

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 May 30, 2017.

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

The following Trustees were present:

Brent Franks, District G	Stacy Nichols, District C
Joe M. Silk, District B	Bill Woolsey, District D
Mike Brewer, District H	Norman Ranger, District F
George Burns, District A	Ken Autry, District I

Becky Franks, District E, was absent.

There being a quorum present, President Brent Franks presided and called the meeting to order at 9:07 a.m.

Coop Attorney, Frank Wolf, with Rabon, Wolf and Rabon law firm, was present.

Staff present: CEO Kooney Duncan, and Executive Assistant Jennifer Boling.

President Brent Franks led the pledge of allegiance. George Burns gave the invocation.

2. Introduction of Guests

Debbie Cody	Bill Dansby
Doug Felker	Billie Felker
Terry Kinslow, Retired CEC Employee	Larry Cody, Retired CEC Employee
David Young, Retired CEC Employee	Randy Watts, Retired CEC Employee

The retired Choctaw Electric employees attended the meeting to address health insurance concerns.

At the request of President Brent Franks, David Young spoke for the retired employees present.

Mr. Young explained that at the time they retired, assurance was given that medical insurance would be paid for 100% for them and their spouses until the age of 65, at which time they had the option to pay for supplemental insurance under the companies plan.

The current revision to the medical insurance plan was of concern to them since spouses would no longer have medical coverage when the retired employees reached age 65, nor would they have the supplemental insurance option any longer. In conclusion, Mr. Young expressed the opinion for the

retired CEC employees that they should be Grandfathered in to the health insurance plan and not be affected by the revisions. At which time President Brent Franks expressed that these issues would be discussed during Executive Session. David Young, Terry Kinslow, Larry Cody and Randy Watts left the meeting at 9:20 am.

3. Consent Items

Mr. Burns made a motion to approve the following consent items:

- April 25, 2017 Regular Board Meeting minutes
- May 11, 2017 Special Board Meeting minutes
- April 2016 Write-Off for uncollected accounts.

Mr. Woolsey seconded the motion. Motion carried.

Mr. Duncan advised the Board of Trustees, write-offs and bad debt is coming down because of the policy change.

4. Department Reports

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

- a) The contractor Right of Way clearing is slow due to the rain and weather. CEC in-house Right of Way crews are working the rocky areas of our system.
- b) Several outages occurred over the Memorial Day weekend in the Broken Bow, Hochatown area due to storms. Critical structures sustained damage and 20 structure were lost due to large trees. Mr. Duncan commended our service crews during the outages. Most our service area was back on line within 24 hours.
- c) Mr. Autry addressed the Interruption Report, specifically out of right of way trees being an issue. Choctaw Electric is obligated to care of out of ROW trees that are recognized as being problematic and cut them. Mr. Woolsey asked CEC legal counsel Frank Wolf, about policy concerning cutting dead trees outside of CEC easement that would interfere with service lines. Mr. Wolf recommended a courtesy visit with the landowner, but specific procedure would need to be looked in to. Following discussion, it was determined due to safety and outage management CEC crews need to remove out of right away dead trees that are a potential risk for causing an outage.

5. Financial Report

Choctaw Electric Cooperative CEO and General Manager, Kooney Duncan gave the monthly financial presentation using the CFC Form 7 line items and charts. Mr. Burns voiced some concerns about revising the CFC Form 7 to include up-to-date actual dollar amounts. Mr. Duncan will consider this and have information at the June board meeting.

Mr. Ranger made a motion to approve the Western Farmers Electric Cooperative power bill and the Form 7 Finance Report.

Mr. Burns seconded the motion. Motion carried.

6. Attorney's Report

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

7. CEO's Report

- Mr. Duncan touched upon the outstanding line extension. Invoices were sent to members and further discussion will take place during Executive Session.
- On-call dispatch is paid for 8 hours working a full weekend if called in. CRC is paid monthly and per call.
- Staff training on Roberts Rule of Order
- Bart Tedder and Brad Kendrick attended Special Olympics in Stillwater. There was a record attendance this year of over 5,000.
- Three students from our service area are attending Youth Power Energy Camp at Hinton. Brad Kendrick is going as a camp counselor.
- Unclaimed Capital Credit and Estate Capital Credit payout is continuing.
- Two job openings were posted in-house and in the media for an Engineer and a chief Financial Officer.
- Visits to our Large Power accounts to discuss the new rate.

- Seven CEC employee are retiring. They will be honored with plaques during lunch at the Fish Fry.

8. Executive Session – Personnel and Legal Matters

At 10:50 am, Mr. Ranger made a motion to enter executive session. Mr. Woolsey seconded the motion. Motion carried.

At 1:08 pm, Mr. Ranger made a motion to exit executive session. Mr. Burns seconded the motion. Motion carried.

Executive Session –Legal and Insurance Matters

At 1:47 pm, Mr. Burns made a motion to enter executive session. Mr. Ranger seconded the motion. Motion carried.

At 2:03 pm, Mr. Nichols made a motion to exit executive session. Mr. Burns seconded the motion. Motion carried.

9. Action Items

a) Approval to hire Director of Finance and Administration.

- Mr. Autry made a motion to approve hiring Tiffany Hempsted as the new Director of Finance and Administration for Choctaw Electric. Mr. Silk seconded the motion. Motion carried.

b) Audit Regarding Insurance. Discussed in Executive Session

c) Right of Way Unbudgeted Equipment.

- Two (2) Polaris 6 x 6 with Rozel sprayers and 2 trailers. The total cost is \$45,000. Ten employees have volunteered to take part in the In-house Right of Way spraying plan. In house testing for commercial applicator license is scheduled June 13 and 15th at an approximate total cost of \$4,032 for 5-year certification.

Mike Brewer made a motion to proceed with the Right of Way Unbudgeted Equipment and purchase two Polaris 6 x 6 with Rozel sprayers and 2 trailers, with a variance of 10% over or under cost and pesticide certification for crews.

Mr. Burns seconded the motion. Motion carried.

d) Policy 706: Insurance

- Mr. Nichols made a motion to modify the existing health insurance policy by removing supplemental insurance available to retired employees and spouses,

effective at the next open enrollment in October 2017. Mr. Burns seconded the motion. Motion carried.

10. Resolutions

- a.) 2017.04 Employment of Kooney C. Duncan
- b.) 2017.05 Regarding Signatures of Checks
- c.) 2017.06 Energize Credit Union Cash Management Services
- d.) 2017.07 CoBank Incumbency Certificate
- e.) 2017.08 First United Account Management
- f.) 2017.09 First Bank Account Management
- g.) 2017.10 Idabel National Account Management
- h.) 2017.11 Security First National Bank

Each resolution was read by Mr. Duncan. Mr. Nichols made a motion to approve all Resolutions. Mr. Brewer seconded the motion. Mr. Brewer withdrew his motion. Mr. Ranger seconded the motion. Mr. Brewer abstained. Motion carried.

11. OAEC Report

No Report

12. WFEC Report

Mr. Burns presented a Project Analyses, WFEC financials, Committee meeting and Board meeting highlights

13. Old, New Business

a.) Bylaw amendments and Policy revisions was discussed at length. The board formed a Policy and a Bylaw Committee. The committee members are as follows:

Policy Committee: Mike Brewer, Chairman, Ken Autry, Stacy Nichols, Kooney Duncan.

Bylaw Committee: Ken Autry, Chairman, Brent Franks, Joe Silk, Kooney Duncan.

b.) Board members who attended training at the Choctaw Casino May 22 – 24 and June 5 – 7 reported the it was quality training and being a small group proved to be very beneficial. In addition to Choctaw Electric participating, there were three other co-ops that participated, North Plains, Red River Valley, and Northwestern Electric.

The Board ask to see the total cost of the training after payment has been made to all entities involved in the training.

14. Adjourn

At 3:25 pm, Mr. Ranger made a motion to adjourn. Mr. Brewer seconded the motion. Motion carried.



President

6-27-17

Date



Secretary/Treasurer

6/27/17

Date