

**CLAIBORNE ELECTRIC COOPERATIVE, INC.**  
**BOARD MEETING MINUTES**  
**JULY 10, 2018**

A regular meeting of the Claiborne Electric Cooperative, Inc. Board of Directors was held on July 10, 2018 at the headquarters office in Homer, Louisiana. President Hez Elkins led the Pledge of Allegiance and presided over the meeting. Members present were:

Hez Elkins, President  
Eddie Harmon, Vice President  
Richard Noles, Secretary/Treasurer  
Leroy Perritt  
Scott Jones  
Lane Davidson  
Phillip Fincher  
Rand Killgore  
Willie Sensley

Others present at the meeting were:

Mark Brown, General Manager/CEO  
Paul Kitchens, General Counsel  
Bob Kolling, COO  
Bill Dye, CFO  
Brandon Rich, Staff Accountant  
Tea' Heard, Executive Secretary  
Bob Duvall, CPA for Knuckols, Duvall, Hallum & Co.  
Mike Hallum, CPA for Knuckols, Duvall, Hallum & Co.

Mr. Harmon moved and Mr. Noles seconded a motion to accept the Consent Agenda that included minutes from the May 29, 2018 meeting, minutes from the June 12, 2018 special meeting and capital credits that are subject to approval by General Counsel. Motion carried.

<b><u>Member/Service Location</u></b>	<b><u>Applicant</u></b>	<b><u>Credits</u></b>
BEARDEN, David-Farmerville	Jeffery Bearden, brother	152.74
DAUER, Marsha-Heflin	Gerald M. Dauer, spouse	\$ 1,609.03
DURRETT, Kenneth, Jr.-Simsboro	Charlotte Durrett, spouse	2,580.68
FREEMAN, Frances-Sterlington	Von Freeman, son	312.09
GRIGBY, L. B., Jr.-Minden	Joan Grigsby, spouse	1,057.12
KENLEY, Keith-Farmerville	Emma Kenley, spouse	1,529.18
KENNEDY, Joyce- Farmerville	Kenneth B. Kennedy, son	128.25
LEWIS, Gladys-Simsboro	Stanley Lewis, son	182.04
McADAMS, Carolyn-Spearsville	Ernest McAdams, spouse	374.04
MILLER, W. F.-Dubberly	Debra Miller, spouse	1,599.95
MOBLEY, Benjamin S.-Ruston	Larry G. Mobley, son	870.92
NEEL, Robert-Downsville	Frankie Nell Neel, spouse	123.97

PIXLEY, Thomas E. "Buddy"-Homer	Stacy Pixley, Executrix	1,392.18
RISINGER, Mary T.-Spearsville	Karen Trull, daughter	212.51
ROBINSON, Raymond R.-Bossier	Edna L. Robinson, spouse	290.38
SAMPSON, Rea Lisa-Arcadia	Raven Leah Sampson, daughter	283.42
WATLEY, Lorene-Farmerville	Garry Watley, son	110.56
	TOTAL	<u>\$12,809.06</u>

Mr. Fincher moved and Mr. Davidson seconded a motion to accept the 2017 Audit Report presented by the independent auditing firm. Motion carried

Mr. Fincher moved and Mr. Davidson seconded a motion to accept the Attorney Report from Mr. Kitchens that included the Cleco/Cajun purchase and the LPSC's unfavorable acceptance of Claiborne's broadband initiative. Motion carried.

The ALEC Board Meeting report presented by Mr. Noles.

Mr. Noles moved and Mr. Killgore seconded a motion to accept the Financial Report presented by Mr. Dye. Motion carried.

Mr. Killgore moved and Mr. Davidson seconded a motion to accept the Write-Off report as presented. Motion carried.

Mr. Fincher moved and Mr. Killgore seconded a motion to include in the 2019 rate application a new target MDSC of 2.00 with ranges as follows:

- a. 2.10 Cap
- b. 2.00 Target
- c. 1.90 Minimum

Motion carried.

Mr. Fincher moved and Mr. Killgore seconded a motion to include in the 2019 rate application a \$5 per month per year service charge increase. Mr. Perritt objected to the recommendation. Motion carried.

Mr. Harmon moved and Mr. Fincher seconded a motion to include in the 2019 rate application a change to the power cost adjustment structure to improve cash flow and member pricing. Motion carried.

Mr. Fincher moved and Mr. Davidson seconded a motion to include in the 2019 rate application a procedure to file annual rate cases similar to the current formula rate plan procedure to eventually achieve cost based rates status. Motion carried.

Mr. Sensley moved and Mr. Scott seconded a motion to accept the CEO Report. Motion carried.

Mr. Davidson moved and Mr. Noles seconded a motion to approve all expenses associated with this meeting. Motion carried.

The next regular meeting date was confirmed for Tuesday, July 26, 2018.

There being no further business to come before the Board, a motion was made by Mr. Davidson and seconded by Mr. Killgore to adjourn the meeting. Motion carried.

---

Hez Elkins, President

---

Richard Noles, Secretary/Treasurer