

CLAIBORNE ELECTRIC COOPERATIVE, INC.

BOARD MEETING MINUTES

January 8, 2019

- ❖ **Call to Order** – Mr. Noles called the meeting to order
- ❖ **Pledge** – Mr. Davidson led the group in the pledge of allegiance.
- ❖ **Request for Items to be Added to the Agenda** – No new items were added. Upon a recommendation made by Mr. Brown and seconded by Mr. Killgore, Mr. Kitchens' report was moved to follow Mr. Dye's financial report. Motion carried.
- ❖ **Consent Agenda** – Upon a motion made by Mr. Killgore and seconded by Dr. Fincher, the Consent Agenda was approved unanimously with the directive that Capital Credits due the Dettenheim estate would be paid only after satisfying conditions laid out by Mr. Kitchens.
 - Approve December 4, 2018 Regular Meeting Minutes
 - Expense Reports
 - Acceptance of New Members
 - Approve Capital Credits (subject to Counsel approval)
 - Approve Monthly Loss Control & Safety Report
 - Approve Homer & Farmerville Operations Report
- ❖ **Cybersecurity** – Scott Kaylor from NISC made a presentation related to the cyber security of Claiborne's operations. Mr. Kaylor made several recommendations. Each of these suggestions are being evaluated and Staff will bring a prioritized list of tasks to be completed in this area along with budget numbers for review by the Board.
- ❖ **Homer & Farmerville Security Assessments** – Ms. Hicks and Mrs. Jones made presentation related to the physical security of our Homer and Farmerville offices respectively. Staff will also be bringing specific recommendations and budget considerations to the Board for review and possible action.
- ❖ **Financial Report** – Mr. Dye
 - Financial Report – Mr. Dye made a thorough report related to the November 2018 Financial Statement. His report was approved on a motion made by Mr. Davidson and seconded by Mr. Sensley.
 - Approve 2019 Budget – The Cooperative's 2019 Budget was unanimously approved upon a motion made by Mr. Perritt and seconded by Mr. Davidson.
- ❖ **Attorney Report** – Mr. Kitchens
 - Dr. Fincher moved and Mr. Davidson seconded a motion to enter into an executive session. Motion carried.

- Mr. Davidson moved and Dr. Fincher seconded a motion to exit the executive session. This motion was approved.
- Upon a motion made by Dr. Fincher and seconded by Mr. Davidson, the following action was taken:
- BE IT RESOLVED that Claiborne Electric Cooperative, Inc. through actions of its Board of Directors does hereby adopt the proposed Resolution regarding its governance practices and authorizes the presentation of the Resolution by management or its attorney to the Public Service Commission and/or such Commissioners as may be necessary in order to pursue an amicable resolution of any issues involving the proposed Public Service Commission guidelines and to further authorize the use of the Resolution for any other purposes that may be beneficial to the company.

Resolution

Whereas, the Claiborne Electric Cooperative Board of Directors in the course of conducting its normal business directed its management team to carefully evaluate the governance practices of the Cooperative and,

Whereas, a comprehensive tool to assist in that task became available in early 2017 and,

Whereas, the Board of Directors began reviewing that document in an effort to prepare for a thorough review and possible revision of its governance practices and began taking positive action to that end and,

Whereas, subsequent to initializing these efforts, the Louisiana Public Service Commission developed its own recommendations designed to accomplish similar goals to those of the Board,

Now Therefore Be It Resolved, that the Board agrees with the Louisiana Public Service Commission that certain changes needed to be made to the governance practices of the Cooperative and had already begun making revisions to them. The Board further agrees that more changes are or may be appropriate and will make those changes within its power to enact. The Board also recognizes that some of the changes proposed by the Commission require the affirmative action of the membership to revise the Cooperative's Bylaws and will submit them as prescribed in that document. For the record, the Commission's recommendations are as follows:

- ❖ Per diems for attendance at board meetings, or other functions that require the attendance of a co-op director, shall be \$300-\$375 per day (subject to adjustments in normal increases in costs).
- ❖ Effective with the next election cycle for each directorship, directors shall be term limited to six (6) consecutive 3-year terms, for a total of 18 years (or 3 consecutive 6-year terms).
- ❖ The maximum threshold for a quorum of members for the purpose of electing directors shall be 5% of the total member, irrespective of whether the meeting is in person or via mail ballot. Elections shall be as open as possible.
- ❖ If a board member attends a meeting in furtherance of cooperative interests and business, including but not limited to, meetings related to power resources, the cooperative annual and regional meetings, and meetings necessary to cover cooperative funding, the costs associated with the out of state meeting will be permitted in rates subject to review by the Commission.
- ❖ Cooperatives shall use best efforts to provide director training at locations throughout the state of Louisiana, including cooperative association facilities.

- ❖ If a Cooperative provides medical/health or life insurance to cooperative directors, it shall be in the same manner (and at the same level of reimbursement) as is offered to the cooperative's employees.

Be It Further Resolved, that the Board of Directors, without any admissions of fault or liability, or without admitting or agreeing that the Public Service Commission has power or authority to attempt to regulate, control or modify the Cooperative's internal operations as a corporation, and with full reservations of all rights to contest or object to any action taken, does hereby direct management to bring forth recommendations in a timely manner for the purpose of furthering this resolution to achieve the collective goals of the Commission and the Cooperative."

Affirmation:

I, Richard Noles, Secretary/Treasurer of the Claiborne Electric Cooperative, Inc., hereby affirm this resolution was approved by a vote of the Board of Directors during the regularly-scheduled board meeting held on January 8, 2019




Richard Noles


3-25-19 Date

- ❖ **CEO Report** – Mr. Brown made his report to the Board of Directors. During the course of his presentation, he asked for final approval of several General Policies which were introduced to the Board last month. They are listed here:
 - GP 201.1 Functions of the Board of Directors
 - GP 205.1 Services of Consultants
 - GP 208.1 Board of Directors Meetings
 - GP 210.0 Director Education and Training (new policy)
 - Upon a motion made by Mr. Jones and seconded by Mr. Sensley, these policies were approved by the Board.
 - Mr. Brown then described proposed action being considered by the member cooperatives of ALEC to create a wholesale power cooperative. Dr. Fincher moved and Mr. Killgore seconded a motion approving Claiborne Electric Cooperative to participate and authorizing management to execute such documents as necessary to accomplish this directive. The motion carried unanimously.
- ❖ **Approve Meeting Expense** – Upon a motion made by Mr. Davidson and seconded by Mr. Killgore, the expenses of this meeting were approved by the Board.
- ❖ **Confirm Next Meeting Date** – Mr. Noles reminded the group of the date for the next regularly-scheduled Board Meeting:
Regular Board Meeting, Tuesday, January 29, 2019

❖ **Adjourn** – Mr. Killgore then moved to adjourn the meeting. Mr. Perritt seconded that motion. This action was approved unanimously.



Hez Elkins, President



Richard Noles, Secretary-Treasurer