

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
WEST OREGON ELECTRIC COOPERATIVE, INC.
March 28, 2017

A regular meeting of the Directors of the West Oregon Electric Cooperative, Inc. was held March 28, 2017 at 652 Rose Ave., Vernonia, Oregon at 7:00 p.m.

The directors and offices attendance:

Robert VanNatta	President, District 2	Present
Brett Costley	Director, District 4	Present
Larry Heesacker	Director, District 7	Present
Brian Baker	Director, District 1	Absent
Jim Buxton	Vice President, District 3	Present
Nicholas Galaday	Director, District 5	Present
Rosemary Lohrke	Secretary, District 6	Present

Staff attendance:

Bob Perry	General Manager	Present
Daniel Huggett	Manager of Finance & Admin	Present
Don Rose	Engineering & Operations Manager	Present
Angela Ames	Executive Assistant	Present

Others present: Martha VanNatta, Linda Perry, Kenneth Kuhns, Darren Born

<p>President VanNatta opened the meeting with the Flag Salute and by determining a quorum was present. He opened the floor to Member participation</p>	<p>OPENING CEREMONY</p>
<p>No Member Participation.</p>	<p>MEMBER PARTICIPATION</p>
<p>President VanNatta called the Meeting to order at 7:03 p.m.</p>	<p>CALL TO ORDER</p>
<p>The consent agenda was approved by unanimous consent:</p> <ul style="list-style-type: none"> • Meeting agenda; • Minutes of Last Regular Meeting; • Credit Card accounting • General Fund checks for February 2017 in the amount of; \$408,287.12 • Jan Members voted in of 28 • Jan Members voted out of 23 	<p>CONSENT ADGENDA</p>
<p>Kenneth Kuhns and Darren Born from Kenneth Kuhns & Co., presented our 2016 audit report of our consolidated financial statements of West Oregon Electric Co-op, West Oregon Services, and Columbia Broadband, Inc.:</p> <ul style="list-style-type: none"> • 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, 2016 and 2015, 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. 	<p>2016 AUDIT</p>

<p>Board only Executive Session with the Auditors 7:30 pm</p>	<p>BOARD/AUDITORS EXECUTIVE SESSION</p>
<p>Regular Session Reconvened 8:07 pm</p>	<p>REGULAR SESSION RECONVENED</p>
<p>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.</p> <p>Upon motion by Rosemary Lohrke and seconded by Jim Buxton it was voted on and approved to accept the audit report as presented.</p>	<p>AUDIT ACCEPTED</p>
<p>Dan Huggett, Manager of Finance and Administration reported:</p> <ul style="list-style-type: none"> • Current Month Revenues are above budget by \$21K, and above last year by \$120K. • YTD Tier is -1.36 (target of 1.25 minimum) and Operating Tier is -1.44 (target of 1.10 minimum). This is due to the January and February storms. • FEMA money for the Timber-Elsie construction should be received soon. • No Write offs in February due to the short month. • Borrowed \$300K on the CoBank Line of Credit to pay for bills associated from the storms and also a \$160K CFC Loan payment due. • With the Audit now done, the last several Annual reports, including the Form 7 to RUS can now be completed. The Form 990 is being prepared for filing in April. • 2016 Patronage Capital Allocation notices will be mailed with May's billing and a separate mailing will be sent to inactive accounts. We will also present Estate Retirements catch-up and updates for board review and consent. • General Insurance (Property, Vehicle, DOM, Umbrella) has arrived. The Earthquake policy is separate (Not Federated) and has not been received yet. Workers Comp Insurance premium for 2017 (subject to audit) is \$56K compared to \$59K in 2016. These are scheduled to be paid April 7th, 2017. 	<p>FINANCIAL REPORT</p>

<p>Upon motion by Nick Galaday and seconded by Rosemary Lohrke, Resolution 17-01, Submissions to RUS, was accepted as presented. Motion passed unanimously.</p>	<p>RESOLUTION 17-01 SUBMISSIONS TO RUS</p>
<p>Don Rose, Engineering and Operations Manager report:</p> <ul style="list-style-type: none"> • The final cost of the storms we had in January and February are \$359,783.93 for January and \$504,113.58 for February. We are still working on getting the January storm declared as a FEMA event. The February storm does not meet qualifications. • WOEC participated in the Scappoose Career Expo at the High School on March 28th. Andy Larson ran the Hazard board and said many students were interested in this line of work. • We will be hiring to replace a lineman position. 	<p>OPERATIONS REPORT</p>
<p>The safety meeting & safety committee meeting were held on February 2, 2017. The minutes were reviewed and accepted by the Chair.</p>	<p>SAFETY MEETING MINUTES</p>
<p>Upon motion by Jim Buxton and seconded by Brett Costley, Policy #302, <i>Safety And Loss Control Activities</i> & Policy #402, <i>General Funds</i>, was accepted as revised. Motion passed unanimously.</p>	<p>POLICY REVIEW</p>
<p>A discussion took place on blended rates.</p>	<p>PNGC</p>
<p>A discussion on rescheduling April's Board meeting due to the Board President, Robert VanNatta and General Manager, Bob Perry both being absent took place. A Consensus was to continue having the meeting on the regular date.</p>	<p>APRIL BOARD MEETING</p>
<p>General Manager, Bob Perry introduced our Power Up Program, which allows our members to round up their bill to the nearest dollar. All funds will be sent to Oregon Energy Fund to help our members who need assistance with paying their bills. A bill stuffer explaining the program will be going out in April's billing.</p>	<p>POWER UP PROGRAM</p>
<p>Management proposed having Donning Publishers Company publish a WOEC history book for WOEC's 75th Anniversary. Examples of</p>	<p>75TH ANNIVERSARY WOEC BOOK</p>

these books for other Cooperatives were provided for viewing. This topic will be followed up on at May's Board meeting.	
Upon discussion, it was decided to hold a Strategic Planning Session on June 7 th at Camp 18, beginning at 8:00 am.	STRATEGIC PLANNING DATE
Regular Session Adjourned 9:50 pm	REGULAR SESSION ADJOURNED
Executive Session 9:50 pm	EXECUTIVE SESSION
The meeting adjourned at 10:05 p.m.	ADJOURNMENT

Approved by:

President: _____

Secretary: _____