

# Washington Electric Cooperative, Inc.

## Board of Trustees Minutes

June 28, 2018

The Board of Trustees of Washington Electric Cooperative, Inc., met in regular session on Thursday, June 28, 2018. Chairman Paul Fleeman called the meeting to order at 9:00 a.m., in the Cooperative's board room at 440 Highland Ridge Rd., Marietta, Ohio. Trustees answering the roll call were Paul Fleeman, William Bowersock, Gale DePuy, Betty Martin, Shawn Ray, Brent Smith, and Larry Ullman. General Manager/CEO Jack Bragg, Jr., Jennifer Greene, Allen Casto, attorney Dan Fous and Dean McMahan were also present.

Ray moved to accept the minutes of the May 22, 2018, WEC board meeting. Martin seconded the motion. Motion carried.

Smith moved to accept the reports of capital credit estate retirements, new members of the Cooperative and the May 2018 safety report as presented by Bragg. Ullman seconded the motion; motion passed.

An in depth discussion concerning the updated independent appraisal and potential purchase of the property at 35026 State Route 26 took place after Trustee Ullman exited the board room. Ullman, who is the owner of the property, was approached by the Cooperative due to its strategic location and lack of other alternative sites, properly recused himself from any discussions concerning the potential transaction. The board was presented with an updated appraisal completed by McCarthy Real Estate Appraisal Services based on more closely aligned comparable sales particular to the utility market. Based on this data, McCarthy determined that the 2.25 acre subject property commands a value of \$30,000 or \$13,333.33 per acre. CEO Bragg and Attorney Fous met with Mr. Ullman on June 5, 2018 to review the appraisal, negotiate the sale price, and work out other miscellaneous issues. Mr. Ullman determined his asking price to be \$13,500 based on the market data provided. The property was surveyed by Biedenbach Surveying, LLC and it was determined the actual acreage required would be 2.394 acres at \$13,500 for a total of \$32,319. An extensive discussion took place concerning alternatives, pricing, strategic value, reduced costs of preparing the parcel for substation construction, and a draft purchase contract prepared by Fous. At the conclusion of the discussion, Martin moved to authorize CEO Bragg to execute a contract on behalf of the Cooperative based on the terms noted above. Ray seconded the motion; motion passed. Ullman returned to the board meeting at this time. Attorney Fous exited the board meeting.

DePuy moved to accept the unaudited April 2018 financial report as presented by Director of Finance and Administration Dean McMahan. Martin seconded the motion. Motion passed.

McMahan reviewed and discussed the write off of \$16,455.19 in bad debt through the second half of 2017. After a brief discussion and review of the write offs, Ullman moved to accept the write offs as presented, the motion was seconded by Smith, and the motion passed.

Ray moved to designate Paul Fleeman as the voting delegate and Brent Smith as the alternate for the Ohio Electric Cooperatives Annual Meeting in Columbus on August 13-14. Ullman seconded the motion, motion passed.

Bragg reported on the following meetings and topics:

- Lunch with Congressman Bill Johnson and staff on May 30.
- OEC Annual Meeting August 13-14.
- Replacement of ice machine in the warehouse.
- Pat Sarver of RUS visited on May 31 to complete the Operations Review.
- NRECA Region 1 & 4 meeting Columbus, OH September 5-7.
- Attendance at media training from NRECA at OEC on June 14.
- Attendance at CFC Forum June 10-13.
- Mid-Ohio Valley Safety Council on June 20.
- Update on South Olive substation.
- Discussion of NRECA Commitment to Zero Contacts program.
- Safety Month (June) celebration cookout on June 26.
- Presentation of LED rebate check to Shenandoah High School at board meeting on June 21.

In other reports, Bragg provided an operations and engineering department update including an equipment update. Greene provided a Marketing and Member Services report, while Casto gave an update on technology and metering.

At 11:14 a.m. on the motion of DePuy and seconded by Bowersock, the Board entered Executive Session for discussion. At 11:28 a.m. the Board exited Executive Session on the motion of DePuy and a second by Ray.

The next WEC Board Meeting will be conducted on Thursday, July 26 2018, beginning at 9 a.m.

Martin moved to adjourn. DePuy seconded the motion. Motion passed. Adjournment was at 11:29 a.m.

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Chairman

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Secretary