

**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 29, 2019.

**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	Debbie Cody, District F
Mike Brewer, District H	Ken Autry, District I
Bill Woolsey, District D	Perry Thompson, District E
George Burns, District A	

There being a quorum present, President Brent Franks presided and called the meeting to order at 9:05 a.m.

Council for the Co-op, J. Frank Wolf, III was present. Choctaw Electric Cooperative staff present: CEO Kooney Duncan, CFO, Tiffany Hempsted, Executive Assistant, Jennifer Boling, Information System Administrator, Rickey Bowen, HR/Benefits specialist, Melissa Gregg, and Right of Way Supervisor, Darin Kirkes.

**2. Invocation and Pledge of Allegiance**

Bill Woolsey gave the invocation. President Brent Franks led the Pledge of Allegiance.

**3. Introduction of Guests**

Mr. Franks introduced Choctaw Electric Member, Robert Moffatt

**4. Consent Items**

**A. Approval of December 2018 Regular Board Meeting Minutes.**

**B. Authorization to Write-Off uncollected accounts for December 2017**

Mr. Burns made a motion to approve the December 27, 2018 Regular Board Meeting minutes, and to Write-Off uncollected accounts for December 2017. The motion was seconded by Mrs. Cody. 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**

- Service upgrades took place at a couple of large power accounts
- Contract crews continue to work at Pine Lake Resort and Timber Creek Trails Phase 7.

- East and west end service crews worked 359 cases
- Maintenance crew performed outage restoration, changed out poles and completed 26 cases.
- The Service Quality Report shows outages as being down.

Mr. Duncan shared a couple of member complements from the Snow and Battiest area. These members are pleased with the improved service and Right-of-Way clearing in these areas.

#### **B. Right of Way and Service Quality**

- CEC Right-of-Way crews worked at Bethel Sub, Feeder 1, which feeds Battiest. Machines cleared 10.2 miles in the Bethel area together with the bucket and chipper.
- Contract crew has completed the contract at the Haworth sub Feeder 2 and have moved to the Sobol area to begin the 2019 Right-of-Way contract
- Contract crew has completed their work on Darwin Sub, Feeder 2.

#### **C. Safety and Technical Operations**

- There have been no lost time accidents
- The Transformer shop monitors and maintains and tests transformers.

#### **D. IT System Report**

- Seven substations completed pole attachment surveys
- Firewall and Switch Replacement
- Disaster Backup and Recovery

#### **E. Customer Service and Billing**

- 3,563 incoming calls, daily average of 187
- \$15,247.99 total payment kiosks
- 1,073 Service Order and 1,096 cases created
- 1,775 members using paperless billing
- 4,815 members using smarthumb.

#### **E. Member Services**

Mr. Duncan discussed the CEC loan program and the procedural conflicts with current Board Policy and Operating Procedure.

Mr. Autry made a motion to wave the current Operating Procedure and allow Mr. Duncan to make approval decisions on the CEC Energy Efficient Loan Applications while the Loan Committee corrects Board Policy and Operating Procedure so that each agree. The motion was seconded by Mr. Burns. The motion was affirmatively voted upon by all. The Motion carried

The Washington D. C. Youth Tour was discussed. Applicant interviews will take place in March. Mr. Brewer, Mr. Nichols and Mr. Thompson volunteered to be the judging panel for Youth Tour interviews.

## **6. Financial Report**

Tiffany Hempsted gave the December 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 \$45,933,435
- Cost of Power \$26,990,930
- YTD Operations and Maintenance \$9,170,981
- Net Margins \$4,889,099
- December 2018 Revenue from Electric Sales \$3,881,461
- 12-Month Average Rolling Line Loss is 7.08%
- WFEC December Average cost per kWh \$0.0574
- Total Active Services 18,820

## **7. Attorney's Report**

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

## **8. CEO Report**

### **Current Activities**

- Craven Green, of Raymond James Financial will present a financial review at the February Board Meeting.
- Cabin Management Focus Group is being planned.
- Choctaw Electric Work Plan is in progress.
- Staff is working with roofing contractors to repair existing issues at the Hugo and Antlers office.
- Staff reviewed the 2018 Department Work Plan

#### **A. Right-of-Way – 6 Year Plan – Darin Kirkes**

Mr. Kirkes presented the Right-of-Way Plan to the board. The plan indicated completed Right-of-Way cut and the projected Right-of Way to be cut.

#### **B. Policy Revision Update – Melissa Gregg**

Mrs. Gregg introduced herself to the board. She informed the board that staff has resumed evaluating CEC Policies and Procedures and a Policy Committee meeting will be scheduled soon.

## **9. Executive Session**

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

At 11:00 am Mr. Woolsey made a motion to enter executive session. The motion was seconded by Mrs. Cody. The motion carried.

At 11:48 am, Mr. Woolsey made a motion to exit executive session. The motion was seconded by Mr. Nichols. The motion carried.

The meeting was reconvened in regular session.

## **10. Action Items**

### **A. Property, Liability Insurance Renewal**

Upon board review of Property, Liability Insurance Renewal bids, Mr. Burns made a motion to award the 2019 Property Liability D & O Insurance Renewal to Federated. The motion was seconded by Mrs. Cody. The motion was affirmatively voted upon by all. The Motion carried.

### **B. Cleaning Contract**

Upon board review of Office Cleaning Contract bids Mr. Nichols made a motion to award the Office Cleaning Contract to B & A enterprises. The motion was seconded by Mr. Thompson. The motion was affirmatively voted upon by all. The Motion carried.

### **C. Bucket Truck(s) Approval**

Upon board review of bids for the purchase of 2 one-man bucket trucks Mr. Woolsey made a motion to purchase the 2 one-man bucket trucks from ETI. The motion was seconded by Mr. Silk. The motion was affirmatively voted upon by all. The motion carried

### **D. Cost of Service Study Approval**

Mr. Duncan discussed with the board the importance of a Cost of Service Study. The study will be prepared by Guernsey in accordance with regulatory standards. The study will track changes over time and balance the needs of the cooperative. Mr. Duncan indicated the Cost of Service Study was included in the approved 2019 Budget. Mr. Brewer made a motion to accept the proposal from Guernsey to complete the Choctaw Electric Cost of Service Study. The motion was seconded by Mr. Burns. The motions were affirmatively voted upon by all.

### **E. Security Upgrade**

Upon board review of IT Security Upgrades, Mr. Silk made a motion to accept the proposal from Peak Uptime for the Choctaw Electric Cooperative Security Upgrade. The motion was seconded by Mr. Autry. The motion was affirmatively voted upon by all.

### **F. Construction Contract Approval**

#### **1. Cabins of Carter Mountain WO#112892**

Upon board review of bids for the Cabins of Carter Mountain, a 53 lot sub-division, Mr. Nichols made a motion to award the project to Higher Power Electrical based on Work Order Estimates

and Labor Bids from the contractor once Construction-in-Aid is received from the Developer. The motion was seconded by Mr. Thompson. The motion was affirmatively voted upon by all.

## **2. Hidden Valley Subdivision WO#79988**

Upon board review of bids for the Hidden Valley Subdivision an 11-lot development, Mrs. Cody made a motion to award the project to Higher Power Electrical based on Work Order Estimates and Labor Bids from the contractor once Construction-in-Aid is received from the Developer. The motion was seconded by Mr. Woolsey. The motion was affirmatively voted upon by all.

## **G. OAEC Directors Meeting**

Mr. Woolsey made a motion for Mr. Silk, Mr. Autry and Mr. Franks to attend the OAEC Directors Association Meeting in Oklahoma City, February 3rd – 5th. The motion was seconded by Mr. Nichols. The motion was affirmatively voted upon by all.

## **H. Strategic Planning Meeting**

The Strategic Planning Meeting approved at the December board meeting and scheduled for January 23 was rescheduled due to speakers unable to attend because of the government shutdown. Mr. Burns made a motion to reschedule the Strategic Planning Meeting February 7 at 9:00 am at the Hugo Office. The motion was seconded by Mr. Thompson. The motion was affirmatively voted upon by all.

## **11. WFEC Report**

Mr. Burns gave the WFEC Report.

## **12. New Business**

There was discussion during New Business that did not require action being taken.

Mr. Franks distributed yearly planners to each board member to assist them in keeping track of cooperative hours spent preparing for Board related activities. He also reviewed CEC Bylaws regarding board attendance.

Mr. Duncan informed the board that staff are finalizing the lineman intern program. Electric Vehicles and Electric Vehicle grants were also discussed.

## **13. Adjourn**

At 12.29 pm Mr. Autry made a motion to adjourn. Mr. Woolsey seconded the motion. The motion was affirmatively voted upon by all. The motion carried.

Board Expenses Reported January 1, 2019 to January 31, 2019

Mike Brewer	\$550.00
George Burns	\$69.90
Joe Silk	\$619.60
Bill Woolsey	\$584.80
Ken Autry	\$606.26
Stacy Nichols	\$1,163.58
Brent Franks	\$584.80
Deborah Cody	\$573.20
Perry Thompson, Jr.	\$558.70

  
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President

3-26-19

Date

  
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3/26/19

Secretary/Treasurer

Date