

**MINUTES OF THE BOARD OF DIRECTOR'S MEETING**  
**WASHINGTON-ST. TAMMANY ELECTRIC COOPERATIVE, INC.**  
**TUESDAY, MAY 13, 2014 AT 4:30 P.M.**

The Board of Directors of Washington St. Tammany Electric Cooperative, Inc., held a properly noticed board meeting on Tuesday, May 13, 2014 at 4:30 p.m. at the Franklinton, WST office. The directors noted below were present. The invocation was given by Carey Bateman. The Pledge of Allegiance was led by Chick Boyd. Absent was Mr. Singletary who is out with illness as well as Rev. Leon Hickman and Billy Wayne Rester.

Present:

Charles Graves

Chick Boyd

Francis Cefalu

Dennis Glass

Carey Bateman

Lawrence Cotton Jourdan

Also present:

Walt Sylvest – finance Manager

Charles M. Hughes, Jr. - Attorney

Minutes to the regular board meeting of April 8, 2014 were presented and read. Motion was made by Mr. Jourdan, seconded by Bateman to approve the minutes as submitted. Motion passed unanimously.

Mr. Chick Boyd made a motion to go into executive session to discuss personnel benefits. Motion was seconded by Mr. Bateman, and motion passed unanimously. Executive session was held. Motion was made by Mr. Bateman, seconded by Mr. Jourdan to come out of executive session. Motion passed unanimously and the regular meeting resumed.

Manager Charles Hill gave the managers report to the board. Mr. Hill presented the finance and administration report including a review of purchased power and sales information. Sales for the year are over projections based on extraordinary sales in January and February due to cold weather. As a result, margins have grown and the cooperative has stayed well within budget. The board also reviewed the RUS Form 7 financial and operating report including the cooperative's statement of operations, data on transmission and distribution plant and balance sheet. Total services in place stand at 54,517. Total utility plant stands at over 214 million dollars. Mr. Hill discussed the MISO transmission expenses with the board and described the effect on the cooperative's finances. Mr. Hill also reviewed the RUS Form 7 Part R which showed peak purchase KW demand at 237.3 MW. The board also reviewed the statement of cash flow and the 2014 capital budget. Year to date ratios were reviewed which showed debt service at 1.66, TIER at 2.56 and equity at over 37 million dollars and 19.4% of total assets. This figure continues to rise due to good financial management and planning by the cooperative.

Mr. Hill circulated IRS forms 990 regarding public information for directors. Each director present executed a form and returned to Mr. Hill.

Mr. Hill also presented information on WST key indicators including 12 month write offs. After discussion, motion was made by Mr. Boyd, seconded by Mr. Jourdan to approve the transfer of accounts receivable to accounts uncollectible in the amount of \$5,844.67. Motion passed unanimously. It was again noted that this is an excellent figure for the coop the size of WST, well within the top percentiles nationally and statewide. Mr. Hill also discussed the WST debt schedule and a review was made of the check register for the month of March, reflecting all checks for goods and services received by the cooperative. Board also reviewed statements for professional services rendered.

Mr. Hill also presented the engineering report. A total of 151 jobs were staked for the month of April. Reviewed was made concerning the location of engineering crews including Hwy 25 South, Clifton to Richardson and Crown Country-Abita. Aid to construction totaled over \$36,000.00 and the board reviewed several of the large contributors to this figure. Total system peak was 239.349 MW and the board reviewed system peak by delivery point including Barker's Corner, Pinecliff, Mandeville, Talisheek, Holton, French Branch, and Angie.

Mr. Hill also presented the operations report including a review of all construction work done by WST crews and contractor crews, for both underground and overhead projects. Review was made concerning right of way work done by contractors, with Mr. Hill noting that as the weather improves more aggressive right of way maintenance will commence. The board also reviewed information for vehicle maintenance, vehicle mileage and overtime hours. Mr. Hill also gave a detailed report concerning MISO transmission and its effect and the billings received by the cooperative for MISO. Billings at the beginning of the year were higher, but are now leveling off. Billings have resulted in some increases in costs to the coop, but all of these are within projections based on planning that was set forth before implementation of MISO.

Mr. Hill presented the marketing report including a review of the status on developments for projects in the coop area. Mr. Hill noted that Mr. Johnny Bruhl, who has recently going through bilateral knee surgery and the board expressed best wishes for Mr. Bruhl's rapid recovery. Mr. Hill also presented the safety report, noting that safety meetings were held in both the northern and southern districts. The main topic of the month was pole top rescue and all operational employees attended the training. Line feed changes, two way feed changes, strapped over reclosers, and similar matters were also discussed. After discussion, motion was made by Mr. Bateman, seconded by Mr. Boyd to approve the safety report. Motion passed unanimously.

Mr. Hill noted that the legislative appreciation cook-out is scheduled for Tuesday, May 20 at 5:30 at the Pentagon Apartment Complex next to the State Capital. The ALEC meeting will be held on Wednesday, May 21. All board members were encouraged to attend if possible. Mr. Hill also made a presentation concerning the "Sharing Success" program of Co-Bank, which involves a matching grant for deserving charities. Discussion was held and a \$1,000.00 donation, to be matched by Co-Bank, was approved for the local 4H clubs.

The legal report was presented by attorney Chuck Hughes, with discussion centering on recently discovered theft of utilities and a dispute with a pole attachment contractor. Mr.

Hughes indicated that he is working with management to pursue legal remedies on these issues.

President Francis Cefalu distributed 2014 committee assignments to the board members. The committees for the cooperative consist of the executive committee, personnel committee, bid committee, ALEC board, budget committee, trust/savings committee, policy and procedures committee and director issues committee. Each director is appointed to multiple committees for the purposes set forth in the board's policy.

There being no further business to be brought before the board motion was made by Mr. Boyd, seconded by Mr. Jourdan to adjourn. Motion passed unanimously and the meeting stood adjourned.

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Francis Cefalu, President

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Billy Wayne Rester, Secretary