

CLAIBORNE ELECTRIC COOPERATIVE, INC.
BOARD MEETING MINUTES
DECEMBER 4, 2018

- ❖ **Call to Order** – Mr. Elkins called the meeting to order at 6:30 pm.
- ❖ **Invocation and Pledge** – Dr. Fincher offered and invocation and then Mr. Elkins led the group in the pledge of allegiance.

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

Others present at the meeting:
Mark Brown, General Manager & CEO
Paul Kitchens, General Counsel
Bill Dye, CFO
Tea' Heard, Executive Secretary

- ❖ **Request for Items to be Added to the Agenda** – No additions to the agenda were requested.
- ❖ **Consent Agenda** – Upon a motion by Mr. Harmon and seconded by Mr. Killgore, the consent agenda was approved unanimously.
 - Approve October 29 Executive Committee Meeting Minutes,
October 30th Regular Meeting Minutes &
November 13th Special Board 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
- ❖ **ALEC Board Meeting Report** – Upon a motion made by Dr. Fincher and seconded by Mr. Jones, Mr. Noles' ALEC report was approved.

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.”