

**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 September 26, 2017

**1. CALL TO ORDER and Roll Call**

The following Trustees were present:

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  
Mike Brewer, District H  
Ken Autry, District I

Brent Franks was absent,

There being a quorum present, Vice-President Joe M. Silk presided and called the meeting to order at 9:00 a.m.

Co-op Attorney, Frank Wolf, with Rabon, Wolf and Rabon law firm, was present. Choctaw Electric Cooperative staff present: CEO Kooney Duncan, Chief Financial Officer, Tiffany Hempsted, Executive Assistant, Jennifer Boling,

**2. Invocation and Pledge of Allegiance**

Stacy Nichols gave the invocation. Vice-President Joe M. Silk led the Pledge of Allegiance.

**3. Introduction of Guests**

Mrs. Ely “Dee” Schultz, CEC Member was introduced. She attended the meeting to address Bylaw amendments that were to be voted on at the Annual Meeting held on Saturday September 23, 2017. Mrs. Schultz explained that much of the legal terminology used in the bylaws is difficult to understand, therefore most members do not know how to vote for the amendments. She requested the board include an informal summary or explanation with the bylaw amendments when they are mailed to CEC members for a vote.

The board will pass this suggestion on to the Bylaw committee. This will be their responsibility

to write a summary with any Bylaw amendments that will come before CEC members at the 2018 Annual Meeting.

#### **4. Election of Officers**

On nominations duly made and seconded, the 2017 – 2018 Board of Trustee Officers were elected by acclamation:

President - Brent Franks  
Vice-President – Joe M. Silk  
Secretary-Treasurer – Mike Brewer

#### **Election of WFEC Representatives and Alternate**

On nominations duly made and seconded, the 2017 – 2018 WFEC Representative for Choctaw Electric Cooperative is George Burns.

On nominations duly made and seconded, the 2017 – 2018 WFEC Alternate Representative for Choctaw Electric Cooperative was not elected due to a tie vote. This election was tabled until the October Regular Board Meeting.

#### **Election of OAEC Representatives and Alternate**

On nominations duly made and seconded, the 2017 – 2018 OAEC Representative and Alternate were elected by acclamation:

Joe M. Silk – Representative  
Kooney Duncan – Alternate

#### **CoBank Representative**

Mr. Brewer was appointed representative for CoBank.

#### **5. Consent Items**

- a. August 29, 2017 Regular Board Meeting minutes.

Mr. Burns made a motion to approve the August 29, 2017 minutes. Mr. Nichols seconded the motion and it was affirmatively voted upon by all. The motion carried.

- b. August 2016 Write-Off for uncollected accounts.

Mr. Brewer made a motion to approve the August 2016 Write-Off for uncollected accounts. Mr. Ranger seconded the motion and it was affirmatively voted upon by all.

The Motion carried.

Discussion followed the motion concerning the higher dollar amount of these write-offs. Mr. Duncan explained the increase was due to summer months.

## **6. Department Reports**

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

### **A. Service and Construction**

- Staff visited with Large Power members and discussed rates and contracts that will be due later in the year.
- Choctaw Mountain and Eagle Mountain project was inspected and a list of items to be corrected was developed.
- SCADA communications at 11 substations was worked on.
- A proposal was sent to Choctaw Nation to bury existing service drops.
- Working on a cost analysis for Choctaw Nation to bury existing service drops and primary lines at the Idabel Shopping Center.
- Lee Pole Inspection has inspected over 4600 poles.
- Three bids received for trenching and boring for a new feeder at Hochatown Substation.

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

- In-house east side spray crews are around Broken Bow sub-feeder 4 spraying three-phase and single-phase. They are working their way west on Highway 3 to North Pole Store
- In-house west side spray is at the Darwin sub feeder 1 moving toward Snow and One Creek Valley spraying three phase and single phase.
- Spraying will end September 29, 2017 and crews will go back to maintenance work. ROW cutting will continue throughout the winter months.

The board requested contracted Right-of-Way continue in 2018. This will be included in the 2018 budget.

- Servicemen have worked 711 cases. Construction crews have 43 work orders. They are continuing to cut hot spots, work outages, change out poles and repair yard lights.
- Staking department had 84 staking appointment in August system wide, 46 jobs were staked and 62 jobs released for construction.

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

- OSHA Training took place September 11 – 13<sup>th</sup>.
- TWACS system being monitored and maintained
- Three-phase meter point repaired at Rattan School

#### **D. Customer Service and Billing**

- Total prepaid accounts are 565
- . A total of \$9543.10 kiosk payments made in August. We are moving forward with kiosks in Clayton and Smithville. The Clayton site is about 2 weeks out and the estimated time for the Smithville site is 2 months.
- Year to date Online Collection is \$17,771.63.

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

- Choctaw Electric was represented at each county fair this year. Several employees volunteered to manage the booths. We promoted Smarthub, Prepaid and pay site kiosks. Fair participants and CEC members had positive comments.
- Member Services have begun attending the Senior Citizens Center lunches in our area. This is a way for our members to become familiar with a contact person. They enjoy having us at the center and visiting.
- The Annual Meeting was a success.

## **7. Financial Report**

### **Form 7, WFEC Power Bill**

Tiffany Hempsted gave the August, 2017 Form 7 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.

- The monthly revenue from electric sales was down for August 2017.
- WFEC August power cost was; \$2,302,819, Average cost per kWh. 0.0536, WFEC kWh purchased \$42,923,513. \$0.052.
- Number of meters; 2017 18,865, 2016 18,620 a difference of 245.
- 2017 Average Budgeted and Actual Revenue and Cost of Power per kWh.
  - Revenue Budget: \$0.096521 Actual: \$0.096156

- Cost of Power Budget: \$0.060013 Actual \$0.053649

- Cash Management

- Beginning Balance Cash and Short-Term Investment \$1,541,916
- Ending Balance Cash and Short-Term Investment \$1,723,049
- Increase/Decrease \$181,133

Right-of-Way and maintenance is up due to our Right-of-Way program. Long term debt decreased and line loss for August, 2017 was 6.4%.

- Current Cash Position

- Available Cash \$744,215
- CFC quarterly payment due the end of September \$831,532
- NRECA RS due the end of September \$658,604

An advance line of credit was proposed.

- Summary of Loan Obligations

- YTD Ending Balance: CFC - \$22,413,906, CoBank/Other - \$30,902,834

Mrs. Hempsted discussed Choctaw Electric Equity Ratio with the Board. Equity represents the percentage of total assets owned and measures the extent to which the Cooperative's members have financed plant and other assets with their own funds vs. from assets financed with borrowed capital.

- Total margins and equities \$55,427,581
- Total Assets \$117,979,614
- YTD Equity Ratio 47.0%

## **Review of Check Register**

The check register was reviewed.

## **8. Attorney's Report**

Mr. Wolf advised this report would take place during Executive Session

## **9. CEO's Report**

### **Board Meeting Updates:**

- The last 3 years of Board Meeting Minutes were place on Call to Order.

Mr. Burns stated there was a problem opening the minutes, organizational chart, and employee

directory. Mrs. Boling will get this corrected.

- Multiple meters will now show map location on Smarthub, and on bills.

#### **Current Activities**

- Mr. Duncan attended the OAEC Managers Meeting and the WFEC Committee Meeting.
- Met with the Oklahoma Assistant Attorney General
- Smarthub was showcased at Choctaw, McCurtain and Pushmataha County Fairs. Mr. Duncan had great interaction with the members.
- Completed the Annual Meeting logistic and meeting script
- Capital Credits
  - August Reissues: 57      \$5,049      YTD: 867      \$94,619.96
  - August Estates: 55      \$27,367.31      YTD: 251      \$284,761.60
- Mr. Duncan and Mrs. Hempsted have schedule a meeting with LDCAA concerning Internal Controls and Accounting.
- For Pushmataha County Small Claims Action was filed in the amount of \$6,824.65. The August court date has been postponed until September.
- Met with the Kempton Group concerning Insurance Renewal.
- Met with NRECA concerning the RS Plan Restatement
- Mr. Duncan, Mrs. Hempsted, Mr. Burns, Mr. Franks, and Mr. Autry will be attending a Residential Demand Workshop in October.
- Mr. Duncan informed the Board there will not be a Department Information session next month due to the lengthy agenda in October.

#### **10. Executive Session –Legal Matters and Contracts**

At 11:13 am Mr. Ranger made a motion to enter executive session.

Mr. Burns seconded the motion. The Motion was carried.

Mr. Duncan and Mr. Wolf was asked to remain during Executive Session.

At 11:43 am, Mr. Ranger made a motion to exit executive session.

Mrs. Franks seconded the motion. The motion was carried.

The meeting was reconvened in regular session.

## 11. Action Items

- a) Bid packets for the Pine Hill Northwest, a 29-lot development project was sent to 5 potential bidders August 30, 2017. The deadline for bids to be received was September 25, 2017. Estimate for the total project is \$71,748.13. Construction-in-aid has been paid by the developer. The successful bid for the project was Spartan Resource Group. Mr. Duncan recommended the bid be awarded to Spartan Resource Group based on Work Order estimates and Labor bids submitted.

Mr. Autry made a motion to award the project to Spartan and move forward with the Pine Hill Northwest project.

The motion was seconded by Mr. Burns and affirmatively voted upon by all.

The motion carried.

- b) Joshua Wilson Service

Mrs. Franks made a motion to release service based upon location and cost of new service for Mr. Wilson's building project.

The motion was seconded by Mr. Ranger and affirmatively voted upon by all.

The motion carried

- c) Jay Hodge Dodge

Mrs. Franks made a motion to accept extend service and to accept the Jay Hodge Dodge project.

The motion was seconded by Mr. Autry and affirmatively voted upon by all.

The motion carried.

- d) Pine Creek Lake Easement – McCurtain County

The easement is for renewal with the Corp of Engineers for CEC overhead transmission and distribution lines.

Mr. Burns made a motion to approve the Pine Creek Lake Easement.

The motion was seconded by Mr. Autry and affirmatively voted upon by all.

The motion carried.

e) Director Training

Mr. Silk is interested in attending a Director training about Rates and Policy scheduled in October. The training will be held in Oklahoma City at the OAEC Statewide office.

Mr. Autry made a motion to approve Mr. Silk attend Director Training in Oklahoma City.

The motion was seconded by Mrs. Franks and affirmatively voted upon by all.

The motion carried.

## **12. Resolutions**

a.) 2017.14 Restatement RS and 401k Plan

Mr. Nichols made a motion to approve Resolution 2017.14.

The motion was seconded by Mr. Ranger and affirmatively voted upon by all.

The motion carried.

b.) 2017.15 Derryberry – OK Rural Electric Hall of Fame

Mr. Burns made a motion to approve Resolution 2017.15.

The motion was seconded by Mr. Ranger.

Following discussion, a Roll Call vote was taken.

The motion for Resolution 2017.15 failed.

## **13. WFEC Report**

Mr. Burns reported WFEC will need to make additional investments in its transmission and distribution facilities to ensure continued reliable and efficient operation.

Hydro power is good, natural gas is gaining and WFEC equity is 28.9%.

## **14. New Business**

a.) Service Quality and Reliability



Communication with CEC dispatchers and CRC dispatch has been corrected. A written procedure has been implemented with a checklist that is carried out daily at 5:00 pm with CRC and our dispatch department to ensure critical events are handled in an efficient and timely manner.

b.) Delegation of Authority

A written plan concerning the chain of authority, during the absence of the CEO, will be presented at next month's board meeting.

**15. Adjourn**

At 12:26 pm, Mr. Silk made a motion to adjourn. Mr. Woolsey seconded the motion and affirmatively voted upon by all. The motion carried.

Board Expenses Reported September 1, 2017 to September 26, 2017


Mike Brewer	\$648.15
George Burns	\$64.20
Joe Silk	\$614.20
Norman Ranger	\$673.83
Bill Woolsey	\$582.10
Becky Franks	\$690.95
Ken Autry	\$743.38
Stacy Nichols	\$758.36
Brent Franks	\$0.00



President

10-31-17

Date



Secretary/Treasurer

10/31/17

Date