

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 trustees of Choctaw Electric Cooperative (CEC) was held in the board room of the cooperative in Hugo, Oklahoma on June 25, 2019.

1. Call to Order and Roll Call

The following Trustees were present:

Brent Franks, District G	George Burns, District A	Perry Thompson, District E
Joe M. Silk, District B	Stacy Nichols, District C	Debbie Cody, District F
Mike Brewer, District H	Bill Woolsey, District D	Ken Autry, District I

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

Council for the cooperative, J. Frank Wolf, III was present. Choctaw Electric Cooperative staff present: Kooney Duncan, CEO/General Manager, Tiffany Hempsted, CFO, Jennifer Boling, Executive Assistant, Rickey Bowen, Information System Administrator and Jia Johnson, Director of Public Relations.

2. Invocation and Pledge of Allegiance

Mr. Burns gave the invocation followed by the Pledge of Allegiance.

3. Introduction of Guests

Ms. Johnson introduced the Washington D.C. Youth Tour recipients, Dillon Bodine, Alaura Gilmore, and Mahala Battiest. The students shared some of the highlights of their trip and thanked the board of trustees for the opportunity.

Judy Bell, CEC member was also present.

4. Fiber Feasibility Discussion

The Fiber Feasibility discussion took place following the Consent Items.

Mr. Franks recognized the NRTC representatives for broadband, Matt Timmons, Regional Business Manager, Ken Johnson, Senior Vice-President of Broadband Strategy, and Kevin Fitzgibbons, Director of Broadband Development. Information was provided to the board concerning broadband initiatives, and options for deployment.

5. Consent Items

A. Approval of May 28, 2019 Regular Board Meeting Minutes.

B. Authorization to Write-Off uncollected accounts for May 2018

Mr. Woolsey made a motion to approve the May 28, 2019 Regular Board Meeting minutes, and to Write-Off uncollected accounts for May 2018 totaling \$2,969.03. The motion was seconded by Mrs. Cody. The motion was affirmatively voted upon by all. The Motion carried.

6. Department Reports

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

A. Service and Construction

- Carter Mountain development near completion.
- ODOT projects in progress, south of Idabel and west of Broken Bow.
- East and west construction crews completed 45 new work orders.
- 69 staking appointments system wide, 39 jobs released for construction.
- Sunrise Ridge development under construction.
- Nolia Loop and Black Sulphur Canyon road projects complete.

B. Right of Way and Service Quality

- CEC Right-of-Way crew completed Bethel Sub, Feeder 1, west of Pickens, now working in the Kiamichi Wilderness north of Antlers. The crew cleared 15.62 miles.
- Contract crews nearing completion on the Westbank Substation and have begun working in the Broken Bow area.

C. Safety and Technical Operations

- No safety incidents
- Reports and reading on large power meters and substations
- Reviewed meter tampering occurrences
- Tested transformers
- Fleet maintenance; in-house and field service calls and repairs.

D. IT System Report

- Maintenance and system upgrades near completion.

E. Customer Service and Billing

- 4,260 incoming calls, daily average of 193.
- YTD kiosk payments \$92,070.22.
- 1,436 Service Orders and 1,416 contact tracking cases created.
- 4,988 Smarthub accounts
- Total office transactions – 3,865 in May.

F. Member Services

- Forest Heritage Center LED lighting project
- VFD Focus Group July 13th
- Kilowatt Kids Camp, Idabel and Hugo
- Planning annual meeting

7. Financial Report

Tiffany Hempsted gave the May 2019 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 May Revenue \$3,221,315
- May Total Cost of Power \$2,149,270
- YTD Revenue \$19,345,897
- May 2019 Revenue from Electric Sales \$3,157,572
- WPEC May Average cost per kWh \$0.0588
- Total Active Services in May 2019, 18,939

8. Attorney's Report

No Report.

9. CEO Report

Mr. Duncan reported on meetings he or others attended throughout the month in addition to updates on various cooperative activities, trainings, contracts, and projects being developed.

10. Executive Session

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

At 11:42 a.m., Mr. Silk made a motion to enter executive session. The motion was seconded by Mr. Thompson. The motion carried.

At 12:46 p.m., Mr. Burns made a motion to exit executive session. The motion was seconded by Mr. Autry. The motion carried.

The meeting was reconvened in regular session.

11. Action Items

A. Policy Action and Review

Melissa Gregg, H. R. Coordinator, reviewed revisions to the Operating Procedures/Terms and Conditions.

Mr. Burns made a motion to approve the Operating Procedures/Terms and Conditions as recommended by the policy committee. The motion was seconded by Mr. Silk. The motion was affirmatively voted upon by all. The motion carried.

B. Audit Firm

Mr. Autry made a motion to approve the 2019 Financial Audit Agreement with Bolinger, Segars, Gilbert & Moss L.L.P. with the stipulation there will be a rotation of audit partners

within the firm for this year's audit and every 3 years thereafter. The motion was seconded by Mr. Brewer. The motion was affirmatively voted upon by all. The motion carried.

C. Broadband

Mr. Autry made a motion to continue the broadband feasibility assessment to the July 2019 board meeting. The motion was seconded by Mrs. Cody. The motion was affirmatively voted on by all. The motion carried.

D. Capital Credit Retirement

Mr. Woolsey made a motion approve a Capital Credit General Retirement for CEC 1989 Patronage Allocation of \$913,776.75 to be paid in August 2019. The motion was seconded by Mrs. Cody. The motion was affirmatively voted upon by all. The motion carried.

12. OAEC Report

Mr. Silk gave the OAEC report.

Mr. Duncan gave the Self-Insured Update report.

13. WFEC Report

Mr. Burns gave the WFEC report.

14. Other Business

There was discussion concerning continued broadband research.

Mr. Nichols made a motion to approve Mr. Franks attending the CoBank Energy Directors Conference. The motion was seconded by Mr. Woolsey. The motion was affirmatively voted upon by all.

15. Adjourn

Mr. Burns made a motion to adjourn. Mr. Silk seconded the motion. The motion was affirmatively voted upon by all. The motion carried. Meeting was adjourned at 1:12 p.m.

Board Expenses Reported June 1, 2019 to June 25, 2019

Mike Brewer	\$550.00
George Burns	\$0
Joe Silk	\$1,001.48
Bill Woolsey	\$584.80
Ken Autry	\$605.68
Stacy Nichols	\$640.48
Brent Franks	\$584.80
Deborah Cody	\$568.56
Perry Thompson, Jr.	\$558.70

D. Autry

President

7-30-19

Date

Stacy Nichols

Secretary/Treasurer

7-30-19

Date

