

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
WEST OREGON ELECTRIC COOPERATIVE, INC.
March 27, 2018**

A regular meeting of the Directors of the West Oregon Electric Cooperative, Inc. was held March 27, 2018 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:

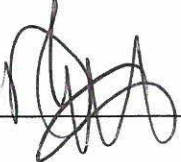
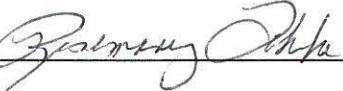
Bob Perry	General Manager	Present
Daniel Huggett	Manager of Finance & Admin	Present
Don Rose	Engineering & Operations Manager	Present
Angela England	Executive Assistant	Present

Others present: Linda Perry, Martha VanNatta, Darren Born, Kenneth Kuhns, Leo Maslanke, Zach King, Jennifer Johnston, Nancy Phillips, Jack Phillips

<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>Jennifer Johnston spoke of her concerns of high rates. The board and management answered her questions.</p>	<p>MEMBER PARTICIPATION</p>
<p>President VanNatta called the Meeting to order at 7:38 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 2018 in the amount of; \$1,110,327.34 • August Members voted in of 23 • August Members voted out of 12 	<p>CONSENT ADGENDA</p>
<p>Kenneth Kuhns and Darren Born from Kenneth Kuhns & Co., presented our 2017 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, 2017 and 2016, 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>2017 AUDIT</p>

<p>Dan Huggett, Manager of Finance and Administration reported:</p> <ul style="list-style-type: none"> • Current Month Revenues are below budget by \$91K, and below last year by \$10K. • YTD Tier is 2.80 (target of 1.25 minimum) and Operating Tier is 2.75 (target of 1.10 minimum). • FEMA payment of \$270,187.38 was received on February 12, 2018. • The Advance Request for loan funds on the AF8 loan was modified to \$800,000 as one of the submitted work orders was not included in the Construction Work Plan. • Donations of \$5,450 have been made this year, with \$5,000 going to Oregon Energy Fund, \$200 to Columbia Pacific Food Bank and \$250 to Vernonia T-Ball. We will be making the request for the matching funds to Oregon energy Fund from CoBank in April. • We have been able to work with the members and assistance agencies to collect all outstanding monies. We had no Disconnects due to Non-Payment in both January and February. • We are setting up to make the Patronage Capital allocation and to include this as an on-bill notice to active members in April. We will notify inactive members with a letter notice at the same time. 	<p>FINANCIAL REPORT</p>
<p>The Audit report was given at the beginning of the meeting by Kenneth Kuhns and Darren Born from Kenneth Kuhns & Company. Upon motion by Jim Buxton and seconded by Rosemary Lohrke, it was voted on and approved to accept the audit report as presented.</p>	<p>AUDIT ACCEPTED</p>
<p>Upon motion by Nick Galaday and seconded by Larry Heesacker, the allocation of \$490,818 was approved. Motion passed unanimously.</p>	<p>PATRONAGE CAPITAL ALLOCATION</p>
<p>Write off list for the month ending in February was presented. Upon motion by Brett Costley and seconded by Rosemary Lohrke, the write off list of \$1,175.60 was approved. Motion passed unanimously.</p>	<p>WRITE OFFS</p>
<p>Don Rose, Engineering and Operations Manager report:</p> <ul style="list-style-type: none"> • Potelco finished the Green Mountain-Pihl Rd project on March 15, 2018. 	<p>OPERATIONS REPORT</p>

<ul style="list-style-type: none"> • Andy Larson is giving a Hazard presentation to the Vernonia Fire Department on March 26, 2018. He will explain the hazards of downed power lines and the necessity of maintaining clearance from overhead lines. • On March 22, 2018 we had a major outage at the Timber Substation. One of the Lightning arresters in the substation failed creating a large fault current causing one of the High side fuses to blow in the sub. The crew had the repairs made in short time. • Work is being done to reroute the three phase and the Alder St feed at the East sub site. When this is done we will be able to remove all structures and wire from the East sub. 	
<p>The safety meeting & safety committee meeting were held on February 23, 2018. The minutes were reviewed and accepted by the Chair.</p>	<p>SAFETY MEETING</p>
<p>Upon motion by Jim Buxton and seconded by Larry Heesacker, Policy #307, <i>Vehicle Use And Replacement</i>, was accepted as presented. Upon motion by Brett Costley and seconded by Larry Heesacker, Policy #308, <i>Vegetation Management</i>, was accepted as revised. Upon motion by Rosemary Lohrke and seconded by Nick Galaday, Policy #407, <i>Check Signing Authorization</i>, was accepted as presented. Motion passed unanimously.</p>	<p>POLICY REVIEW</p>
<p>Upon motion by Nick Galaday and seconded by Rosemary Lohrke, General Manager, Bob Perry, as the NWPPA Voting Delegate and Larry Heesacker as the Alternate. Motion passed unanimously.</p>	<p>2018 NWPPA VOTING DELEGATE</p>
<p>The Regular Meeting adjourned at 8:50 p.m.</p>	<p>REGULAR SESSION ADJOURNMENT</p>
<p>Executive Session called to order at 8:52 p.m.</p>	<p>EXECUTIVE SESSION</p>
<p>Executive Session adjourned at 9:20 p.m.</p>	<p>ADJOURNMENT</p>

Approved by: 
 President: _____
 Secretary: 
 Secretary: _____