

MINUTES OF THE BOARD OF DIRECTOR'S MEETING WASHINGTON-ST.
TAMMANY ELECTRIC COOPERATIVE, INC.
TUESDAY, AUGUST 12, 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, August 12, 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 prayers and thanks for Mr. Singletary's ongoing recovery and his presence at the board meeting. The Pledge of Allegiance was led by Chick Boyd.

Present:

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

Also present:

Walt Sylvest – Finance Manager
Charles M. Hughes, Jr. - Attorney
Charles Hill, General Manager/CEO

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

Attorney Chuck Hughes presented Mr. Brian Trainor, candidate for District Attorney for 22nd Judicial District, to the board of directors. Mr. Trainor made a brief presentation to the board concerning his candidacy for the seat for District Attorney and outlining his qualifications and abilities. Mr. Trainor thanked the board for the opportunity to make a presentation and the board thanked Mr. Trainor for his interest in the position and WST.

Rev. Hickman gave a report to the board regarding activity of the bid committee. A recent meeting was held by that committee and numerous bids for several different items were received. Items receiving multiple bids included a 60' bucket service truck, a Derrick digger truck, a lineman bucket truck, backyard digger equipment including a truck and trailer, a 24' deckman trailer, and a midsize SUV. Rev. Hickman presented the details of each of these bids to the board and discussion was held concerning same. Rev. Hickman also reported on right-of-way bids for two circuits in the Abita substation and three circuits in the Savannah Branch substation. A detailed review of each bid for each circuit was presented. After discussion, motion was made by Rev. Hickman, seconded by Mr. Jourdan to take each bid under advisement for review of technical acceptability and to accept the lowest bid for each item. Motion passed unanimously.

Manager Hill presented the managers report indicating that the annual NRECA meeting is to be held in Orlando from February 23-26. Mr. Hill requested that all directors interested in attending provide notice of same so that reservations can be timely made. Discussion was held concerning the recent amendments to the board policy concerning

per diem payment to board members. Discussion addressed the rate of compensation for committee meetings. After discussion motion was made by Mr. Jourdan, seconded by Mr. Glass to reaffirm that compensation for committee meetings, including ALEC meetings, would remain at \$200.00 per diem. Motion passed unanimously.

Motion was made by Mr. Jourdan, seconded by Rev. Hickman to go into executive session to discuss marketing and customer issues. Motion passed unanimously. Executive session was held. Motion was made by Rev. Hickman, seconded by Mr. Rester to come out of executive session. Motion passed unanimously and the regular order of business of the board resumed.

Mr. Hill gave the finance and administrative report for the coop including a summary of purchase power and sales information. Sales were slightly reduced for the month of June due to seasonably mild weather, although the cooperative remains above budget and projections for sales for the year of 2014. In addition to sales information the board also reviewed year and monthly revenue statistics as well as purchasing trends. The board also reviewed the RUS Form 7 including the statement of operations, data on transmission and distribution and the cooperative's balance sheet. Patronage capital continues to maintain increases at a good trend and above the year's budget and total operation and maintenance, expenses are below budgeted projections. The coop has nearly 5200 miles of energized line and a total utility plant of nearly \$216 million dollars. Total number of consumers stand at 50,644. Peak demand for the month of June stood at 238.084 MW, per the RUS Form 7 Part R report. The board also reviewed the statement of cash flows and the 2014 capital budget. Year to date ratios and indicators were reviewed showing 9.8 consumers per mile of line, DSC at 1.53, TIER at 2.28, equity at \$38,574,319.00, or 19.8% of total assets, and costs per KWH purchased at 4.6 cents. The WST debt schedule was reviewed showing long term debt at \$129,383,406.00. The board also reviewed the June 2014 charge offs and motion was made by Rev. Hickman, seconded by Mr. Graves to transfer accounts receivable to accounts uncollectible in the amount of \$6,929.08. Motion passed unanimously. The board reviewed the June check register reflecting expenditures of the cooperative for the month of June as well as statements for professional services rendered by the cooperative's attorneys.

The board engaged in discussion of locations for equipment storage in needs of the cooperative. The board also held discussion concerning the current status of the net-metering issues and docket before the cooperative and other dockets pending before the Public Service Commission.

The board reviewed the operations and engineering report, which reflected engineering activity in the Hwy 25 South, Stateline Hwy 62, and Allen Road areas. Staking engineers staked a total of 161 jobs in the month of June. Aid to construction stood at \$15,740.50. System peak stood at 238.084 MW. The operations crews were active in both the northern and southern districts of the cooperative installing both overhead and underground jobs. Activity of both WST and contractor crews remains steady as growth is consistent throughout the system. The board review contractor construction for July 2014 as well as reports regarding right of way work, vehicle maintenance, vehicle mileage and overtime hours.

The board reviewed the marketing and safety report of the cooperative including a review of activity conducted by the cooperative's marketing department in efforts to advance interest in the coop. Mr. Hill indicated Mr. Johnny Bruel is back working full-time. The safety report indicated that meetings were held in both the northern and southern districts of the cooperative with the main topic being trenching and shoring. All operational employees attended the training and other operational issues and safety issues including line-feed changes, two-way feed changes, strapped over reclosures, etc were also discussed. Manager Hill indicated that Chad Angelo will be attending specialized OSHA safety training in the near future. Mr. Hill led a discussion concerning specific issues on trenching and shoring. After presentation, motion was made by Mr. Bateman, seconded by Rev. Hickman to approve this safety report. Motion passed unanimously.

Mr. Hill indicated that the Region 8 meeting will be held in Little Rock October 21-23 this year. Mr. Charles Graves will be attending in order to continue his credential director training. Mr. Hill also presented notes from thankful students how attended the youth tour through the generosity of WST.

Mr. Chuck Hughes gave the legal report to the board, updating the board on current matters in litigation, including litigation against a local cable television provider which has not paid required pole attachments. Mr. Hughes indicated that progress is being made in this litigation with hopefully and eye toward early resolution.

President Cefalu led the board in a discussion concerning ACRE contributions. ACRE is the cooperative's political action committee for cooperatives on national issues. President Cefalu noted that board participation for ACRE is 100% and all board members present pledged to maintain this status.

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