

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

April 26, 2018

The 80th 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 26, 2018. 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 assembly at 5:50 p.m. He announced to the Members that the business meeting would start at 6:00 p.m. and that the polls would remain open until shortly after the portion of the meeting devoted to the bylaws amendments for any qualified Member who wished to vote and had not done so.

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 and Director from the Kent County Director District. All Cooperative Directors were in attendance, as were President & CEO, Michael I. Wheatley, Recording Secretary, Dawn M. Bowie, and Board Attorney, H. Michael Hickson.

The National Anthem was played.

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 and past Board Chairman, 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 80th 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.

Chairman Davis introduced the Board of Directors and others on stage.

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.

Mr. Wheatley asked Senator Addie Eckhardt to give a few remarks.

At the request of Chairman Davis, a motion was made, seconded and duly carried by the Members to dispense with the reading of the notice of the 2018 Annual Member meeting.

Chairman Davis noted that the minutes of the 2017 Annual Member meeting had previously been approved by the Board, as indicated by Robert's Rules of Order, and had been posted on the Cooperative's website since May of 2017.

Mayor Jacob Day of Salisbury addressed the group.

Chairman Davis called on Mr. Jeffrey D. Rathell, Sr., Vice Chairman of the Board, Director from the Talbot County Director District, and Chairman of the Governance Committee, who introduced the 2018 Bylaw Amendments as recommended by the Board to the Members (the "Bylaw Amendments") and made the following motion:

"By direction of the Cooperative's Board of Directors, I hereby move the adoption by the members of the Cooperative of the Bylaws Amendments, as distributed with the notice of this meeting and posted on the Cooperative's website, with the following proviso:

"That the Secretary of the Cooperative be authorized to make non-substantive corrections, such as article and section designations, headings, cross-references, and such other non-substantive, technical and conforming changes as may be necessary to reflect the intent of the membership in connection with those Bylaws Amendments."

Chairman Davis noted that coming from the Board of directors, the motion required no second, and asked whether any Member had any objection to the proviso that the Secretary of the Cooperative be authorized to make non-substantive corrections, such as article and section designations, headings, cross-references, and such other non-substantive, technical and conforming changes as may be necessary to reflect the intent of the membership in connection with those Bylaws Amendments.

Hearing no objections, Chairman Davis declared the above-described authorization to the Secretary to be granted, after which Chairman Davis requested that Mr. Rathell take comments and questions from the Members regarding Bylaws Amendments.

Mr. Rathell then, with respect to each of the ten (10) Articles in the Bylaws Amendments, repeated the number, title and a general description of the content of the Article, called for questions and comments relating to that Article, and continued to call for questions and comments relating to that Article until there were no further questions or comments from the Members before going to the next Article and repeating the same process, until the same process was exhausted with respect to each of the ten (10) Articles of the Bylaws Amendments. It was noted that there were no questions or comments from the Members regarding the Bylaws Amendments.

Mr. Rathell asked for questions from the Members regarding any part of the Bylaws Amendments, to which it was noted that there were none.

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

Chairman Davis then declared the polls closed except for those Members who were then in line at the voting table in the lobby waiting to vote or actually voting.

Chairman Davis called on Mr. John J. Burke, Jr., Secretary, Treasurer and Director from the Cecil County Director District, to present the Treasurer's Report for the year ended December 31, 2017. The Treasurer's Report included a PowerPoint presentation with excerpts from the independent auditor's report of Adams, Jenkins & Cheatham, CPAs, (hereafter "Auditor's Report") relating to its audit of the financial statements of Choptank Electric Cooperative, Inc. and Subsidiary (collectively the "Cooperative"), which comprise the consolidated balance sheets as of December 31, 2017 and 2016 and the related statements of operations and comprehensive income, equities, and cash flows of the Cooperative for the years then ended, and the related notes to the consolidated financial statements (collectively the "Financial Statements"). The Auditor's Report (including the Financial Statements), which was posted on the Cooperative's website prior to the annual Member 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, 2017 and 2016, 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."

Chairman Davis then called for and received a motion duly made, seconded and carried by the Members at the meeting to adopt the audited Financial Statements of the Cooperative.

Mr. Wheatley then presented his annual report, including a power point presentation, which described some of the ways in which the Cooperative contributed in 2017 to meeting its goals of providing safe, reliable, and cost effective electricity to its Members with service excellence. The Cooperative had installed or replaced 51 miles of underground and 13 miles of overhead lines; 708 poles and 29 switchgear cabinets. With the help of Asplundh, vegetation was trimmed along 866 miles of line, 458 acres were mowed and 5,013 trees removed. Mr. Wheatley reported the average interruption of service during an outage was 1.87 hours; "keeping the lights on 99.98% of the time". The average monthly residential bill in 2017 was \$137; in 2009 the average monthly bill was \$141. In 2017 the Cooperative paid out \$2.4 million in capital credits; with an ODEC capital credit payout of \$327,000. Over the past ten (10) years the Cooperative has paid out \$21.2 million in capital credits. Mr. Wheatley also discussed the Cooperative's purchase of wholesale power from Old Dominion Electric Cooperative, and opening of the Wildcat Point Generation Plant in Cecil

County. He reported that the Choptank Trust awarded grants totaling over \$300,000 in 2017 to various individuals and organizations in the Counties served by the Cooperative; and seven (7) \$2,000 scholarships. Since 2003 the Trust has awarded grants totaling \$4.1 million. Mr. Wheatley then recognized his Senior Staff.

Chairman Davis (a candidate for re-election to the Board) then called on Vice Chairman Jeffrey Rathell to receive and announce the election results. Vice Chairman Rathell then called on Mr. William Edwards, Chairman of the Cooperative's Credentials & Election Committee ("C&E 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's Certified Report Of Vote Count:

From the Dorchester County Director District:		
Douglas D. Scott	(unopposed)	1,511 votes
From the Kent County Director District:		
Olin S. Davis, III	(unopposed)	1,491 votes
From the Queen Anne Director District:		
Robert E. Arnold	(unopposed)	1,478 votes

Regarding the question on the ballot of whether to approve the recommended Bylaws Amendments, the votes were as follows:

"Yes, I approve the Bylaws Amendments"	1,589 votes
"No, I do not approve the Bylaws Amendments"	74 votes

Mr. Edwards delivered to Vice Chairman Rathell the C & E Committee's Certified Report Of Vote Count, including the original certified count of votes received by Survey & Ballots, Inc.

Based on the C & E Committee's Certified Report Of Vote Count, Vice Chairman Rathell declared that Douglas D. Scott, Olin S. Davis, III and Robert E. Arnold to be 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. Vice Chairman Rathell also declared the Bylaws Amendments were approved by the Members, subject to the proviso made by Mr. Rathell and approved without objection by the Members at the meeting, that the Secretary of the Cooperative be authorized to make non-substantive corrections, such as article and section designations, headings, cross-references, and such other non-substantive, technical and conforming changes as may be necessary to reflect the intent of the membership in connection with those Bylaws Amendments.

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 on stage. The ten (10) qualified applicants for the \$1,000 scholarships were: Adrienne Hurst, Bryce Bond, Kathleen Stevens, Andrew Beatty, Robert Ball, Peyton Becker, Benjamin Beaven, Sadie Miller, Adria Justice and Rachel Jessee. The Chairman congratulated the scholarship winners.

In honor of the Cooperative’s 80th anniversary the door prizes consisted of ten (10) \$80.00 bill credits with a grand prize of an \$800.00 bill credit. The winning door prize numbers were drawn and called on the stage, and the 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 7:12 p.m.



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