

Washington Electric Cooperative, Inc.

Board of Trustees Minutes

August 24, 2017

The Board of Trustees of Washington Electric Cooperative, Inc., met in regular session on Thursday, August 24, 2017. Chairman Paul Fleeman called the meeting to order at 9:00 a.m., in the Cooperative's meeting room at 440 Highland Ridge Rd., Marietta, Ohio. Trustees answering the roll call were Paul Fleeman, William Bowersock, Gale DePuy, Betty Martin, Shawn Ray and Larry Ullman. General Manager/CEO Jack Bragg, Jr., Jennifer Greene, Allen Casto, Dean McMahan, and Brian Stavish, Regional Vice President at CFC were also present.

Bowersock moved to accept the minutes of the July 27, 2017, WEC board meeting. Ray seconded the motion. Motion carried.

Ullman moved to accept the reports of capital credit estate retirements, new members of the Cooperative and the July 2017 safety report as presented by Bragg. DePuy seconded the motion; motion passed.

Stavish presented the 2016 Key Ratio Trend Analysis Report noting many financial trends in the industry and pointing out the Washington performance in particular ratios as compared to cooperatives in the nation, in Ohio, and in a peer group of like sized utilities. Many questions were asked and there was lengthy discussion.

Martin moved to accept the unaudited June 2017 financial report as presented by Director of Finance and Administration Dean McMahan. Ray seconded the motion. Motion passed.

McMahan led a discussion of the purchased power bill from Buckeye Power and the changes that have occurred making the costs more than those experienced in 2016.

McMahan also led a discussion of the renewal rates for the NRECA Insurance Plans and the RS retirement plan that show rates very stable with little increase over 2016.

Ullman moved to approve the 2017 Buckeye Power Requirements Study after discussion led by Bragg. Martin seconded the motion. Motion passed.

Bragg reported on the following meetings and topics:

- A meeting with Lightstone Generation in regard to the Waterford Facility will take place in Washington D.C. on September 12 to be attended by Craig Grooms, Ryan Strom of Buckeye, Kurt Helfrich attorney, and Jack Bragg to formulate the billing for the facility and a discussion of its history.
- OREC Annual Meeting was held on August 14-15 in Columbus.
- NRECA District Meeting Pittsburgh September 6-8.
- OUPS meeting was held at WECL on August 3, the next meeting is scheduled for November 2.

- Update on the board vacancy process for the seat of Eldon Miller who resigned August 1.
- Discussion of deployment of 34.5 KV transformer for the Sarahsville substation acquired from Tri-County Rural Electric at a substantial savings.

In other reports, Bragg discussed the recent outages related to storms and the costs incurred to restore. He also discussed the right of way and spray program progress. Casto gave an update on technology and metering including SmartHub capabilities. Greene provided an update on various member services projects including the SmartHub implementation and rollout, social media interaction with membership, and the capital credit allocation that will happen very soon.

The Board moved to go into executive session on a motion by Martin at 11:42 a.m., seconded by DePuy. The staff exited the boardroom. On motion by DePuy and seconded by Ray the Board moved to leave executive session at 11:53 a.m. and return to open session.

The next WEC Board Meeting will be conducted on Thursday, September 28, 2017, beginning at 9 a.m.

DePuy moved to adjourn. Martin seconded the motion. Motion passed. Adjournment was at 11:54 a.m.

Chairman

Secretary