

CHOCTAW ELECTRIC COOPERATIVE, INC.
Official Minutes
Board of Trustees Meeting
March 28th, 2017

The Board of Trustees of Choctaw Electric Cooperative, Inc. met in regular session at the CEC headquarters office in Hugo, Oklahoma, Tuesday, March 28, 2017.

1. CALL TO ORDER by Vice President, Invocation, and Pledge of Allegiance

There being a quorum present, President Brent Franks called the meeting to order at 9:00 a.m. George Burns delivered the invocation and Mr. Franks led the Pledge of Allegiance to the Flag. Those Trustees present were:

George Burns, District A
Joe M. Silk, District B
Stacy Nichols, District C
Bill Woolsey, District D
Becky Franks, District E

Norman Ranger, District F
Brent Franks, District G
Mike Brewer, District H
Ken Autry, District I

Others Present: Coop Attorney Frank Wolf, CEO Ken Gates, CFO Craig McBrain, and Executive Assistant Jennifer Parker.

2. Introduction of Guests

There were no guest speakers present.

3. Consent Items

Mr. Burns made a motion to approve the February 28, 2017 Regular Board Meeting minutes. Mr. Silk seconded the motion. Motion carried.

Mr. Ranger made a motion to approve the March 9, 2017 Special Board Meeting Minutes. Mr. Burns seconded the motion. Motion carried.

Mr. Nichols made a motion to approve the March 16, 2017 Special Board Meeting Minutes. Mr. Brewer seconded the motion. Motion carried.

Mr. Brewer made a motion to approve the write-offs of uncollected accounts from February 2016. Mr. Ranger seconded the motion. Motion carried.

4. Department Staff Reports

Department reports were received from Finance, Operations, System Services & Safety, Information and Technology, and MR/PR department staff detailing monthly activities.

5. Financial Report

CFO, Craig McBrain, gave the monthly financial presentation, the Form 7 was presented along with monthly and comparative sales data.

6. Attorney's Report

Mr. Wolf stated he didn't have anything to report.

7. CEO's Report

Mr. Gates updated the board on the previous month's activities. He discussed Mr. Brewer's and Mr. Silk's district meetings and noted the member's appreciation at both meetings. He notified the Board of Trustees that one of CEC's employees, Darren Frazier, was chosen to participate in the Guatemala Electrification Project which will take place in October of 2017. The project will provide electricity to nearly 45 homes and will consist of 2.8 km of primary line (approximately 1.74 miles) and 2 km of secondary line (1.2 miles).

8. Board Discussion

The Board discussed the current Insurance Policy (# 706) and what employees should or should not be paying to participate in the plan. The Board also discussed the current procedure for line extension retirement.

9. Executive Session – Legal Matters, Contracts, and Personnel

At 12:48 pm, Mr. Burns made a motion to enter executive session. Mrs. Franks seconded the motion.

At 3:28 pm, Mr. Nichols made a motion to exit executive session and adjourn. Mr. Ranger seconded the motion. Motion carried.

10. Action Items

- a) CRC Voting Delegate - To ensure our participation in CRC's upcoming Board of Directors election, we must complete the CRC 2017 Voting Delegate Registration Form. It must be returned to CRC by May 5, 2017.
 - a. Mrs. Franks made a motion nominating Ken Gates to be the authorized voting delegate. Mr. Aurtry seconded the motion. Motion carried.
- b) Contract for new CEO
 - a. No action.
- c) New Policy: Recording of Board Meeting - At the December board meeting, the Board of Trustees asked for a policy regarding the recording of Board meetings. No action was taken at the January Board Meeting. Ken Autry revised the suggested policy but no action was taken at the February Board Meeting.
 - a. Mrs. Franks made a motion to accept Ken Autry's proposed version. Mr. Brewer seconded the motion. Motion carried.
- d) Policy 706: Insurance
 - a. No action.
- e) Line Extension Retirement
 - a. Mrs. Franks made a motion to follow the current procedure. Mr. Brewer seconded the motion. Motion carried.

11. Resolutions

- a) 2017.03 - Amendment of the Retirement Security Plan
 - a. The Board of Trustees signed the resolution to amend the Retirement Security Plan for the six employees who were offered the Early Retirement option.

12. WFEC Report

Mr. Burns updated the Board on WFEC's February Operations:

- Natural gas prices dropped from the highs around \$2.90 per MMBtu to near \$2.55 per MMBtu during the month.
- Coal prices were about \$32 per ton delivered, or \$21 per megawatt hour (MWh). Coal generation averaged about 325 megawatts (MW) per hour from the 450 MW plant.
- Total natural gas generation from the combustion turbines (CT's), combined cycles (CC's), and Mooreland totaled about 50,000 MWh, which is fairly low.
- Wind generation was near 160,000 MWh.
- Hydro peaking and supplemental were about 28,000. Lakes are still very low for this time of year.
- The temperature for February will likely average within the top five warmest periods on record for the State of Oklahoma. Rainfall was near 3.5 inches around Anadarko.
- Overall, sales were in the 610,000 MWh range, which is well below the 730,000 MWh budgeted.

13. Old, New Business

No old or new business to discuss.

14. Adjourn

At 4:08 pm, Mr. Ranger made a motion to adjourn. Mr. Brewer seconded the motion. Motion carried.

Board Expenses Reported 3/1/2017 to 3/31/2017

Mike Brewer \$650.00	George Burns \$ 192.60	Joe M Silk \$842.60
William H Woolsey \$746.30	Becky Franks \$730.25	Kenneth Autry \$802.49
Stacy Nichols \$805.44	Douglas B Franks \$778.40	Norman Ranger \$765.56

CEO Expenses Reported 3/1/2017 to 3/31/2017

Kenneth J Gates \$700.00

President

Date

Secretary/Treasurer

Date