

CHOCTAW ELECTRIC COOPERATIVE
Regular Meeting of the Board of Trustees
Held in the Board Room of CEC in Hugo Oklahoma
January 30, 2018 - 9:00 am

AGENDA

1.	Meeting Called to Order & Roll Call	<i>Brent Franks</i>	
2.	Invocation & Pledge of Allegiance		
3.	Introduction of Guests	<i>Brent Franks</i>	
4.	Consent Items a. Approval of December 28, 2017 Board Minutes b. Authorization to Write off Uncollected Accounts for December 2016		<i>Action Action</i>
5.	Department Reports a. Service & Construction b. ROW & Service Quality c. Safety & Technical Operations d. Customer Service & Billing e. Member Services	<i>Kooney Duncan</i>	
6.	Financial Reports a. Financial Presentation b. Form 7 c. WFEC Power Bill d. Review of Check Register	<i>Tiffany Hempsted</i>	<i>For Review</i>
7.	Quality Management Report a. Credit Card Account Review	<i>Kooney Duncan Tiffany Hemsted</i>	<i>For Review</i>
8.	Attorney's Report	<i>Frank Wolf</i>	
9.	CEO Report a. Policy & Procedure Committee Report	<i>Kooney Duncan</i>	
10.	Executive Session Contracts & Legal Matters, Property Liability D & O Insurance		
11.	Action Items a. Property Liability D & O Insurance b. Timber Creek Trails Phase 6 c. 2018 Board Meeting Dates d. Touchstone Energy		
12.	WFEC Report	<i>George Burns</i>	
13.	New Business		
14.	Adjournment		

CHOCTAW ELECTRIC COOPERATIVE, INC.
P. O. Box 758 – Hugo, Oklahoma 74743

Regular Meeting Minutes of the Board of Trustees

The regular meeting of the Board of Trustee of Choctaw Electric Cooperative (CEC) was held in the Board Room of the Cooperative in Hugo, Oklahoma on January 30, 2018

1. CALL TO ORDER and Roll Call

The following Trustees were present:

Brent Franks, District G	Stacy Nichols, District C
Joe M. Silk, District B	Bill Woolsey, District D
Mike Brewer, District H	Becky Franks, District E
George Burns, District A	Norman Ranger, District F
	Ken Autry, District I

There being a quorum present, President Brent Franks presided and called the meeting to order at 9:00 a.m.

Co-op Attorney, Frank Wolf, with Rabon, Wolf and Rabon law firm, was present.

Choctaw Electric Cooperative staff present: CEO Kooney Duncan, Chief Financial Officer, Tiffany Hempsted, Executive Assistant, Jennifer Boling,

2. Invocation and Pledge of Allegiance

George Burns gave the invocation. President Brent Franks led the Pledge of Allegiance.

3. Introduction of Guests

There were no guests present.

4. Consent Items

- a. Approval of December 28, 2017 Regular Board Meeting minutes.
- b. Authorization to Write-Off uncollected accounts for December 2016.

Mr. Burns made a motion to approve the December 28, 2017 Regular Board Meeting minutes and the December 2016 Write-Offs for uncollected accounts. The motion was seconded by Mr. Woolsey.

The motion was affirmatively voted upon by all. The Motion carried.

5. Department Reports

The following Department reports were given by Choctaw Electric Cooperative CEO and General Manager, Kooney Duncan:

A. Service and Construction

- Hochatown sub nearly complete
- Working on Revised Disaster plan and FEMA policy
- Researching options for an aerial cable system to span across Mt. Fork River at Broken Bow Dam.
- Tagging transformers and junction boxes in Hochatown developments for mapping.
- Clearing-out open work orders and revising and streamlining the Work-Order process.
- Staking is complete for an additional Hochatown development.
- GPS points for Hochatown developments are ongoing for our mapping system.

B. Right of Way and Service Quality

- Contract crews at Mt. River Sub Feeder 2 is nearly complete. Final inspections have begun on Sawyer Sub, Feeders 3 and 4. After some cleanup in a few areas contract crews will begin work on Sawyer Sub Feeders 1 and 2.
- Projected 2018 Right of Way contractor clearing will be from Rattan to Greenwood Road and Darwin to Greenwood Road. In-house Right of Way crews will be working to clear other essential portions of our CEC service area.

C. Safety and Technical Operations

- Choctaw Electric Cooperative is nearing a year without a lost time accident.
- Preparing for Safety Inspection. Being proactive in the months ahead and being ready for the inspection is being emphasized in safety meetings.
- Studying blink reports and identifying issues.

D. Customer Service and Billing

- Incoming calls taken for the month was 4,381, an average of 219 daily.
- Smithville Kiosk is currently on hold due to the internet connection. An upgrade is having to be installed.

E. Member Services

- Jia Johnson, Director of Public Relations has been working on the Strategic Plan for 2018. A meeting is to be scheduled in March, the date to be determined, with the Board of Trustees for review and evaluation of the Strategic Plan.
- Youth Tour and Energy Camp information and presentations is taking place in area schools.
- Member Appreciation Days are scheduled:
 - Wednesday, April 11 – Antlers
 - Thursday, April 12 – Hugo
 - Friday, April 13 – Idabel.
- Using the Consumption Report, the MRPR Department contacted 26 members concerning non-billed high usage. These calls have exhibited a positive response from our members.

6. Financial Report

Form 7, WFEC Power Bill

Tiffany Hempsted gave the December 2017 Financial presentation. The Form 7 Summary for Year to Date Actual vs. Budget, Year to Date Revenue, Cost of Power and Gross Margins, Year to Date Expenses and Year to Date Capital and Margins was reviewed.

- Form 7 Summary YTD revenue \$42,510,221
- Cost of Power \$25,368,743
- YTD Operations and Maintenance \$5,797,592
- Net Margins \$1,281,742
- December 2017 Revenue from Electric Sales \$3,517,344
- 12-Month Average Rolling Line Loss is 6.49%
- WFEC December Average cost per kWh \$0.0528
- Total number of meters 18,909
- YTD Equity Ratio 47.7%

After the report there was discussion about CEC's assets including items listed in Work Orders.

Mr. Duncan and Mrs. Hempsted communicated to the board this is a priority and assets are being identified through the revision of the Work Order process.

Review of Check Register

The check register was reviewed.

7. Quality Management Report **a. Credit Card Account Review**

Mr. Duncan advised the board of the credit card process and the procedure for making approved purchases.

8. Attorney's Report

Mr. Wolf advised the board he did not have anything to report.

9. CEO Report

Board Meeting Updates

- Craven Green of Raymond James will be at the February Board meeting to give a financial update.
- The requested changes are being finalized for the 2016 Form 990 and an amended return will be filed soon.

Current Activities

- WFEC will be replacing 154 wooden poles from Hugo to Tupelo due to Woodpecker damage. There will also be approximately 18 dead-end structures added for line stability. This will help protect structures from cascading during severe weather events.
- Staff met with NISC for a day at the Hugo office. NISC is CEC's Business Management Platform that manages our accounting, customer care and billing, smarhub, operations and technical services. This was an excellent meeting with a questions and answer session and one-on-one guidance. NISC is working to make the Work Order Process more efficient. NISC is scheduled to return for one week in May.
- Departments are continuing to meet and develop a Disaster Recovery Plan.
- Mr. Duncan advised the Board of the Strategic Plan and Individual Department Work Plans being created. He recommended a Special Board Meeting be scheduled in March with CEC employees in attendance for finalizing the Strategic Plan. The date for the Special Meeting will be determined and announced.

- A Workers Compensation Audit will be conducted January 31, 2018.
- A CEC Inventory and Pre-Audit was conducted.

Policy and Procedure Committee Report

CEC has developed the framework for CEC Policies. Mr. Duncan suggested a meeting be scheduled with CEC Board Policy Committee and the CEC Policy Committee to go over details of the policy revisions. A tentative date will be scheduled in February.

10. Executive Session

President Brent Franks announced the board would convene in Executive Session to discuss Contracts, Legal Matters and Property Liability D & O Insurance.

At 11:12 am, Mr. Autry made a motion to enter executive session.

The motion was seconded by Mr. Burns. The motion carried.

At 12:12 pm, Mr. Burns made a motion to exit executive session.

The motion was seconded by Mr. Nichols. The motion carried.

The meeting was reconvened in regular session.

11. Action Items

a. Property Liability D & O Insurance

Mr. Burns made a motion to accept the proposal from Federated Insurance for Property, General Liability, Auto, Umbrella Liability Protection, Directors and Officers Liability, Crime and Cyber Protection.

The motion was seconded by Mr. Silk. The motion was affirmatively voted upon by all.

The motion carried

b. Timber Creek Trails Phase VI.

Bid packets for Timber Creek Trails Phase VI, a 56-lot development was sent to 6 potential bidders January 4, 2018. The closing date for bids to be received was January 25, 2018. Cost estimate for

the total project is \$186,264.48. Construction-in-aid has been paid by the developer. Mr. Duncan recommended the bid be awarded to Imperium Utility Services based upon Work Order estimates and Labor bids submitted by the contractor.

Mr. Autry made a motion to award Timber Creek Trails Phase VI project to Imperium Utility Services.

The motion was seconded by Mr. Nichols. The motion was affirmatively voted upon by all.

The motion carried.

c. 2018 Board Meeting Dates

Dates for 2018 Board Meetings was reviewed. Regular scheduled Board Meetings are held on the last Tuesday of each month. In December the Tuesday meeting date is Christmas day.

Mr. Autry made a motion to move the December regular scheduled board meeting date to Thursday December 27, 2018.

The motion was seconded by Mr. Brewer. The motion was affirmatively voted upon by all.

The motion carried.

d. Touchstone Energy

Choctaw Electric is a currently a Touchstone Energy Co-op. Mr. Duncan presented some details concerning some benefits of being part of Touchstone Energy in addition to other options.

- CEC's members have access to the Coop Connection card that offers various savings and is typically used by our members for savings on prescriptions.
- The coop also uses the Touchstone Web builder that supports and hosts our current website.

Currently WFEC pays membership for Choctaw Electric totaling \$16,000 annually. In 2019 WFEC will possibly no longer pay the Touchstone Energy membership at which time Choctaw Electric will pay if we choose to continue membership.

Mr. Duncan advised the board there are excellent alternate pharmacy discounts cards available to our members. We will direct our members to these cards. Our website can be maintained internally using an alternate host. The internal maintenance and alternate host will have no effect on our web

address or webpage.

Mr. Duncan recommended Choctaw Electric no longer be a Touchstone Energy Partner.

Mr. Silk made a motion CEC end the partnership with Touchstone Energy.

The motion was seconded by Mr. Brewer. The motion was affirmatively voted upon by all.

The motion carried.

12. WFEC Report

Mr. Burns will give this report at the February meeting.

13. New Business

Mr. Burns requested new photos of the Board of Trustees be taken at the next board meeting.

Mr. Burns requested a Summary Sheet for CEC Loan Notes be made available for review at the February board meeting.

14. Adjourn

At 12:30 pm, Mr. Silk made a motion to adjourn. Mr. Nichols seconded the motion and affirmatively voted upon by all. The motion carried.

Board Expenses Reported January 1, 2018 to January 30, 2018

Mike Brewer	\$550.00
George Burns	\$64.20
Joe Silk	\$615.40
Norman Ranger	\$608.86
Bill Woolsey	\$582.70
Becky Franks	\$577.25
Ken Autry	\$602.87
Stacy Nichols	\$654.64
Brent Franks	\$582.70



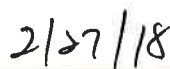
President



Date



Secretary/Treasurer



Date