

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

**March 22, 2016**

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**A regular meeting of the Directors of the West Oregon Electric Cooperative, Inc. was held March 22, 2016 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  
Brian Baker, Director  
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  
Daniel Huggett, Manager of Finance & Administration  
Angela Hadley, Executive Assistant**

**Others present:**

**Martha VanNatta, Linda Perry**

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

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

President VanNatta ordered the consent agenda approved by unanimous consent beginning with Resolution 16-02, followed by the 2015 Audit Report.

Bob Paleck presented a resolution that expresses the board of director's appreciation for Robert VanNatta's 30 years of exceptional service and leadership to the board and members of West Oregon Electric Cooperative, Inc. Bob Paleck moved and Rosemary Lohrke seconded to adopt the resolution. Motion passed unanimously.

Kenneth Kuhns and Darren Born from Kenneth Kuhns & Co., presented our 2015 audit report of our consolidated financial statements of West Oregon Electric Co-op, West Oregon Services, and Columbia Broadband, Inc.:

- The co-op's records were well kept, complete and accurate.
- The consolidated financial statements present fairly, in all material respects, the financial position of West Oregon Electric Cooperative, Inc. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.
- The Co-op earned an unmodified opinion, which is the best opinion you can receive in an audit.
- His firm noted no matters involving the internal control over financial reporting and its operation that they consider to be material weaknesses.

Board only Executive session with the Auditor 7:30 pm

Regular Session Recessed for the CBB meeting 7:45 pm

**CALLED TO ORDER**

**CONSENT AGENDA**

**RESOLUTION 16-02**

**2015 AUDIT**

**BOARD/ AUDITORS  
EXECUTIVE SESSION**

**REGULAR SESSION  
RECESSED**

Regular Session Reconvened 8:15 pm

**REGULAR SESSION  
RECONVENED**

The Audit report was given at the beginning of the meeting by Kenneth Kuhns and Darren Born from Kenneth Kuhns & Company and an executive session was held with the Board of Directors.

**AUDIT ACCEPTED**

Upon motion by Bob Paleck and seconded by Brian Baker it was voted on and approved to accept the audit report as presented.

- Meeting agenda
- Minutes of Last Regular Meeting
- Credit Card Accounting
- General fund checks for February 2016 in the amount of \$323,501.45
- Members to be voted in 33
- Members to be voted out 34

David Western, Manager of Finance & Administration reported:

**FINANCIAL REPORT**

- Operating TIER for February is 1.80. This is .21 less than the 2016 budget of 2.01. The decrease is due to training costs for operation personnel.
- Our year to date TIER is 3.25. This is .43 more than the 2016 budget of 2.82. Outage costs in maintenance were offset by the credit WOEC received from BPA for the direct install program. In addition, cost of power is down \$29,000.00. Overall, it's a solid start to 2016.
- Staff continues to process year end reports.
- Audit went well and staff did a great job having documents ready.
- RUS received all the loan documents and the new AF8 loan has been set up on RUS's books.

Write-Offs list for the February billing thru March 10, 2016 was presented. Upon motion by Dan Murphy and second by Bob Paleck, the write off list of \$462.96 was approved. The motion passed unanimously.

**WRITE OFFS**

Don Rose, Engineering and Operations Manager reported:

**OPERATIONS REPORT**

- We experienced ten (10) power interruptions during the month of February, which resulted in over 27,557 total outage minutes (459.28 member outage hours).
- Working with our field agent from FEMA and things are in the process of recovering some of our costs.
- We have purchased our new Mini-Excavator with trailer within The budget guidelines set by the board.
- We received an estimate of \$7,500.00 to have a propane back up for the Natural gas generator. The cost could be higher if we choose to proceed.
- The Timber-Elsie transmission underground faulted on 3/6/16. We found that the hillside there is slowly moving downhill. As the ground is sliding, it has pulled the conduit away from the vault and is pulling the cable along with it downhill. We had about 20' of extra wire in the vault, but now the elbows are pulled tight to the wall and all wire has been pulled out. We are checking all the rest of the vaults to see if this is an isolated incident or not. We will need to reroute the U/G in that area.
- On the small storm we had on 3/10/16 we had two lineman patrolling the power line checking on the outage. While they were patrolling the power line to locate the problem, they were shot at by a consumer. I instructed them to immediately leave the area. I then notified the County Sheriff who is investigating the Situation. Thankfully, no one was hurt.

The safety meeting & safety committee meetings were held on February 4, 2016. The minutes were reviewed and accepted by the Chair.

**SAFETY MEETING**

Upon motion by Jim Buxton and seconded by Brian Baker, Policy #307, *Vehicle Use And Replacement*, Policy #407, *Check Signing Authorization*, were accepted as presented. Motion passed unanimously.

**POLICY REVIEW #307  
& #407**

Director Paleck spoke of the changes made to the evolving Mitigation Agreements between PRC's Coffin Butte Subscribers and Consumer's Power Inc.

**PRC-PNGC**

Jim Buxton moved and Bob Paleck seconded the motion to appoint Robert Perry as the "Authorized Representative" of CRC, Cooperative Response Center, Inc.

**2016 CRC VOTING  
DELEGATE**

Regular Session Adjourned 8:55 pm

**REGULAR SESSION  
ADJOURNED**

Executive Session 8:55 pm

**EXECUTIVE SESSION**

Adjourned 9:35 pm

**ADJOURNMENT**

Approved:

President

Secretary