

**CHOCTAW ELECTRIC COOPERTIVE, INC.
ANNUAL MEETING OF THE MEMBERS**

**McCurtain County Fairgrounds
Idabel, OK
September 28, 2024**

1. WELCOME AND CALL TO ORDER

President Brent Franks called the 84th Choctaw Electric Cooperative Annual Meeting of the Members to order at 10:00 am. He welcomed everyone for coming out and attending the meeting.

Upon call from President Franks, the members stood for the Pledge of Allegiance and Invocation. Members remained standing for the National Anthem.

Mr. Franks, representing District G, introduced himself and the Choctaw Electric Trustees:

Jarred Campbell, Vice-President, District A

Perry Thompson, Jr., Secretary-Treasurer, District E

Jana Burris, District B

Stacy Nichols, District C

Bill Woolsey, District D

Debbie Cody, District F

Ken Autry, District I

Jackson Ferguson, District H

The CEO and General Manager, Kooney Duncan, and Council for the Cooperative, J. Frank Wolf, III, were also introduced.

Several guests were acknowledged by President Franks that included: Emma Bundy, CEC Youth Tour Delegate; Claire Burris, CEC Youth Tour Delegate; David Sonntag, V.P. Special Products, WFEC; Eddie Dempsey, State Representative, District 1; Katie Carroll, Field Representative for U.S. Congressman Josh Brecheen; Sondra Boykin, Communications, WFEC; Mike Meason, V.P. Information & Security, WFEC; and Emily Maxwell-Herron, District Judge, District 17.

2. DECLARATION OF QUORUM

Perry Thompson, Jr., Secretary-Treasurer of the Board, reported the bylaws require at least five percent of the cooperatives' membership for a quorum to conduct business at the annual meeting. Mr. Thompson announced that the total number of members registered exceeded the 770 required. Therefore, a quorum was reached, and the business meeting could proceed.

3. PROOF OF MAILING OF NOTICE OF MEMBER MEETING

Mr. Thompson reported that the Notice of Member Meeting was mailed to each CEC member in accordance with the bylaws. The receipt from the post office in O'Fallon, Missouri verified

that 15,350 pieces of mail containing the Official Notice were delivered to the U. S. Post Office and mailed on September 3, 2024.

4. FINANCIAL REPORT

Mr. Thompson presented the audited financial summary of the cooperative. During 2023, CEC Net Operating Income totaled \$5,033,940 compared to \$5,551,481 in 2022. Total assets totaled \$148,026,336 at the end of 2023 compared to \$143,071,795 in 2022. In 2023 Choctaw Electric grew in asset size by \$4,954,451. The cooperatives' long-term debt decreased by \$371,899 in 2023.

5. MINUTES OF 2023 ANNUAL MEETING

President Franks reported that the minutes of the business meeting conducted during the 2023 annual meeting were published in the September 2023 Annual Report issue of "*Inside Your Coop*" newsletter. President Franks received a motion from CEC member Lena Christian to approve the 2023 Annual Meeting minutes as printed in the Annual Report. The motion received a second by CEC member Connie Wilborn. The motion carried.

6. PRESIDENT'S REPORT

President Franks reported that the cooperative is doing well financially. Board members are being frugal with money and members are not being overcharged for electricity. He encouraged members to attend the monthly board meetings and ask questions if they want to know more. Choctaw Electric staff members are available daily to answer questions in the offices. He personally thanked the staff and linemen for the great job they are doing.

Next, President Franks focused on several community-based projects the cooperative has been involved with this year. He updated the members about an Influencer Focus group that was hosted at Choctaw Electric by OAEC. Other projects such as a Safety Video that included local EMS was produced, District meetings were held, and a Buddy Ball game for special needs adults and children were hosted. He then reminded members that the board has kept electricity rates consistent. The Boards goal is to keep rates low and to have safe, reliable, and affordable electricity for our members.

7. CEO'S REPORT

Kooney Duncan, CEO, thanked the board and staff members for all they did throughout the year. He emphasized the importance of members voicing their opinions through the elections. Choctaw Electric strives to "Provide reliable, safe and affordable energy services to the members we serve".

Mr. Duncan began by speaking on the financial status of the cooperative. Since 2014 to present, Choctaw Electric has reduced their debt by \$23 million. Choctaw Electric has the second highest equity in the state among cooperatives, meaning they own more than they owe for. The \$7.1 million cost incurred from Storm Uri was financed over a five-year period, and the

cooperative didn't pass the cost off to members. Choctaw Electric was also able to continue to pay back over \$2 million in capital credits back to the members. The Gross Receipts tax is also a way Choctaw Electric gives back to the community. 95% of the gross-receipts tax is paid back to local schools. One school received over \$100,000 this year, which is nearly enough to cover their electric bills for the year.

2023 was one of the busiest years the Cooperative has had on the operations side with over 1000 poles being changed out. Choctaw Electric has two Right of Way crews that work full-time in addition to their in-house crew. The entire system has been cleared, and the rotation has started over.

Choctaw Electric has also seen significant growth in the past few years. Since 2019, over 3000 meters have been added to their system. All this has been done while promoting safety among the employees. Choctaw Electric has the largest service territory by land mass in the state. Since 2019, no lost time accidents have been reported, all while driving over 9.8 million miles and working over 680,000 hours.

Choctaw Electric is currently working on a 16-mile project from Bethel to Hochatown at the cost of \$3.5 million. They will also begin two substation upgrades with WFEC and build one new substation. Both of these will help with reliability and back feeding. Currently a \$3.5 million-meter changeout project is going on. There is a lot of money going out, but it is being managed very closely.

8. ELECTION RESULTS

Frank Wolf, co-op attorney, announced the Board of Trustee Election and Bylaw Amendment results.

Trustee Elections

Members approved the re-election of the unopposed candidates for trustee.

District D – Bill Woolsey

District E – Perry Thompson, Jr.

District F – Debbie Cody

Bylaw Amendment

Article IV: Trustees, Section 4.10 Compensation; Expenses; Indemnification.

For (1058) Against (339)

The Bylaw Amendment passed.

The new Bylaw will read:

"For their attendance at meetings of the Board of Trustees, trustees, shall, on a per-diem basis, receive such fee as is fixed by the members. The per diem basis of payment is calculated at

\$550.00, for the first per diem each month and then \$50.00 per day thereafter for all other meetings attended. No trustee shall receive compensation from any other business associated with the cooperative, EXCEPT compensation from Western Farmers Electric Cooperative.

Trustees shall not be entitled to any additional benefits greater than any member of the cooperative receives. This includes but not limited to: cooperative health insurance and purchasing goods from the cooperative at cost. They shall receive reimbursement for travel and out-of-pocket expenses, incurred as a result of performing necessary duties relative to their positions as trustee. If a trustee is accompanied by another person (s), that person (s) is responsible for his/her travel and out-of-pocket expenses. No trustee or relative of a trustee shall receive compensation for serving the cooperative in any other capacity. Trustees will receive the current IRS rate for food.

The cooperative shall indemnify its trustees, officers, agents and employees, and may purchase insurance to cover such indemnification against all liability arising out of their acts in their official capacities if they shall have acted in good faith and deemed such acts to be in the best interests of the Cooperative or not against its best interests.

Upon leaving the Board of Trustees, a former trustee or a close relative of a former trustee, shall not be allowed to be awarded contracts or receive any financial compensation from the cooperative for a period of five years. Payments to a Board Trustee will be made on submission of an expense report and report of related activities which shall be noted and included in Board meeting minutes. Unless otherwise required by applicable state or federal law, former trustees shall not receive any benefits or be eligible to participate in cooperative health benefits.”

9. GRAND PRIZE DRAWINGS – *Kooney Duncan*

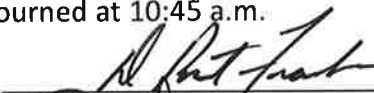
- \$500 Bill Credit – Glenda Spencer, Broken Bow
- \$500 Bill Credit – Trinity Baptist Church, Hugo
- \$500 Bill Credit – Hank Thompson, Garvin
- \$1000 Bill Credit – Stephen Poe, Clayton

10. NEW BUSINESS

Mr. Franks asked for any new business to be discussed. No new business was brought up.

11. ADJOURNMENT OF MEETING

There being no further business and no objection, the 2024 Annual Meeting of the members was adjourned at 10:45 a.m.



President


Vice-President



9-27-25
Date

9-27-25
Date