

CHOCTAW ELECTRIC COOPERATIVE
Regular Meeting of the Board of Trustees
Held in the Board Room of CEC in Hugo Oklahoma
March 27, 2018 - 9:00 am

AGENDA

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|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------|
| 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 February Regular Board Meeting Minutes b. Approval of March Special Board Meeting Minutes c. Authorization to Write off Uncollected Accounts for December 2016 d. Authorization to Write Off Uncollected Accounts for February 2017 | | <i>Action</i> <i>Action</i> <i>Action</i> <i>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. Timeline of Seated Board Action | <i>George Burns</i> | |
| 8. | Attorney's Report | <i>Frank Wolf</i> | |
| 8. | CEO Report | <i>Kooney Duncan</i> | |
| 9. | Executive Session Contracts, Financials & Legal Matters | | |
| 10. | Action Items a. CEC Property Lease b. Policy Committee – Policy Layout Approval c. Pole Replacement Contract | <i>Jen Parker</i> | |
| 13. | WFEC Report | <i>George Burns</i> | |
| 14. | New Business | | |
| 15. | 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 March 27, 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 9:06 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

Joe Silk gave the invocation. President Brent Franks led the Pledge of Allegiance.

3. Introduction of Guests

Choctaw Electric member Debbie Cody was present.

4. Consent Items

- a. Approval of February 27, 2018 Regular Board Meeting Minutes.
- b. Approval of March 6, 2018 Special Board Meeting Minutes
- c. Authorization to Write-Off uncollected accounts for December 2016.
- d. Authorization to Write-Off uncollected accounts for February 2017.

Mr. Woolsey made a motion to approve the February 27, 2018 Regular Board Meeting minutes,

the March 6, 2018 Special Board Meeting Minutes, and to Write-Off uncollected accounts for December 2016 and February 2017. The motion was seconded by Mr. Burns.

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

- Moving forward on the Nolia Loop ODOT road move project.
- Construction contractors have begun work on Timber Creek Trails South Phase VI development.
- Crews are in the Smithville and Kiamichi Wilderness area working to identify and locate issues that may be causing blinks.
- East and West service crews worked 395 cases.
- Two construction crews worked storm damage at Southeastern Electric Co-op for 4 days.
- CEC construction crews worked storm damage in our service area for 2 days.

B. Right of Way and Service Quality

- CEC Right-of-Way crews have nearly completed clearing Valliant Substation Feeder 1.
- Contract Right-of-Way crews are nearing completion of Mt. River substation Feeder 3.
- Contract crews have been in the Rattan area.

C. Safety and Technical Operations

- Choctaw Electric Cooperative has had no lost time accidents in 370 days.
- Blink reports are being monitored.
- Mr. Duncan gave a Safety Update presentation that included OSHA statistics and the emphasis of Safety Culture within the CEC Safety Program.

D. Customer Service and Billing

- Small Claims Action update was given.
- Incoming calls taken for the month was 4,393, an average of 220 daily.
- The Smithville kiosk is in place and payments are being made at that site.

- A total of 4,177 CEC members have been served at the Hugo, Idabel and Antlers offices.
- There are 4,444 CEC members using Smarthub.

E. Member Services

- The Washington D. C. Youth Tour recipients have been chosen:
 - Katelyn Lofton, Antlers
 - Serenity McGuire, Broken Bow
 - Kasey Alford, Haworth
- The Energy Camp recipients have been chosen
 - Ember Gregg, Rattan
 - Isaac McNutt, Antlers
 - Jordon Jones, Haworth
- The new and revised CEC webpage is complete at www.choctawelectric.coop.
- Member Appreciation Days are scheduled. The hours are from 10:00 am to 2:00 pm.
 - April 11, Antlers
 - April 12, Hugo
 - April 13, Idabel.

6. Financial Report

Form 7, WFEC Power Bill

Tiffany Hempsted gave the February 2018 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 \$8,750,772
- Cost of Power \$4,895,285
- Operating Margins YTD \$1,088,278
- Net Margins YTD \$1,099,460
- Total Revenue from Electrical Sales \$4,373,446
- WFEC kWh Purchased 38,719,366
- Total number of Active Services, 18,955
- YTD Equity Ratio 48.1%

7. Quality Management Report

a. Timeline of Seated Board Action

Mr. Burns indicated the report is in progress and will be given at an upcoming board meeting.

8. Attorney's Report

Mr. Wolf advised the board his report would be given during Executive Session

9. CEO Report

Current Activities

- The Board of Trustees has been invited to attend the WFEC board or committee meeting May 15 and 16, 2018.
- Choctaw Electric hosted the Oklahoma Southeast meeting March 14th.
- The Accounting and Billing Departments are preparing for the 2017 audit.
- Mr. Duncan briefly discussed the Strategic Plan. Board members were asked to provide recommendations at the next board meeting and review the CEC Vision and Mission Statements.
- Staff continue to development and improve the Work Order process and documentation.
- Board members were encouraged to attend Member Appreciation Days being held in Hugo, Idabel and Antlers.
- Improvements at the Antlers office are continuing; Fiber optic being run to the building and an additional cashier window is being installed.

10. Executive Session

President Brent Franks announced the board would convene in Executive Session to discuss contracts, legal matters and personnel matters.

At 11:01 am, Mr. Autry made a motion to enter executive session.

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

Contracts discussed pursuant to the CEC By-Laws.

At 11:51 am, Mr. Autry made a motion to exit executive session.

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

The meeting was reconvened in regular session.

11. Action Items

a. CEC Property Lease

CEC property located northwest of CEC Hugo office has been leased to a livestock owner on a year by year basis. The yearly lease will expire in June and the livestock owner has requested to renew the lease.

Mrs. Franks made a motion upon contract approval by Frank Wolf, to renew the lease for a one-year term, that would expire June 6th, 2019, and the lessee will be responsible for furnishing material and labor to maintain fences and roads in lieu of a cash payment.

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

The motion carried.

b. Policy Committee, Policy Layout Approval – Jen Parker

Mrs. Parker informed the board of current CEC policy and procedures. She explained the importance of complying with state and federal laws and not contradicting other documents. A committee was formed to evaluate, revise and reformat the existing policies and procedures. A new layout has been formulated to place policies under appropriate headings:

- Governing Policies
- Member Policies
- Board of Trustees Policies
- Employee Policies
- Finance Policies
- Operations Policies

Beginning at the April board meeting and each month thereafter the committee will present policy revisions for approval through December.

Mr. Ranger made a motion to accept the recommended new layout of policies as presented.

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

The motion carried.

c. Pole Replacement

Mr. Burns made a motion to table action for the Pole Replacement contract to a later date.

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

The motion carried.

12. WFEC Report

Mr. Burns included the WFEC Financial Report for the board to review. He gave details about the WFEC Electric Vehicle presentation taking place at OAEC on Thursday April 5.

13. New Business

Mr. Burns expressed interest in attending the Cobank Energy Directors Conference in Colorado Springs in July. If allowed to attend, Mr. Burns stated he would not charge per diem.

Mrs. Franks made a motion that Mr. Burns be allowed to attend the Cobank Energy Directors Conference in Colorado Springs in July.

The motion was seconded by Mr. Franks

The motion was affirmatively voted upon by all.

The motion carried.

14. Adjourn

At 12:20 pm, Mr. Nichols made a motion to adjourn. Mrs. Franks seconded the motion. The motion was affirmatively voted upon by all. The motion carried.

Board Expenses Reported March 1, 2018 to March 31, 2018

| | |
|---------------|----------|
| Mike Brewer | \$600.00 |
| George Burns | \$130.80 |
| Joe Silk | \$730.80 |
| Norman Ranger | \$717.72 |
| Bill Woolsey | \$665.40 |
| Becky Franks | \$654.50 |
| Ken Autry | \$704.64 |
| Brent Franks | \$665.40 |
| Stacy Nichols | \$770.04 |



President

4-24-18

Date



Secretary/Treasurer

4-24-18

Date