approved.

MOTION APPROVED

Trustee Bostick reported that the Equity Ownership Committee met following the March Board meeting, and all Trustees were present. The minutes were included in the Board packet.

5. Equity Ownership Committee Report

Mr. Hamilton shared a letter from customer Carol Duve requesting an accelerated equity distribution. There was no action taken.

6. Customer Reports

Mr. Hamilton updated the Board on bills related to reimbursement for utility relocations. House Bill 391 has been approved by the final committee without amendment and awaits second reading then scheduling on the floor. The associated senate bill has passed two of the three committees and has not yet come on the schedule for the third committee.

7. Executive Vice President's Report

Ms. Vidal reported on the March financial results. March kilowatt-hour sales were over budget by 10.6 percent and 4 percent over the prior year. Revenues net of purchased power were equal to budget for the current month and 12 percent over last year's results. Net margins were over budget by 135 percent year to date and 193 percent over last year's results. The customer count for the month of March increased by 600, with residential gains of 579 and commercial gains of 21. Demand was over budget by 12.7 percent and over last year by 17 percent. Kilowatt-hour purchases were over budget by 5 percent and 4 percent over last year. Through mid-April, kilowatt-hour purchases were over budget by 12 percent of budgeted levels.

8. First Three Months' Financials

Ms. Vidal then reviewed the variances to budget for net margins and operating and maintenance expense. She also presented the bad-debt summary, bad-debt write-off projection, a summary of transmission and distribution capital expenditures, and statement of cash flow.

Financial ratios for Times Interest Earned Ratio (TIER), equity, Debt Service Coverage (DSC), and Total Debt To Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) all met expectations.

Three of the four KPI goals were achieved, and Reliability was within threshold.

Ms. Vidal explained that LCEC is required to file documents yearly with the National Rural Utilities Cooperative Finance Corporation (CFC) certifying compliance with CFC loan covenants. All forms will be submitted at the end of this month. These documents were provided in the Board packet. Ms. Vidal stated that LCEC is in compliance with all debt covenant requirements in CFC loan agreements.

9. CFC Officer's Certification

There was no other business.

10. Other Business

The Board went into Executive Session.

11. Executive Session (Litigation, Real Estate, Personnel, or Competitive Matters)

The next Board Meeting will be on May 21, 2015.

12. Next Board Meeting, May 21, 2015

There being no further business, President Turbeville adjourned the regular meeting of the Board of Trustees at 10:13 a.m.

13. Adjournment

Gary Jackson, Secretary