

FROM THE WCE BOARDROOM...

Regular meeting of the Board of Directors held June 24, 2021

A meeting of the board of directors of West Central Electric Cooperative was held at the offices of the Cooperative, in Higginsville, Missouri, at 10 a.m. on Thursday, June 24, 2021, pursuant to the bylaws of the cooperative and previous resolution of the board of directors. The meeting was called to order by President Densil Allen, Jr. Miles Figg, attorney for the cooperative, caused the minutes of the meeting to be kept. The following directors were present: Densil Allen Jr., Max Swisegood, Clark Bredehoeft, Richard Strobel, Stan Rhodes, Sandra Streit, Dale Jarman, Robert Simmons and Jeremy Ahmann. Also present were General Manager Mike Gray, CFO Michael Newland, Kevin Kelso, CPA and Figg.

PRESENTATION OF AUDIT

Kelso gave the biennial audit presentation for the cooperative. He reported that the internal controls were good based on the size of the organization, there was no fraud and no non-compliance noted, the cooperative was in compliance with all debt covenants, no adjustments were recommended, and, ultimately, that the audit resulted in an un-modified opinion. The board discussed and asked many questions about the financial statements of the cooperative that were presented as part of the audit. Kelso then left the meeting.

APPROVAL OF AGENDA

The agenda was approved.

APPROVAL OF CONSENT AGENDA

The board approved its consent agenda consisting of the minutes of the regular meeting of May 27, 2021; expenditures for the month of May 2021; new membership applications and membership terminations.

APPROVAL OF REPORTS

The following february reports were approved:

Financing and Treasurer's Report: Newland presented the May 2021 Operating Report (RUS Form 7) and Comparative Operating Statement. He reviewed the Financial and Statistical Report and Treasurer's Report with monthly and annual budget comparisons. He also gave the investment report. He presented and reviewed statistical data pertaining to operating revenue, expenses, margins, assets, liabilities, cash flow management, and KWH sales and ratios. He reported on May 2021 financials from West Central Services. The NW capital credit refund was given.

Operations Report: Gray provided the Operations Report. His report included the following: update on crews; outages for the month, including the June 11 that resulted in the loss of about 10 poles; brush and spraying crews, including that the spray crew is scheduled to begin on June 21; right of way reports and the need to order two bucket trucks that will be in the 2022 budget but will not be delivered until 2023.

Safety and Engineering Report: Gray provided the Safety and Engineering Report. He reported on the following: safety meetings and crew visits. He also reported on the status of engineering and staking projects, gave an update on solar installations, reported on the number of days worked without a lost-time accident and the miles driven without a serious accident. He discussed issues with material shortages and lead time on materials, and the board discussed the three-phase poles that were lost in the June 11 storm.

Member Services Report: Brent Schlotzhauer presented the Member Services Report. He reported on Operation Round Up. He provided a list of school scholarship awards ceremonies his department has attended this year. He discussed preparations for the Cooperative Youth Tour Experience and gave an update on the Co-op Connections Program and the communities visited. He gave updates on Youth Tour and CYCLE. He also reported that solar and wind are under budget. The board discussed the ARDOF Auction that was awarded to Charter Spectrum and will serve broadband internet widely within the footprint of the cooperative. The board discussed Charter Spectrum's broadband service in connection with discussions about whether the cooperative should provide broadband service, and Charter



Spectrum's broadband provides a good business justification for the cooperative to not provide broadband service.

NW REPORT AND AMEC REPORT

Gray reported on the May NW Board Meeting and provided the mid-month AECI report, and reported on outages, wind, and solar. He also gave an update on a medical insurance policy that is being reviewed. AECI will hold their annual meeting virtually on June 23, 2021. Clark Bredehoeft reported on the June 9 AMEC District 1 Meeting, which was the first meeting to be held at headquarters since the start of the COVID pandemic. He reported on the approval of the Executive Committee reports, the presentation by the president of Farm Bureau, and the Legislative Committee report, including specifically that the annexation bill that passed. He reported that AECI is purchasing IronDome security software that will benefit and provide security at all RECs across the state. He also reported that the cooperative would be sponsoring a team to participate in the lineman rodeo if there is interest by employees of the cooperative to participate.

APPOINT AMEC BOARD MEMBER AND VOTING REPRESENTATIVES

Bredehoeft was appointed as the AMEC voting member and Gray as the alternate for the October AMEC annual meeting.

DIRECTOR ELECTION UPDATE

Gray reported on annual meeting and director elections. He reported that the Annual Meeting Notice of Cancellation has already been sent, providing guidance to the members for voting in the director elections, and the Board reviewed the print-ed-paper ballots. Mike Gray demonstrated the process for voting online.

LEGAL REPORT

Figg presented a report on legal matters.

MANAGER'S REPORT

Gray presented his monthly Manager's Report and updated the board on the Summer Summit meeting that took place in San Antonio.

DISCUSSION ON POLICY REGARDING PARTICIPATION AT BOARD MEETINGS

Jarman reported on the suggested revisions for Policy 2.4 which deals with the participation of the board at the board meetings. Discussion on the policy was tabled until the July board meeting so that revised language for Policy 2.4 can be discussed and voted on by the board.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Strobel discussed the average age of the board, in context with the average age of board members across all RECs, and the Tesla charging station in Higginsville.

EXECUTIVE SESSION

None

ADJOURNMENT

Meeting adjourned.

FINANCIAL REPORT • Statement of Operations • May 2021

	This month	YTD 2021	YTD 2020
Revenue	\$1,847,580	\$12,870,764	\$12,964,574
Power Bill Expense	1,221,007	7,332,235	7,145,322
Operation & Maint. Expense	472,792	2,644,923	2,959,316
Depreciation Expense	202,153	1,000,131	960,143
Interest Expense	114,653	575,191	589,585
Total cost of Srvc. (Total Expense)	2,010,605	11,552,480	11,654,366
Operating Margins (Revenue less Expenses)	(163,025)	1,318,284	1,310,208
Other Margins	5,951	54,184	72,371
TOTAL MARGINS	\$(157,074)	\$1,372,468	\$1,382,579

