

MINUTES OF THE BOARD OF DIRECTOR'S MEETING WASHINGTON-ST.
TAMMANY ELECTRIC COOPERATIVE, INC.
TUESDAY, JULY 8, 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, July 8, 2014 at 4:30 p.m. at the Franklinton, WST office. The directors noted below were present. The invocation was given by Rev. Leon Hickman including prayer for Mr. Singletary. The Pledge of Allegiance was led by Chick Boyd. Special prayers were given for Mr. Singletary. Absent was Mr. Singletary who is out with illness.

Present:

Charles Graves
Chick Boyd
Francis Cefalu
Dennis Glass
Carey Bateman
Lawrence Cotton Jourdan
Rev. Leon Hickman
Billy Wayne Rester

Also present:

Walt Sylvest – Finance Manager
Charles M. Hughes, Jr. - Attorney

Minutes to the regular board meeting of June 10, 2014 were presented and read. Motion was made by Mr. Jourdan, seconded by Bateman to approve the minutes as submitted. Motion passed unanimously.

Manager Charles Hill presented the managers report. Mr. Hill circulated emails and other correspondence received from coop members regarding compliments on service of WST employees as well as “Thank You” cards from recipients of the recent student trips to Washington D.C. Mr. Hill also gave a report concerning the regional meeting in Little Rock, AK, and asked for all board members planning to attend to please notify Ms. Goss as soon as possible to make arrangements. Mr. Charles Graves, newly appointed director, will attend the regional meeting and start his mandatory NRECA certification training.

Discussion was held concerning a bid for air-conditioning service for the WST main frame computer room. Discussion on costs and the immediate need for this service was discussed. After discussion, motion was made by Mr. Rester, seconded by Mr. Boyd to approve the proposal from Brock Refrigeration subject to application of all policies and procedures of the board. Motion passed unanimously.

Manager Hill noted that Mr. E.C. Parker, long-time coop man and former manager of Magnolia Coop, recently passed away. Mr. Hill noted that Mr. Parker served as a mentor to him through the years and was admired and respected throughout this region and the coop world. Mr. Hill asked for best wishes and prayers from all present for Mr. Parker’s family.

Mr. Hill gave a presentation to the cooperative including the financial and administration report. Information concerning purchase power and sales was discussed including monthly and year sales as well as monthly and year revenue. Sales remain strong and are

still above budget for the year. Discussion was held concerning MISO charges from LA Gen and the calculation of same and the need to get additional predictability for these charges. The board reviewed the RUS Form 7 report including statement of operations, data on transmission and distribution plant and the cooperative's monthly balance sheet. Total assets for the coop stand at over \$215 Million dollars and information is well within budgeted and anticipated projections. The board also reviewed the RUS Form 7 Part R showed peak purchased KW demand at 189,066 KW. Total number of consumers for the cooperative stands at 50,618. Board reviewed the statement of cash flows as well as the 2014 capital budget. Year to date ratios were reviewed which showed 9.8 consumers per mile, debt service coverage ratio at 1.36 and times interest earned ration (TIER) at 1.92, both well within acceptable levels. Equity stands at over \$37 million dollars or 19.3% total assets. Costs per KWH purchased stands at 4.5 cents and outstanding figure regionally and nationally. Key indicators were reviewed by the board and discussion was held concerning May charge off. After discussion, motion was made by Rev. Hickman, seconded by Mr. Jourdan, to transfer \$3,189.00 from accounts receivable to accounts uncollectible. Motion passed unanimously. The board also reviewed the WST debt schedule as well as the check register for the month of May, reflecting checks written for all goods and services paid for by the cooperative. The board also reviewed statements for professional services rendered.

Mr. Hill presented the engineering and operation report for the cooperative. A total of 189 jobs were staked for the month of May, a high figure showing a solid and controlled growth. Engineering report reflected \$28,524.85 in aid to construction and information MW peak for the 7 delivery points for the cooperative was discussed. Mr. Hill presented the operations report showing workers for both overhead and underground crews, for both WST and contractors, in both southern and northern districts. Figures reflected consisted growth and busy work crews throughout the coop service territory. Information concerning right of way work, vehicle maintenance, vehicle mileage, and over time hours were also discussed.

Mr. Hill presented the marketing report showing marketing activities throughout the month of June. The board also reviewed the safety report with it being noted that meetings were held in both the northern and southern districts with the main topic of the month being heat stress. All operation employees attended and line feed changes, two way feed changes, strapped over reclosers and other matters were also discussed, as they are in every monthly meeting. Mr. Hill pledged a continued emphasize on safety and for all coop employees as well as contractors. Motion was made by Mr. Bateman, seconded by Mr. Graves to approve the safety report. Motion passed unanimously.

Upcoming events were noted by Mr. Hill including the ALEC annual meeting to be held July 27-29 to be held at the Hilton Baton Rouge Capitol Center and the NRECA Region 8 meeting to be held October 21-23 in Little Rock, AK.

Attorney Chuck Hughes presented the legal report to the board including discussion of the recent dockets open at the LPSC, particularly the docket pertaining to solar energy. Discussion was held concerning these on-going matters, including WST's cessation of connection for new net metering customers in light of the new LPSC mandate that no additional net metered customers be connected because of the .5% capacity threshold.

Recent outages in the cooperative system were discussed by the board. Apparently an Entergy owned transmission line from Amite to Bogalusa went out recently causing power outages at the Holton and Pine Cliff delivery points. Discussions are underway with Entergy to insure that transmission abilities be solidified. Also, recent lightening strikes were the cause for short term outages in the various coop service areas, all of which were repaired within a short period of time.

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

Francis Cefalu, Chairman

Billy Wayne Rester, Secretary