

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 August 28, 2018

1. Call to Order and Roll Call

The following Trustees were present:

Brent Franks, District G
Joe M. Silk, District B
Mike Brewer, District H
George Burns, District A

Stacy Nichols, District C
Bill Woolsey, District D
Norman Ranger, District F
Ken Autry, District I

Becky Franks was absent

There being a quorum present, President Brent Franks presided and called the meeting to order at 9:01 a.m.

Co-op Attorney, J. Frank Wolf, III 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

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

3. Introduction of Guests

Mr. Franks welcomed CEC members, Perry Thompson, Jr., Judy Bell, Billie Felker and Debbie Cody.

4. Consent Items

A. Approval of July 2018 Regular Board Meeting Minutes.

B. Authorization to Write-Off uncollected accounts for July 2017

Mr. Ranger made a motion to approve the July 31, 2018 Regular Board Meeting minutes, and to Write-Off uncollected accounts for July 2017. The motion was seconded by Mr. Autry. The motion was affirmatively voted upon by all. The Motion carried.

Following approval of the consent items Mr. Duncan advised the Board that Write-offs have decreased due to the board policy being in place.

5. Department Reports

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

A. Service and Construction

- Pole replacement at the Broken Bow Dam Spillway should begin the first week of September.
- Second quarter work order inspection are complete
- East side construction crews spent time cutting trees and maintenance work at the Smithville Feeder 2 Bethel Sub to stop blinking issues.
- CEC crews are spraying in Rufe and on One Creek Valley Road.

B. Right of Way and Service Quality

- CEC Right-of-Way crews are having cut approximately 14.6 miles at the Valliant Sub Feeder 2, which includes south of Ft. Towson and the Colley Loop area west of Highway 109.
- Contract crews continue working on Rattan Sub Feeder 1. Crews have cut 8.65 miles, clearing 14.28 miles of line. Going south of Crossroad Grocery and north of Highway 3 on Ethel Road.
- Contract crews began working on Haworth Sub Feeder 1 starting south of Tom working south to Highway 87.

C. Safety and Technical Operations

- Rural Electric Safety Achievement Program (RESAP) went well.

D. Customer Service and Billing

- Kiosk payments for July was 322
- 1091 Service Orders
- 4,643 active Smarthub Accounts
- 4,750 incoming calls taken

E. Member Services

Jia Johnson, Director of Public Relations gave an update on Annual Meeting preparation.

6. Financial Report

Form 7, WFE Power Bill

Tiffany Hempsted gave the July 2018 Financial Presentation.

- The Form 7
 - YTD Revenue \$26,925,161
 - YTD Cost of Power 16,033,305
 - YTD Cost of Electric Service \$25,013,730
 - YTD Operating Margins \$1,911,431
 - Revenue from Electric Sales for July \$4,356,281

- WFEC Cost of Power
 - July kWh Purchased 48,692,507
 - July Power Cost \$2,575,831
 - July Average Cost per kWh \$0.0529

- CEC YTD Equity Ratio 48.4%

At the end of the Finance Report, Mr. Duncan reviewed the WFEC Power Bill.

7. Quality Management Report

A. Property, General Liability Insurance

Mr. Duncan gave the Quality Management Report.

8. Attorney's Report

Mr. Wolf advised the Board he had nothing to discuss.

9. CEO Report

Current Activities

- WFEC reviewed the recent 2018 Load Forecast Study and discussed options to serve future capacity needs.
- Informational District Meetings are being held.
- Round Table discussions were held with CEC Area Servicemen.
- CEC's existing meter software is expiring and will need replacing. Staff is working on a plan to present to the Board for replacement in 2019.
- Staff is beginning the 2019 Budget process.

10. Executive Session

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

At 10:27 am, Mr. Burns made a motion to enter executive session. The motion was seconded by Mr. Woolsey. The motion carried.

At 11:56 am, Mr. Burns 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. Proposed Bylaw Amendments

Article I: Membership - Section 1.06 Purchase of Electric Power and Energy.

- (a) In an effort to promote renewable energy, the Cooperative shall, at minimum,
 - i. Credit the Member for any/all excess kilowatt hours at the retail rate.

- ii. Allow any/all excess kilowatt hours to be credited to the next billing period for 12 months.
- iii. Allow the Member to designate the starting month of the 12-month billing period

(2nd revision Language revised) Section 1.06 (c) iv. and v.

- iv. Allow the Members with multiple meters to offset those meters using a single distributed generation system or multiple systems (commonly known as meter aggregation). Members must designate the additional meter or meters to be offset when requesting meter aggregation.**
- v. Avoid imposing additional tariffs, surcharges, rates or fees to Members that would discourage the implementation or continuation of renewable energy.**

The Attorney's remains of the opinion the additions to subsection (c) IV and V to be illegal and discriminatory and in direct violation of 17 O.S.156

The Board takes the position of disapproval for this bylaw.

Mr. Nichols made a motion on the boards position to disapprove this bylaw amendment per the attorney's opinion being illegal and discriminatory and in direct violation of 17 O.S. 156 and it will not be submitted for a majority vote of the members. The motion was seconded by Mr. Woolsey. The motion was affirmatively voted upon by all. The motion carried.

b. Policy Action and Review

Mr. Brewer presented revisions and corrections for Policy 402 - 407

Mr. Burns made a motion to approve revisions and corrections to policies 402 – 407.

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

Board members were reminded to review the next set of policy revisions that will be presented at the September board meeting as an action item.

c. CEC Energy Efficient Loan Approval

Mr. Duncan presented two CEC member Applications for Energy Efficient Loans to the Board of Trustees for approval.

Mr. Brewer made a motion to approve a loan for replacement of a Heat and Air unit in the amount of \$4,460. The motion was seconded by Mr. Autry. The motion was affirmatively voted upon by all. The Motion carried.

Mr. Brewer made a motion to approve a loan for replacement of a Heat and Air unit in the amount of \$3,800. The motion was seconded by Mr. Burns. The motion was affirmatively voted upon by all. The Motion carried.

12. OAEC Report

Mr. Silk gave a report of the OAEC meeting

13. WFEC Report

Mr. Burns gave a report of the WFEC meeting.

14. New Business

There was discussion concerning the NRECA Regional Meeting to be held in Oklahoma City October 16-17.

15. Adjourn

At 1:35 pm Mr. Ranger made a motion to adjourn. Mr. Brewer seconded the motion. The motion was affirmatively voted upon by all. The motion carried.

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

| | |
|---------------|----------|
| Mike Brewer | \$650.00 |
| George Burns | \$972.28 |
| Joe Silk | \$984.63 |
| Norman Ranger | \$608.86 |
| Bill Woolsey | \$638.15 |
| Ken Autry | \$780.80 |
| Stacy Nichols | \$691.56 |
| Brent Franks | \$715.40 |



President



Date



Secretary/Treasurer



Date