

MINUTES OF THE REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF WEST OREGON ELECTRIC COOPERATIVE  
MARCH 26<sup>TH</sup>, 2019

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A regular meeting of the Board of Directors of West Oregon Electric Cooperative was held March 26<sup>th</sup>, 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	Present
Nicholas Galaday	Director, District 5	Present
Robert VanNatta	Director, District 2	Present
Larry Heesacker	Director, District 7	Present

Staff attendance:

Bob Perry	General Manager	Present
Daniel Huggett	Chief Financial Officer	Present
Don Rose	Engineering & Operations Manager	Present
Billi Kohler	Office Manager / Executive Assistant	Present

Others present: Dave Stocker (District 2), Mary Stocker (District 2), Linda Perry (District 3), Terry Goodrich (New Construction Contractor), Kenneth Kuhns (Kenneth Kuhns & Co), Darren Born (Kenneth Kuhns & Co)

<p>President Brett Costley opened the meeting with a Flag Salute and determined a quorum was present.</p>	<p><b>OPENING CEREMONY</b></p>
<p>President Costley called the meeting to order at 7:00PM.</p>	<p><b>CALL TO ORDER</b></p>
<p>Kenneth Kuhns and Darren Born from Kenneth Kuhns &amp; Co. attended the meeting to present the 2019 Audit Report. The audit consisted of reviewing WOEC financial records and comparing revenues/expenses to prior years. Kenneth Kuhns and Darren Born found WOEC records to be in accordance with generally accepted auditing requirements.</p> <p>“In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of West Oregon Electric Cooperative, Inc. as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America”. [West Oregon Electric Audit Report, 2018, Kenneth Kuhns &amp; Co.]</p>	<p><b>AUDIT REPORT</b></p>
<p>Member Mary Stocker prepared a handout with a list of concerns and read aloud to the Board of Directors. Mary does not agree with the article that was published in the March 2019 Ruralite on the WOEC Board of Directors. WOEC Board of Directors earn per diem along with mileage reimbursement for meetings attended.</p> <p>Mary Stocker was asked to join the WOEC 2019 Election and Credentials Committee. She is concerned that WOEC staff will not share logistic information on electronic voting processes with her until or unless she joins the committee. The purpose of the Election &amp; Credentials Committee is to work together in finalizing the electronic voting process. WOEC cannot share information until the committee makes a final decision. Mary is still concerned that some members in 2018 did not receive a ballot. This issue has been addressed in previous discussion.</p> <p>Member Mary Stocker expressed concern that Director Robert VanNatta is in violation of WOEC bylaws being a representative of a public entity (LSN). LSN is not a public entity, Director is not in violation of WOEC bylaws. Robert VanNatta announced to the membership that as of the LSN Annual Meeting in April 2019 he</p>	<p><b>MEMBER PARTICIPATION</b></p>

will no longer be on the board of LSN. Robert VanNatta will be up for re-election at the WOEC Annual Meeting in August 2019.

Member Mary Stocker is curious to know how many computers were purchased with the approved \$25k budgeted amount. The WEOC budget committee approved the 2019 budget and WOEC staff remained within the budgeted amount when purchasing new computers. The number of computers purchased is not relevant if budget requirements were met. Mary Stocker wants to know why new computers were necessary and why WOEC did not download current software on the old computers. The new software on old computers would not be as efficient.

Member Mary Stocker announced that high rates are forcing elderly out of their homes and scaring away potential buyers from the area. Mary and Dave Stocker are dedicating their time to advocate for other members and thanks the Board of Directors for listening.

Member Dave Stocker discussed the potential tax increase and how this will affect WOEC members. Dave Stocker is disappointed with the cost of being a WOEC member. Meetings are open to the membership and are held on the fourth Tuesday of each month at 7PM. Dave Stocker is concerned that not all members have time to attend meetings and express their concerns. Dave Stocker would like the Board of Directors to take his concerns seriously.

Local contractor Terry Goodrich attended the meeting to inform the Board of Directors of his experience with the WOEC operations department. When contacting WOEC for updates on projects he feels staff is not willing to work with him. He has been a contractor in the area for years and this has been an ongoing issue with his business. Board of Directors will investigate his concerns. WOEC is a small organization compared to others with limited crews which can affect scheduling regarding new construction projects. WOEC does not have a crew designated to new construction.

Director Jim Buxton requested a change to the February meeting minutes, Board of Directors agreed to the change, the Consent Agenda was approved unanimously.

**CONSENT AGENDA**

<p>General Manager Bob Perry and Director Robert VanNatta attended the ORECA Legislative conference and met with Senator Betsy Johnson, and Representative Tiffany Mitchell to discuss the H2020 carbon tax bill. The Board of Directors discussed Cap &amp; Trade.</p> <p>General Manager Bob Perry updated the Board of Directors on the happenings at PNGC.</p> <p>General Manager updated the Board of Directors on the BPA maintenance that resulted in several estimated bills, WOEC is in contact with BPA regarding the issue.</p>	<p><b>GENERAL MANAGER'S REPORT</b></p>
<p>CFO Daniel Huggett reported that current month revenues are below budget by \$106K (8.3%) and above last year by \$59K. Cost of Power is \$280K this month. YTD Tier is 2.78 (target of 1.25 minimum) and operating Tier is 2.75 (target of 1.10 minimum). Patronage Capital Retirement Fund amount is \$17,200 with report included. Additionally, Dan discussed the Audit Report presentation.</p> <p>Director Robert VanNatta moved to approve the 2019 Audit Report, upon second by Director Nick Galaday the 2019 Audit Report was approved with unanimous consent.</p>	<p><b>FINANCIAL REPORT</b></p>
<p>Write off list for the month of February was presented. Upon motion by Director Jim Buxton and second by Director Robert VanNatta. The write off list of \$681.69 was approved with unanimous consent.</p>	<p><b>WRITE OFFS</b></p>
<p>Operations Manager Don Rose reported; The Construction work plan is temporarily stalled due to a State Historical Preservation Office review of the area along with an Archeological review.</p> <p>Operations Manager Don Rose reported; WOEC was not affected by the large snow storm at the end of February. For the first time in WOEC history we were able to send a crew to provide mutual aid in restoring lost power to neighboring utilities. Their time was spent helping Consumers Power and Emerald PUD.</p>	<p><b>OPERATIONS REPORT</b></p>

<p>Operations Manager Don Rose reported; WOEC has hit a record low for storm related power outages. The large storm on February 25<sup>th</sup> did not cause any power outages in WOEC territory.</p>	
<p>The March Safety Meeting will be held on March 28<sup>th</sup>, 2019. The February Safety Meeting was cancelled.</p>	<b>SAFETY MEETING</b>
<p>Policy # 302 Following request to change grammatical errors in the policy, Director Rosemary Lohrke moved to accept the change, upon second by Director Robert VanNatta the motion passed with unanimous consent.</p> <p>Policy #402 Director Nick Galaday proposed to expand item 2A by adding #5 to read “All such expenditures shall be recorded and presented to the Board of Directors for review.” Director Nick Galaday moved to approve policy #402 as revised, Director Rosemary Lohrke seconded. Motion passed with 5 ayes (President Brett Costley, Director Brian Baker, Director Larry Heesacker, Director Rosemary Lohrke, and Director Nick Galaday) and 2 nays (Director Jim Buxton, and Director Robert VanNatta).</p> <p>Complaint Policy Discussion Board of Directors was presented with a Complaint Policy example from another utility. Following discussion Board of Directors agreed to continue to review example and discuss again at the April board meeting.</p>	<b>POLICY REVIEW</b>
<p>Director Nick Galaday presented a list of “WOEC Ideas – Operating improvements for cutting costs / increasing revenue / improving service” at the January 2018 board meeting. Board of Directors discussed items #3, #4, &amp; #6.</p> <p>#3 Extract ourselves from any responsibility over select remote “Metering Point” service areas such as: Apiary, Pihl Rd., Necanicum, Olney, Flying M, etc. Perform CBA for each case. This should reduce costs more than revenues. Following discussion Board of Directors agrees to make no change.</p>	<b>GENERAL</b>

<p>#4 Reduce number of employees, through attrition if able, to meet goal of one employee per 250 members. Discussion of reducing staff by 9 employees appears that doing so would prevent operations from functioning efficiently. Board agrees to make no change.</p> <p>#6 Encourage and promote the use of electricity as transportation fuel through low-cost / no cost incentives, promotions and education programs. The widespread and rapid adoption of electric vehicles by our members would improve our load profile considerably, enabling us to make better use of our existing infrastructure. We've yet to consider the factors involved and have not taken the time to gather facts to educate ourselves on this important subject. This effort would increase our revenues with relative minimal impact on our costs. It would also enable our members to learn how they can cut their transportation fuel costs in half. Following discussion, Board of Directors agrees to table the topic and discuss again at a future meeting.</p> <p>Election and Credentials Committee discussion. Committee has not yet been appointed. Appointment will take place at the April board meeting.</p> <p>Roadmap Conference Discussion. Director Nick Galaday proposed to send entire Board of Directors or one director to the Roadmap Conference focusing on Electric Vehicle education. Following discussion Director Nick Galaday offered a motion, with no second the motion did not make it to a vote.</p>	
<p>Executive session opened at 9:12PM Executive session closed at 9:48PM</p>	<p><b>EXECUTIVE SESSION</b></p>
<p>President Brett Costley called meeting adjourned at 10:43PM</p>	<p><b>ADJOURN</b></p>

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Brett Costley  
President

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Rosemary Lohrke  
Secretary