

**OSAGE MINERALS COUNCIL
REGULAR MEETING MINUTES
JUNE 15, 2018**

1. Call to Order

Chairman Waller called the meeting to order at 10:12 AM.

Chairman asks if anyone has any problems with the recordings. Councilwoman Boone asks of all of the meetings why is this one being recorded? Chairman says he cannot answer that, but he is good with it. Councilwoman Boone asks Mrs. Duty why she chose this meeting to film? Mrs. Duty says because the election, inauguration, and oil and gas summit is on the agenda. Chairman says he would like to move some items to Wednesday.

2. Opening Prayer and Reading of deceased Osages

Councilman Redcorn gave the opening prayer and read the names of the deceased Osages.

3. Roll Call

Lacey Reynolds called roll. The Osage Minerals Council members present were: Cynthia Boone, Galen Crum, Stephanie Erwin, Kathryn Redcorn, Talee Redcorn, Everett Waller, and Andrew Yates. Joseph Cheshewalla was not present.

Guests present were: Ray McClain, Martene McClain, Jinx Geurin, Paul Revard, Beverly Brownfield, Teresa Rutherford, Billie Ponca, Patricia Bright, Susan Forman, Lou Phillips, Julie Wilson, Shelly Weaver, Margaret Gray, Florence Bigheart Trnum, Rhonda C Wallace, Rosemary Wood, Lenzy Krehbiel-Burton, Shannon Duty, Marion Waller, Teresa Bledsoe, Nona Roach, Gene Bowline, Myron Redeagle and Linda Heskett.

4. New Business

a. DK&K- new lease

Chairman moves DK&K to Wednesday.

b. Scout Energy

Chairman moves Scout Energy to the next month.

c. S&S Disposal

Mrs. Weaver gives an introduction; she states that they have always been in compliance with the Agency. She is asking for consideration for waiving all the penalties and interest for late charges that have been assessed to them. There has been oversight on their end, and they take full responsibility of their office. There has also been oversight with the BIA, it took nine years after they had let a secretary go from their office, and someone else taking over, doing all of the fines. There were no reports or anything left in their office for them to know that they needed to fill that paper work out. They did not receive any letter or correspondence from the BIA to inform them that they were not in compliance. After nine years she received a letter in December stating that they were not. She apologizes for this, but this was not the intent, at that time she immediately

did 9 years of reports and turned them in, in a timely manner. Since that time there has been \$5,736.20 in royalty and accrued interest. She says she has no problem paying this amount, and being held accountable, those are the funds that are due to the Osage Nation. What she is asking for is to have consideration on an interest amount of \$4,797.21 which is actually almost as much as what was owed. The revenue has greatly reduced on these disposals since 2013. When she took back over operating she set out to reach out to all of the producers in Osage County. There are a lot of operators that are taking their production water outside of the Osage Nation. She believes in this disposal. She is going to be installing camera's because she believes there have been people disposing and not paying. Chairman Waller asks if they have been disposing in it. Mrs. Weaver says yes; Turner Tank Trucks does operate. In 2013 when oil dropped it got tough. They are seeing a huge increase right now; she just asks to have the opportunity to be able to have the opportunity. The revenue right now with S&S disposal is only 300-400 dollars a month. She would like to increase this. Councilman Crum says this has already been reduced to 1% that was owed. It is sad that the BIA didn't catch this, the computer system doesn't catch it. He understands but in the end it is not the BIA's responsibility to inform you that you aren't keeping up with the agreement that was made. Councilwoman Erwin asks if she is asking for consideration on the fines, was this not appealed to the Regional Director? Mrs. Weaver says that she was told by Cammi that the next process was to come before the Council and to be put on the agenda. Superintendent Phillips says at this point they have notified her of what she owes, she hasn't had the right to appeal yet. Councilwoman Erwin says she has the right to appeal the fines that the BIA puts upon you. She will have to look more into it, because that is the royalty payment. Superintendent Phillips believes that at this point she has been notified, appeal rights haven't been given. Cammi advised her she could come here; after this she will be given the appeal rights.

d. Election

Councilwoman Boone says she would like to have the Election Board Supervisor to come to the podium. Chairman Waller asks for? Councilwoman Boone says she has some questions for her. Chairman asks if she has had the chance to review them or anything? Councilwoman Boone says these are questions she should be able to answer without review. Election Board Supervisor Billie Ponca goes to the podium. Councilwoman Boone asks if any time during the election did she actually leave the building? Ms. Ponca says no. Councilwoman Boone says she has a constituent that would like to beg to differ with her about that. Chairman says we are not going to fill that question at this moment. Councilwoman Boone says she is just making a statement. How many addresses were changed on election day? Ms. Ponca says three. Councilwoman Boone asks, just three? How many head right owners did you send to OST to have their

headright share verified on election day? Mrs. Ponca says to be quite truthful I don't have an exact number but I would say probably seven to ten, that is a guess. Councilwoman Boone asks why did their share need to be verified? Ms. Ponca says they were not on the annuity list provided by the BIA. Councilwoman Boone says if they would have been on the actual voter list that we received there would have been no reason for anybody to have verified their headright share. Ms. Ponca says correct. Councilwoman Boone asks what was the Bureau of Indian Affairs doing in our election? Ms. Ponca says how the process was going, whenever a voter came in we checked to see if they were on the voter list, and if they were not then she would send them over to the BIA for verification. At some point in time one of the employees at the BIA offered her help, that I could give her the information, she would verify it and she would bring it back. Councilwoman Boone says so these people that had their headright share verified were they allowed to vote that day? Ms. Ponca says no they were. Councilwoman Boone asks where the challenges to the election were posted? Mrs. Ponca says she sent it out through email to all of the Osage Nation news, website, and the office's website. Councilwoman Boone asks the election board? Ms. Ponca says yes. She did have it delivered to the Superintendent's office. Councilwoman Boone asks how many ballots went out without the outside envelope in their packet? Ms. Ponca says that batch was less than thirty, that was kind of mixed in with the stamp, so we don't really have an accurate number of how many actually went out without an envelope, what we got back. What we were told to do about our problem was go ahead and put it in a regular envelope, send it to us with everything that was in the original balloting information, and it would be counted. So I don't have an exact amount now, but I would say probably less than ten to fifteen. Councilwoman Boone says okay, so there could have been some people out there that didn't get the outside envelope and chose not to contact your office? Ms. Ponca says she would assume that would be up to them. Councilwoman Boone asks if it only costs fifty cents to return an absentee ballot why was postage an issue? Ms. Ponca says I beg your pardon? Councilwoman Boone says if the cost to return a ballot was only fifty cents why did the postage become an issue. It was her understanding that she had raised that question, and she believes it was in the Osage Nation News. Ms. Ponca says the process is whenever the ballots are sent out from the balloting people to the annuitant, that postage is paid. From the annuitant back to the PO Box postage was not supposed to have been paid. And the balloting people, the first two batches that went out were done by hand in house. Councilman Redcorn asks if the Council can do anything regarding this questioning? Chairman Waller says to wrap it up. Councilman Redcorn says can there be a vote on this, he would question if they have the authority. Chairman asks how much longer will she need? Councilwoman Boone says she has four more questions. Councilman Redcorn says his thought is they don't have the ability to vote on anything, this is an election issue, she is in charge, there is code

that covers challenges or whatever, he doesn't know what the Council could do. He would be uncomfortable voting on anything on this issue. Councilwoman Boone says she represents constituents, and she has constituents that are concerned about the last election. They have brought up these issues, that's why she, in an open session. Chairman Waller interrupts with then you need to name them. Councilwoman Boone continues with and wants them addressed. Councilman Redcorn says he agrees, he has concerns about his too, but he isn't sure if the Council can even decide on any of this at all. Councilwoman Boone says they are discussing things today; Friday is the usual day to discuss anything. She isn't asking for a vote of anything, she's just bringing to the attention of the people that she represents, their concerns to the Supervisor, so she can answer them. Chairman Waller says they know her address and they know her email. Councilwoman Boone says, but Mr. Chairman they are contacting her, they are not contacting Ms. Ponca. Chairman says then bring it back to the office and back to Ms. Ponca, you need their names, their issues. Let's let her finish. Ms. Ponca says she would like to discontinue this conversation. Chairman Waller says yes ma'am. Councilwoman Boone says that she would like to finish these questions, they are things that her constituents are concerned about. The next one was specifically about a special delivery to a lady named Carpenter, that was returned to True Ballot. Councilman Yates says Ms. Ponca shouldn't have to answer any more questions. In executive she is going to give us a full report, maybe we can talk then and when we come out we can discuss what went on in executive. Councilman Crum says Ms. Ponca is already up here now, we could allow her to give her report now, he doesn't know if we need executive. That's what she would normally do after an election. Councilwoman Redcorn says since she is already on the agenda, she would like to hear it, and maybe the questions can be asked after. She has no problems with Osage annuitants only in the chambers when she gives her report. Councilman Redcorn says they aren't supposed to touch the election, they gave the budget to Ms. Ponca, the keys to do what she needs to do, to him that is the end of it. there are codes to handle the issues later. Should the Council be talking about this in the Chambers? Councilman Yates says as for shareholders only, they are streaming live on the internet, possibly live on the internet via video. Are we going to ask them to turn them off, or to look away? He is fine with it being out in the open. The question will be to Ms. Ponca, is she fine giving the report? Ms. Ponca says she doesn't mind doing the report in open session. Chairman says he doesn't mind the being in the open, but she was asked to be here in executive to give her report, the council elect should be the next ones to hear the report, the questioning has to stop. He would like to stick to the agenda and go on. Councilwoman Boone asks the Chairman, is he not going to allow her to ask these questions? Chairman said he would like to have the report done in executive. Councilwoman Boone says she would like to finish her questions, some of the question she is asking pertain to some of the information she has already sent us. For example, the questions

she just said about this special delivery to Carpenter that was returned to True Ballot, that was in an email to us, not marked confidential or privileged, so it can be discussed here in this arena. Chairman says he is not going to open this up until after. Councilwoman Erwin would like to have an executive session with Billie there, and the BIA. Guest Lou Phillips says and the shareholders. Chairman Waller say no ma'am. Lou Phillips asks why. Chairman Waller says he has already said so, the Council hasn't even heard this report yet, they are the ones that signed off on the money. Once it is out then they will roll it out to the public. Councilwoman Boone says okay so getting back to this special delivery to carpenter, where her mail was returned to true ballot. What happened to her ballot that she returned? Ms. Ponca says she is sure True Ballot has it, she doesn't know. Councilwoman Boone says so this ballot was not counted? Ms. Ponca says no it was not. Councilwoman Boone says she got a call on Saturday before the election from a man and he didn't receive his absentee ballot until that Saturday before the election, he was concerned that his ballot wouldn't be counted. So I suggested to him that he go to the post office and send it overnight. He said I can't do that, I live in a little town, and his post office isn't open. So there was a question as to whether his ballot was counted on Monday. Ms. Ponca says she does not know, she doesn't know who it was. Councilwoman Boone says she received another call just the other day from a gentleman in California and he didn't receive his absentee ballot until June the ninth, five days after the election closed. So his ballot was not counted. But I will say that one of the most bizarre things I've found out about the election results whenever I saw Andrew Yates numbers I thought wow that looks exactly the same number he got in 2014, and I went back to 2014 and there's two tenths of a difference. She thought what are the odds of that, do none of your supports die Andrew? Councilman Yates asks if he gained or lost? Councilwoman Boone says she gained.

e. Inauguration

Councilman Yates says he has been in contact with the newly elected Council. They are interested in combining the inauguration with the Chief, Assistant Chief and Congress on the 14th. The CFR's say that the Council should commence on the 1st of July. In the past it has always been early July for the Council, on the first business day. What the Council is looking at now is doing it on the 2nd of July, having a small ceremony with a swearing in. Then they can have an official meeting on the 13th, and then the celebration on the 14th with the others. Chairman says there is a call out to Judge Stepson, we are still waiting for a response.

Councilman Redcorn makes a motion to suspend the rules, seconded by Councilman Yates.

MOTION PASSED: Councilwoman Boone- No, Councilman Crum-Yes, Councilwoman Erwin-Abstain, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes. (5-yes, 1-no, 1- Abstain)

Councilman Yates makes a motion for the Fourth OMC to be sworn in on July 2nd, and join the Nation on the 14th, Seconded by Councilman Redcorn.

MOTION PASSED: Councilman Crum-Yes, Councilwoman Erwin-Abstain, Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- No. (5-yes, 1-no, 1- Abstain)

Councilwoman Boone says this will be the first time this has happened.

f. Oil and Gas Summit

Councilman Yates was just looking at dates, and who is going to do it, and for Bill to get how much money we have. Councilman Crum says that the earliest they can get started, the better opportunity they have for donations, etc.

g. Consultation Meeting

Councilman Crum says he took the agenda from the last consultation meeting, and tried to add new items. He has incorporated the ideas he has gotten so far from the incoming Council. If anyone has any additional changes speak up, and we can vote on it Wednesday. Councilman Yates says that he does see the proposed re districting. Superintendent Phillips says that the Council should see a letter soon requesting an agenda. Councilman Redcorn would like to remind everyone that the Chairman is a whipman for the Hominy District, he has heavy duties down there. Unless it is pertinent he would like for him to be able to get down there to prepare. Councilwoman Erwin says she wants to hear Ms. Ponca and the BIA in executive still. Councilwoman Boone has a questions about the Trump re districting, when she was in Dc it was noted the Mr. Zinke has not had any kind of consultations with the tribes. Councilman Yates says that he has seen where there are some scheduled.

Councilman Yates makes a motion to go into executive, seconded by Councilwoman Erwin.

MOTION PASSED: Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes, Councilman Redcorn- No, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- No, Councilman Crum-Yes. (5-yes, 2-no)
Enter Executive- 10:56 AM

5. Executive

a. Election- Billie Ponca

6. Old Business

Exit Executive: 11:31 AM

Councilman Crum makes a motion to exit executive, seconded by Councilman Redcorn.

MOTION PASSED: Councilwoman Red Corn- Yes, Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Crum-Yes, Councilwoman Erwin-Yes. (7-yes, 0-no)

Councilman Crum says that in executive Ms. Ponca informed the Council that she thought she was just at the meeting to talk about the recount, not to give a full report. He asks what the results of the recount were. Ms. Ponca says the results of the recount was the same as the day of the election. Chairman Waller would like to release the information on the recount. Councilman Crum addresses Ms. Ponca, the constitution gives clear criteria on who is allowed to vote in the Minerals Council election, you have to be Osage, 18 years of age, and on the last annuity dispersal. Was there anyone that did not meet these criteria allowed to vote, and their vote counted, regardless on if their address was different. Ms. Ponca says no. Councilman Crum says there is no requirement for the mailing list. Ms. Ponca says in the office, whenever they sent out the OMC election notice, the request was sent back for a ballot and then they would check it with the list they had, and if it was incorrect they notified them, and they called them back and verified that it had been changed. Then they called the BIA that it had been changed, there were 36 of them. Councilman Crum says that when he has run for the OMC, he has never gotten a completely accurate list. Everyone gets the same list though. Were any of the absentee ballots that were received rejected due to being the wrong envelope or anything? Ms. Ponca says no, due to the fact of the envelope problem and or the stamp problem they got together as a board and decided to count everything that came in, as long as it was in there prior to June 4th. Councilman Crum says he sees the Council's business as being over. She is going to come back and give a full report. Councilwoman Boone says that during open session she did ask Ms. Ponca about headright owners that were sent to the Office of Special Trustee to have their headright share verified on election day, you said there were about seven to ten, and then asked why did it need to be verified, because if they were on an eligible voter list, then their share was already verified and the comment was, if they were not on the voter list, were they allowed to vote, and your response was yes. I understand now when Mr. Crum asked you that very question you said no. Ms. Ponca says to clarify, if the voter came in and they were not on the annuitant list, they were sent over to the BIA to verify that yes, they are an annuitant, yes they were a shareholder, when they brought that information back then they were put on the list, and they were allowed to vote. Councilwoman Boone says as she recalls she did reference the CFR's and you can't change the voter list three days prior to the election, so in other words the voter list shouldn't even have been modified, or changed in any way 3 days prior to the election as found in 90.36. Ms. Ponca says

she has been helping with the elections since 1986 it has always been when the voter came in that was the procedure that was used. Now, maybe that is not correct, but that is what had always been done and she was following that practice. The next thing is she went back in regarding one of the judges leaving the perimeter and coming back in, there isn't anything anywhere in there that says you can't leave and come back. That is something that a Supervisor at one point and time decided to do. Concerning voting that day, if they came in and they were an annuitant then it is their right to vote, and she gave them every opportunity to vote. Therefore, she sent them over to verify. Councilwoman Boone says so that is contradictory to the CFR's. Councilman Redcorn says Ms. Ponca is the Supervisor of the election, there is a process, he doesn't think the Minerals Council can do anything on this. Chairman Waller asks that the recount report be sent out. Councilwoman Boone addresses Councilman Redcorn, he mentioned that he didn't know what their authority was on this. She asks Councilman Redcorn if he would like to contact the attorney. Councilman Yates says no. Councilman Redcorn says he would like this to run its course, he would like the Supervisor to let this run its course, if that all fails, then we need to talk. Councilwoman Boone says her question is when is the Supervisor going to come back with a final report? Ms. Ponca says next Wednesday. She stated she had a phone call from Wilson Pipestem and he wanted to express to you all that if the Council needed his services then he is available. Chairman says he appreciates that offer. Councilwoman Boone says Ms. Ponca isn't he the attorney that is recommending that we change the Minerals Council from eight people to five?

a. Approval of Fredericks draft changes to ON trespass law

Chairman would like for everyone to review these changes. Councilman Crum says that these are recommendations from the attorney to recommend changes to the Osage Nation law that will establish trespass guidelines for trespassing on the Mineral Estate. Such as windfarms, etc.

7. Committee Reports

Councilwoman Boone asks about the letter Councilwoman Redcorn had mentioned about the voter list, she would like it in writing. Chairman requests that Councilwoman Redcorn take care of that. Councilwoman Redcorn asks if the rest of the council is okay with that. Chairman says he votes no. Councilwoman Redcorn says at the last meeting a question came up about the voter list, and Councilwoman Boone asked for an opinion in the AG's office on that. So the superintendent was not here, but Deputy Superintendent Winlock was, so she asked him about the Bureau involvement, can he tell the Council what would be right on this? Deputy Superintendent answered with once they handed the list over, then the Bureau was out, and that he would check with the Solicitor. The Solicitor said the Council would need to put the request in, in writing and then they would answer it.

8. Adjournment

Councilman Crum makes a motion to adjourn, seconded by Councilman Yates.

MOTION PASSED: Councilman Redcorn- Yes, Chairman Waller- Yes, Councilman Yates- Yes, Councilwoman Boone- Yes, Councilman Crum-Yes, Councilwoman Erwin-Yes, Councilwoman Red Corn- Yes. (7-yes, 0-no)

Adjournment- 11:16 AM

Approved by:

Chairman

Executive Administrative Assistant