

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
WEST OREGON ELECTRIC COOPERATIVE, INC.**

September 22, 2015

A regular meeting of the Directors of the West Oregon Electric Cooperative, Inc. was held September 22, 2015 at 652 Rose Ave., Vernonia, Oregon at 7:00 p.m.

Those present and attending said meeting were:

**Robert VanNatta, President
Bob Paleck, Vice President
Larry Averitt, Secretary
Dan Murphy, Director
Rosemary Lohrke, Director
Jim Buxton, Director**

Staff present:

**Bob Perry, General Manager
Don Rose, Engineering & Operations Manager
David Western, Manager of Finance & Administration
Angela Hadley, Executive Assistant**

Others present:

Martha VanNatta, Linda Perry, Joe Riley, Mike Grant, Laurie Grant, Dale Olson, Heidi Matheney

President VanNatta opened the meeting with the flag salute, and by determining a quorum was present.

President VanNatta opened the floor up for member participation. Members voiced they were there for the rate increase information.

President VanNatta called the meeting to order at 7:02 p.m.

President VanNatta ordered the consent agenda approved by unanimous consent.

- Meeting agenda
- Minutes of Last Regular Meeting
- Credit Card Accounting
- General fund checks August 2015 in the amount of \$268,452.00
- Members to be voted in 18
- Members to be voted out 43

David Western, Manager of Finance & Administration reported:

- Operating TIER for August is (1.72) which is (.84) more than the 2015 budget of .88.
- Our year to date TIER is 1.04. This is .64 less than the 2015 budget of 1.68. This is due to warmer weather YTD compared to 2014.
- The Allowable Performance Payment from BPA for the Direct Install Program has had a positive effect on the budget.
- Staff has been busy updating and correcting the listing of assets owned by the Cooperative. The list had become out of date, due to the 2 floods and a big computer conversion in 2005.
- Staff is still waiting to hear from Jim Dellavedova, RUS Accountant, on when the audit will be re-scheduled.
- Staff continues to work with Rodney Peach, RUS GFR, and Doug Jenkins, Chief, Financial Operations Branch of RUS in Washington DC, providing additional information for the loan application. They are expecting to have the loan approved by September 30, 2015, the end of their fiscal year.

MEMBER PARTICITATION

CALLED TO ORDER

CONSENT AGENDA

FINANCIAL REPORT

Write-Offs list for the July billing thru September 10, 2015 was presented. Upon motion by Rosemary Lohrke and second by Dan Murphy, the write off list of \$2,421.28 was approved. Motion passed unanimously.

WRITE OFFS

Don Rose, Engineering and Operations Manager reported:

OPERATIONS REPORT

- We experienced thirteen (13) power interruptions during the month of August, which resulted in over 199,529 total outage minutes (3,325.49 member outage hours).
- We replaced the underground primary on Moors Valley Road. We also did the same to an issue that was coming up all the time on Mt. Richmond Road. This will help eliminate continuous outage problems.
- The crew upgraded a few poles for the Transmission line feeding out of Warren Substation to Chapman Substation. This was done in joint effort with Columbia River PUD, as it benefitted the reconductor they were doing along Church Road.
- Federated Insurance performed a safety audit on our facility September 9, 2015, they only found a few minor issues that were corrected right away.

The safety meeting & safety committee meetings were held on August 6, 2015. The minutes were reviewed and accepted by the Chair

SAFETY MEETING

Upon motion by Rosemary Lohrke and seconded by Larry Averitt, Policy #208, *Employee Expense Reimbursement* was accepted as presented. Motion passed unanimously. Policy # 501, *Disclosure Of Member Information* & Policy #505, *Use Of Headquarters Community Room* will be further reviewed for discussion at October's board meeting.

POLICY REVIEW

Several proposals from GM, Bob Perry were presented to the board with different increased amounts for the base charge and kWh charges. Discussion was held regarding the different proposals and how they would affect members and which percentages would cover the needs of the cooperative as discussed in the rate hearing held on September 16, 2015. The urgent need to build up the WOEC reserve account that is used for storm costs was discussed along with the reasons to pay off and reduce the debt load. The directors went through the options on how much to increase the base charge.

**RATE INCREASE
DISCUSSION**

Larry Averitt moved "To allow Residential Rate Payers, an option to pay a True Annual Base Charge; either evenly in 12 month increments, or annually on the start of service date, and a corresponding Pass through Energy Usage Charge. The True Annual Base Charge (TABC) shall be equal to the appropriate amount to cover the fixed costs usually recovered in the Inflated Energy Usage Charge as regularly calculated by the COSA. The Pass through Energy Usage Charge (PEUC) shall be equal to the rate paid by WOEC to it's power supplier." Motion dies for lack of second.

RATE INCREASE MOTIONS

Jim Buxton moved to adopt a 6% rate increase scenario of an overall 6% increase in the base charge and a 6% increase in kWh for all revenue classes. Motion dies for lack of second.

Jim Buxton moved and Bob Paleck seconded the motion to adopt the rate increase scenario of an overall 6% rate increase in kWh for all revenue classes and a \$2.00 increase in the base charge.

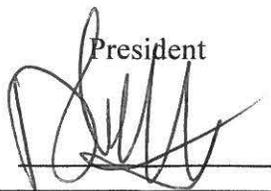
Vote: 4 in favor, 1 opposed. Motion passes.

GM, Bob Perry proposed using a Power Cost Adjustment in the future for any BPA pass thru rate increases.

Adjourned 9:18 pm

ADJOURNMENT

Approved:

President


Secretary

