

MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF WEST OREGON ELECTRIC COOPERATIVE
JANUARY 22ND, 2019

A regular meeting of the Board of Directors of West Oregon Electric Cooperative was held January 22nd, 2019 at 652 Rose Ave. Vernonia, Oregon at 7:00 p.m.

Director's attendance:

Brett Costley	President, District 4	Present
Jim Buxton	Vice President, District 3	Present
Rosemary Lohrke	Secretary, District 6	Present
Brian Baker	Director, District 1	Not Present
Nicholas Galaday	Director, District 5	Present
Robert VanNatta	Director, District 2	Present
Larry Heesacker	Director, District 7	Not Present

Staff attendance:

Bob Perry	General Manager	Present
Daniel Huggett	Manager of Finance & Administration	Present
Don Rose	Engineering & Operations Manager	Not Present
Billi Kohler	Office Manager / Administrative Assistant	Present

Others present: Erika Paleck (Dist. 5), Linda Perry (Dist. 3), Scott Laird (Dist. 4), Sally Harrison (Dist. 3), Mary Stocker (Dist. 6), Dave Stocker (Dist. 6)

<p>President Brett Costley opened the meeting with a Flag Salute and determined a quorum was present.</p>	<p>OPENING CEREMONY</p>
<p>President Costley called the meeting to order at 7:00PM.</p>	<p>CALL TO ORDER</p>
<p>Member Dave Stocker addressed President Brett Costley regarding BOD compensation. Each director is paid per diem and mileage for each meeting attended.</p> <p>Member Dave Stocker asked who is in charge of enforcing Bylaws and what are the repercussions of bylaw violations? After discussion it was determined that the membership has the ability voice concerns and vote directors out if deemed necessary.</p> <p>Discussion of members not receiving 2018 voting ballots is determined to be a post office issue and not a bylaw violation. All members and directors have access to WOEC Bylaws through the website westoregon.org.</p> <p>Discussion took place regarding meeting minutes being updated on the website. Office Manager Billi Kohler advised that approved minutes will be up to date by the end of January, and will be updated upon approval moving forward.</p> <p>Member Dave Stocker inquired about WOEC's Capital Credit Retirement process. Discounted estate capital credit retirements happen twice per year (May & November). If a single membership account holder is deceased the executor of their estate may apply for allocated capital credits at a discounted rate. If the account is joint both members must be deceased to qualify. This process does not happen automatically and is only available upon request. Member Mary Stocker asked how much is owed in capital credits at this time. Current Patronage Capital Credits allocations total approximately \$11 million. Capital credits are retired on a 30 year cycle when the Cooperative's financial condition will not be impaired thereby. WOEC currently has a 2 year plan to retire credits owing from 1970, 1971, & 1972.</p> <p>Discussion between member Mary Stocker and Board of Directors took place regarding the cost of WOEC holding a membership with PNGC Power. PNGC is a necessary partner as they help insure Bonneville Power meets our needs. They are power buying experts and provide leverage between WOEC & Bonneville.</p> <p>Discussion between member Mary Stocker and Board of Directors took place regarding CBB Shares. At this time neither party is interested in a sale.</p>	<p>MEMBER PARTICIPATION</p>

<p>Discussion between member Mary Stocker and Board of Directors took place regarding the 2019 WOEC election. Director Nick Galaday, Dist. 5 and Director Robert VanNatta, Dist. 2 will be on the ballot in 2019. Member Mary Stocker asked what the amount budgeted for the annual meeting will be. The budgeted amount for the WOEC annual meeting is \$20,000; typically less is used.</p> <p>Discussion between member Mary Stocker and Board of Directors took place regarding WOEC 2019 management salary increase. Members are contesting raises being higher than the cost of living, Membership is struggling to pay high rates.</p> <p>Member Mary Stocker would like to be able to conference call into future meetings if possible. This is allowed per WOEC bylaws and staff will make accommodations with a timely request from the member.</p> <p>Member Mary Stocker passed out a written request to have all members notified of future board meeting time changes.</p> <p>Member Sally Harrison wrote a letter to the editor of The Banks Post and read aloud to all present.</p>	
<p>President Brett Costley requests to add CEO review discussion to the general section of tonight's agenda. Board of Directors agreed with no objection.</p> <p>Director Robert VanNatta moved to approve consent agenda, Director Rosemary Lohrke seconded. Motion passed with unanimous consent.</p>	<p>CONSENT AGENDA</p>
<p>General Manager Bob Perry; No report at this time.</p>	<p>GENERAL MANAGER'S REPORT</p>
<p>Chief Financial Officer Daniel Huggett reported that current month revenues are below budget by \$100K (7.9%) and below last year by \$57K. Cost of Power is \$277K this month. YTD Tier is 1.51 (target of 1.25 minimum) and operating Tier is 1.41 (target of 1.10 minimum). Patronage Capital Retirement Fund amount is \$16,800 with report included. Additionally, Daniel Huggett shared with the Board of Directors that William Cullinane from Federated Insurance will be present at the February board meeting. The WOEC annual audit will take place in February.</p> <p>Member Mary Stocker asked if WOEC has purchased new computer equipment what the cost is. WOEC will be upgrading computer equipment as budgeted with a cost of approximately \$25K.</p>	<p>FINANCIAL REPORT</p>

<p>Write off list for the month of December was presented. Upon motion by Director Nick Galaday and seconded by Director Rosemary Lohrke the write off list of \$8,579.29 was approved. No contest.</p>	<p>WRITE OFFS</p>
<p>Discussion of membership claims to Federated Insurance took place. In the event a member has power outage related damages to their home; the member may submit a receipt and damage description to WOEC to submit to Federated Insurance for possible reimbursement. Typically non negligent outage damage is not covered.</p>	<p>OPERATIONS REPORT</p>
<p>The January Safety Meeting will be held on January 31st, 2019.</p>	<p>SAFETY MEETING</p>
<p>A 2019 Policy Review schedule was presented to BOD. Directors would like to review no more than three policies per month and receive them at the beginning of each month for additional time to review.</p> <p>Policy # 101, No Discussion. Director Jim Buxton moved to leave policy #101 as is. Director Robert VanNatta seconded. Motion passed with unanimous consent.</p> <p>Policy # 203, No Discussion. Director Jim Buxton moved to leave policy #203 as is. Director Rosemary Lohrke seconded. Motion passed with unanimous consent.</p> <p>Policy # 216. No proposed changes. Director Jim Buxton moved to leave policy #216 as is. Director Robert VanNatta seconded. Motion passed with unanimous consent.</p> <p>Policy # 217. No proposed changes at this time, however Board of Directors would like to submit this policy to Schwabe for additional review.</p>	<p>POLICY REVIEW</p>

Director Jim Buxton moved to leave policy #217 as is and submit to Schwabe. Director Robert VanNatta seconded. Motion passed with unanimous consent.

Policy # 219, No Discussion.

Director Jim Buxton moved to leave policy #219 as is. Director Robert VanNatta seconded. Motion passed with unanimous consent.

Policy # 304, No Discussion.

Director Rosemary Lohrke moved to leave policy #304 as is. Director Robert VanNatta seconded. Motion passed with unanimous consent.

Board of Directors discussed ChooseEV link being added to westoregon.org for member use. Cost associated is \$1200 annually. The site is assumed to benefit WOEC by potentially increasing load. Board of Directors agreed to a 1 year trial; no long term commitment. Director Rosemary Lohrke motioned to approve ChooseEV, Director Nick Galaday seconded, motion passed with unanimous consent.

Director Nick Galaday presented ideas to improve operation and cut costs at the January 2018 board meeting. Board of Directors discussed items #8, #10, #11, and #14.

#8 Annual Meeting location; Vernonia School as a venue is less expensive than renting equipment to host at WOEC office. BOD agreed unanimously to keep Vernonia School as the annual meeting venue.

#10 Replace BOD Chairman; This decision should be made at annual meeting. BOD agreed unanimously to make no change and leave this to be determined at each annual meeting.

#11 LSN Representative; This topic will be revisited in the CBB meeting after WOEC meeting.

#14 Agenda; Discussion of creating an agenda that accomplishes more each month. Directors agreed and should submit topics or ideas to Office Manager Billi Kohler prior to each meeting to add to the agenda. Additionally there will be a permanent agenda item added requesting ideas during the meeting.

President Brett Costley provided each director with a CEO review packet. Directors are to complete the packet and return to President Brett Costley to consolidate and review during executive session at the February meeting.

GENERAL

<p>Board of Directors discussed rate design ideas. Gary Saleba with EES consulting will be invited to attend the WOEC strategic planning workshop to discuss rates and cost of service study. Russ Green will facilitate the 2019 strategic planning workshop.</p>	
<p>Executive session opened at 9:05PM Executive session closed at 9:25PM</p>	<p>EXECUTIVE SESSION</p>
<p>President Brett Costley called meeting adjourned at 9:27PM</p>	<p>ADJOURN</p>

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Brett Costley
President

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Rosemary Lohrke
Secretary