

**MINUTES OF THE BOARD OF DIRECTOR'S MEETING WASHINGTON-ST.**  
**TAMMANY ELECTRIC COOPERATIVE, INC.**  
**TUESDAY, JANUARY 14, 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, January 14, 2014 at 4:30 p.m. at the Franklinton, WST office. The directors noted below were present. The invocation was given by Rev. Hickman. The Board was led in the Pledge of Allegiance by Carey Bateman.

Present:

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

Also present:

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

Minutes of the director search and selection committee of November 26, 2013 and the regular board meeting of December 10, 2013, were presented and read. Motion was made by Rev. Hickman, and seconded by Mr. Jourdan to approve the minutes as submitted. Motion passed unanimously. Mr. Dennis Glass gave a report concerning the director search committee. He indicated that four (4) candidates had been identified and submitted applications prior to the well published and publicized deadline. A meeting of the committee is scheduled for January 21, 2014 to interview these individuals and thereafter a presentation will be made to the board at the February 2014 board meeting pursuant to board and co-op policy.

Mr. Hill also presented the finance and administration report including a review of the cooperative's purchased power and sales information. Total year sales through the month of November are slightly up from previous year sales due to cooler weather in recent months. Cooperative is well in budget, despite overall lower sales due to annual mild weather, due to fiscal restraint. Mr. Hill indicated that KWH purchases for the months of September, October, November and December are up over the previous year. The board reviewed the RUS Form 7 including the statement of operations, which reflected spending on operations well within the cooperative's budget. The board also reviewed data on transmission and distribution plant and the cooperative's balance sheet and the RUS Form 7 Part R which reflected a total of 50,451 members for the cooperative. The board reviewed the statement of cash flow for the month of November and the 2013 capital budget. Year to date key ratios were reviewed

which reflected 9.8 customers per mile of line and cost per KWH purchased at 4.4 cents. Equity stands at nearly 35 million dollars and now has reached 18%. Equity has continued to rise in recent years as the cooperatives budgetary and financial plans are taking shape. Key indicators were reviewed including the WST debt schedule. November 2013 charge offs were reviewed. After discussion, motion was made by Mr. Bateman, seconded by Mr. Jourdan to approve the transfer of accounts receivable to accounts uncollectible in the amount of \$3,286.19. Motion passed unanimously. Mr. Hill reminded all present that this is an extraordinarily low number for a cooperative the size of WST. The board also reviewed the November check register reflecting payments made by the cooperative to service providers, contractors, and suppliers as well as statements for professional services.

Walt Sylvest, with budget committee member Cotton Jourdan, led a discussion concerning the 2014 budget. The budget of the committee has been distributed to board members and discussion was held concerning same. After detailed discussion, motion was made by Mr. Bateman, seconded by Mr. Glass to approve the budget as submitted by the budget committee. Motion passed unanimously.

Mr. Hill noted that a new load peak of 330 MW had been reached in the recent cold snap, which is an all time record for the cooperative. Mr. Hill noted that the co-op had virtually no trouble handling this extra load and discussion was held concerning issues and problems of power outages and reconnection of lines during outages particularly in extreme weather. Mr. Hill gave the board a refresher explanation in the engineering aspects of this technical field.

Mr. Hill led the board in a review of the engineering and operations report. As noted a record peak for the cooperative was set last month and a total system peak of 255.618 was the highest in the last two years. Total staked jobs stood at 112 for the month of December. Aid in construction totaled \$11,842.76. Data concerning the contractor construction report for December was reviewed as well as information concerning right of way contractor progress. Work is underway in the Stoney Point, Savannah Branch, Enon, Clifton, Hackley, Stateline, Pearl Acres, Slidell, Mandeville, Bolivar and Isabel areas. Mr. Hill presented information concerning vehicle maintenance, vehicle mileage and overtime hours.

Mr. Hill also presented the marketing and safety report, noting marketing efforts in recent months. Mr. Hill did a comparison of Cleco bills provided to him on what the costs to the parish would have been had WST been the service provider. Mr. Hill indicated that, based on a review of 2 parish buildings for the months of January, July and September of last year, the parish has paid 46% more than it would have had WST been the provider. Safety meetings were held in both the northern and southern districts. Main topic for the month was blood borne pathogens with all operation employees attending training. Operational

issues were also discussed including line feed changes, two way feed changes, strapped over reclosers, etc. After discussion, motion was made by Mr. Bateman, seconded by Mr. Boyd to adopt the safety report as submitted. Motion passed unanimously.

Mr. Hill indicated that the NRECA annual meeting is scheduled for March 2-5, 2014 in Nashville, TN and any director wishing to attend should give Ms. Sherri Goss notice as soon as possible. It was noted that Mr. Hill had already been nominated as the voting delegate for the NRECA annual meeting and there was a need for a delegate for the CFC meeting. After discussion, motion was made by Mr. Boyd, seconded by Rev. Hickman to appoint Mr. Hill as the WST voting delegate for the CFC meeting. Motion passed unanimously.

Mr. Hill updated the board on a recent meeting held with himself and Mr. Hughes with public service commissioner Eric Skrmetta regarding disconnects during extreme weather. Mr. Hill indicated that this was a positive meeting and that the co-op is aware of the disconnect policy in place at the public service commission as is Commissioner Skrmetta. The co-op will strive to continue to ensure that all disconnects due to non-payment are done pursuant to proper standards.

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