

MINUTES OF THE REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF WEST OREGON ELECTRIC COOPERATIVE

May 28, 2019

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A regular meeting of the Board of Directors of West Oregon Electric Cooperative was held  
May 28, 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	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:

Linda Perry (District 3), Martha VanNatta (District 2),

George Dallas (District 7), Glenn Begis (District 7), Erika Paleck (District 5)

<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 Brett Costley called the meeting to order at 7:00PM.</p>	<p><b>CALL TO ORDER</b></p>
<p>Member Glenn Begis was present to express concern regarding not receiving information requested from the cooperative. He submitted a written request form and does not feel he was provided with the information he requested. Mr. Begis is requesting that the Board of Directors hear his concerns. Mr. Begis shared ideas with the Board of Directors that he believes would help to improve transparency.</p> <p>Discussion of communication methods to the membership at large took place. The Ruralite magazine that is published monthly is a cost effective and efficient way to communicate to the membership. Member Glen Begis is interested in gaining access to member contact information to communicate with other members directly. Following consultation with legal counsel it has been determined that West Oregon Electric may not share member contact information; If the co-op is provided with postage and material, staff could mail information on his behalf.</p>	<p><b>MEMBER PARTICIPATION</b></p>
<p>President Brett Costley requested to add discussion of the Strategic Planning Meeting date to the agenda, no opposed. The Consent Agenda was approved unanimously.</p>	<p><b>CONSENT AGENDA</b></p>
<p>General Manager Bob Perry had nothing additional to report outside of his written report presented to the Board of Directors.</p>	<p><b>GENERAL MANAGER'S REPORT</b></p>
<p>The 2019 Sam Hearing Scholarship was awarded in the form of two \$1000.00 scholarships. These were presented to two deserving High School seniors who reside in the West Oregon Electric Cooperative service territory. The recipients are Tyler Wolf of Vernonia High School and Alyssa Goin of Seaside High School.</p> <p>The decision is made by the West Oregon Electric Scholarship committee - Heidi Matheney (District 4), Rachael Organ (District 5), and Kellie Murray (District 4).</p>	<p><b>2019 SAM HEARING SCHOLARSHIP</b></p>

<p>Chief Financial Officer Daniel Huggett reported that current month revenues are below budget by \$111K (10.5%) and below last year by \$9K. Cost of Power is \$233K this month. YTD Tier is 2.01 (target of 1.25 minimum) and operating Tier is 1.93 (target of 1.10 minimum). Write-offs for the month is \$1,569.87. Patronage Capital Retirement Fund contribution for the month is \$13,300 and is scheduled to be paid 24 May.</p> <p>Additionally, Daniel Huggett reported that scholarship awards will appear in the June board report.</p> <p>Nomination meeting notices will go out in the mail on Friday May 31<sup>st</sup>, 2019. The notices will go out to members who reside in the districts that will appear on the 2019 annual meeting ballot. 2019 will be District #2 and District #5.</p> <p>Discussion of Capital Credit progress took place. Board of Directors and Management are pleased to see a plan in place.</p> <p>Discussion of Patronage Capital Credit Retirement Funding took place. The fund is accumulating to cover all costs associated with retiring capital credits. Additional cost items may be printing checks, and postage. The process will be as efficient and cost effective as possible.</p>	<p><b>FINANCIAL REPORT</b></p>
<p>Write off list for the month of April was presented. Upon motion by Director Robert VanNatta and second by Director Jim Buxton, the write off report of \$1,569.87 was approved with unanimous consent.</p>	<p><b>WRITE OFFS</b></p>
<p>Operations Manager Don Rose reported; The Construction work plan is still 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; West Oregon Electric Cooperative has traded a groundman employee to Canby Utilities to help their groundman complete his apprenticeship program.</p> <p>Operations Manager Don Rose reported; West Oregon Electric crews have developed a portable water trailer for added security in the field as we approach fire season. The trailer will also be used to substation maintenance.</p>	<p><b>OPERATIONS REPORT</b></p>
<p>The April 2019 safety meeting was cancelled.</p>	<p><b>SAFETY MEETING</b></p>

<p>Policy # 502</p> <p>The capital credits policy #502 will be changed contingent on membership approval of the following bylaw revision.</p> <p>Director Robert VanNatta moved to approve submission of the following bylaw revision to the membership; section 2 of Article VII would be revised to include <i>“The Cooperative may recoup or offset any amount owed to the Cooperative by the patron or the former patron by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed. This is not applicable to active accounts with current balances.”</i></p> <p>Seconded by Director Larry Heesacker, the motion passed with unanimous consent.</p> <p>Board of Directors agree to leave policy #502 as is until a bylaw revision has been decided by the membership. The revision will be on the 2019 Annual Meeting ballot. Board of Directors will review policy #502 at the September 2019 board meeting.</p> <p>Policy # 403</p> <p>No discussion. Director Jim Buxton moves to approve as is, second by Director Robert VanNatta, motion passed with unanimous consent.</p> <p>Policy # 503</p> <p>No discussion. Director Jim Buxton moves to approve as is, second by Director Robert VanNatta, motion passed with unanimous consent.</p>	<p><b>POLICY REVIEW</b></p>
<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 #6.</p> <p><i>#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 and minimal impact on our costs. It would also enable our Members to learn how they can cut their transportation fuel costs in half.</i></p> <p>Discussion of the benefit of electric vehicles in the West Oregon Electric Cooperative service territory took place. Electric vehicle growth, particularly an electric school bus could be beneficial. Board of Directors</p>	<p><b>GENERAL</b></p>

<p>agree this would be too risky of an investment for West Oregon Electric but are not opposed to looking into grants that could fund the program.</p>	
<p>Board of Directors agree to reschedule the 2019 Strategic Planning Meeting for after the 2019 Annual Meeting. There is potential of a change in Directors and new faces should be present to participate.</p>	<p><b>STRATEGIC PLANNING MEETING</b></p>
<p>Board of Directors were presented with the Notice of NRECA director election / WOEC Voter Delegation form naming General Manager Bob Perry as the primary voting delegate and Director Robert VanNatta as the alternate voting delegate. Director Jim Buxton moved to approve, second by Director Rosemary Lohrke, motion passed with unanimous consent.</p>	<p><b>NRECA VOTER DELEGATION</b></p>
<p>The 2019 Election &amp; Credentials committee is scheduled to meet on Friday May 31, 2019.</p>	<p><b>ELECTION &amp; CREDENTIALS COMMITTEE</b></p>
<p>District #5 Nominating Meeting will be held at 7:00 p.m. on Wednesday June 19, 2019 at the WOEC headquarters. District # 2 Nominating Meeting will be held at 7:00 p.m. on Thursday June 20, 2019 at the Mist-Birkenfeld RFPD Main Station. Notices for these meeting will be mailed out to district members on May 31, 2019. Nominees must reside in the district they wish to represent.</p>	<p><b>2019 NOMINATING MEETINGS</b></p>
<p>President Brett Costley and General Manager Bob Perry have been invited to attend the 2019 Roadmap Conference in June 2019.</p> <p>Discussion of increased underground wiring took place. Operations Manager Don Rose informed the Board of Directors that underground work is happening every month. Considering the cost of underground wiring West Oregon Electric must prioritize and complete underground wiring in areas that will benefit from it the most.</p>	<p><b>BOARD OF DIRECTORS OPEN DISCUSSION</b></p>
<p>Executive session opened at 8:43 p.m. Executive session closed at 10:10 p.m.</p>	<p><b>EXECUTIVE SESSION</b></p>
<p>Following discussion on continuation of the annual ACRE sponsorship, Director Robert VanNatta moves to approve the \$2500.00 donation, second by Director Rosemary Lohrke. Director Jim Buxton aye, Director Larry Heesacker aye, Director Robert VanNatta aye, Director Rosemary Lohrke aye, Director Nick Galaday nay, the motion passed.</p>	<p><b>ACRE DONATION</b></p>

President Brett Costley called meeting adjourned at 10:11 p.m.

**ADJOURN**

X

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Brett Costley  
President

X

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Rosemary Lohrke  
Secretary