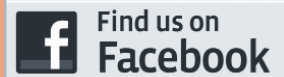




A Touchstone Energy® Cooperative 

West Central *Electric News*

October 2013



West Central Electric Cooperative, Inc. ~ Serving our members' needs since 1939

Cooperative Principles *IN ACTION*

Cooperative Principle # 2: Democratic Member Control

Every October, cooperatives are recognized for the qualities that make the business model unique: local democratic control, commitment to supporting the communities they serve and improving quality of life, special benefits and services, and the return of margins (the co-op term for profits) back to members in the form of capital credits.

"Cooperatives are special," West Central Electric General Manager Mike Gray said. "We have an obligation to provide reliable, affordable, and safe electricity, but we take that a step further. We also have a responsibility to support our members, enrich schools, and enhance our communities."

WCE is proud to be part of America's cooperative network, which employs more than 850,000 people. Across the nation, 29,000 co-ops and credit unions generate \$74 billion in annual wages and nearly \$500 billion in revenue.

WCE is one of more than 900 electric cooperatives, public utility districts and public power districts serving 42 million people in 47 states.

"Electric cooperatives were formed because rural communities were struggling for lack of investment," Gray explained. "Neighbors banded together



DEMOCRATIC MEMBER CONTROL...The second cooperative principle is in full swing every month as WCE directors -- member-owners of their cooperative -- take to the board room to discuss policies, procedures, finances and make decisions on running the cooperative. (Above) Newly-elected District 4 Director Sandra Streit listens to reports during her first regular board meeting in August. Streit was elected by members at the 74th annual meeting Aug. 2.

and lit up the countryside when no one else would. That's what we celebrate each October."

In addition to cooperative utilities, Missouri resi-

dents are served cooperatively by credit unions, food co-ops, agricultural co-ops, and more! To learn more about co-ops and find one near you, visit go.coop.

Co-op Nation says 'no' to president's plan Effort is underway to educate consumers on true cost of regulations

Missouri's electric cooperatives have joined a nationwide campaign to educate consumers on the true costs of a plan to add additional regulations to power plants. In June, President Obama ordered the Environmental Protection Agency to develop an aggressive plan for cutting carbon pollution from power plants.

"The president's plan will increase electricity costs for every American, and that's a burden we can least afford when our economy is just beginning to recover," said Jo Ann Emerson, CEO of the National Rural Electric Cooperative Association.

Electric cooperatives rely on a diverse mix of generation to keep power affordable and reliable. These new regulations target coal-fired power plants, which account for 70 percent of the electricity used by electric cooperative members in Missouri. Coal is also the least expensive option for generating electricity.

"Many American and Missouri communities depend on clean coal-based generation for afford-

able electric power," said Barry Hart, CEO of the Association of Missouri Electric Cooperatives. "Using the Clean Air Act to reduce carbon dioxide emissions from power plants could disproportionately burden these communities at the same time rural people are reeling from the sluggish economy."

"Currently, there is no affordable technology available to achieve this goal, and in Missouri, that means shutting down clean coal plants which will kill our economy."

Electric cooperatives believe their investment in energy efficiency, renewable energy and new technology is a better idea. Emerson points out that affordable electricity, more than any other factor, powers the nation's economy.

The goal of the national "Powering the American Spirit" effort is to get as many electric cooperative members as possible signed up for updates as these new regulations are unveiled and their impact on consumer electric bills become known.

Members of the electric cooperative grassroots team — known as Co-op Nation — will be on hand at electric co-op annual meetings and other community events to sign up members for e-mail or text alerts as this issue moves forward.

Members can also join the cause themselves by going to www.action.coop. An online video on the site gives more details on why this issue is causing so much concern among the nation's member-owned electric cooperatives.

"As a member of an electric cooperative, you need to keep informed on how this issue will impact your electric bill," Hart said. "Affordable electricity is essential to every American and every small business. We need your help to encourage common-sense solutions."

"Co-op Nation is 42 million members in the U.S., but we will need all members to get involved and have their voices heard over the months ahead to make a difference."

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General Manager:
Mike Gray

Board of Directors:
Densil Allen, President
Clark Bredehoeft, Vice-Pres.
Paul Nolte, Treasurer
Robert Simmons, Secretary
Stan Rhodes, Asst. Sect.
Dale Jarman, Director
Max Swisegood, Director
Richard Strobel, Director
Sandra Streit, Director

CYCLE challenges students to become better leaders

What better place to be on a hot July day than sitting in a hotel conference room with nearly 100 of your peers? NOWHERE -- if that conference is the Cooperative Youth Conference and Leadership Experience and your peers are among the best and brightest the state of Missouri has to offer!

"We want to be a leadership development stepping stone for the youth," said Barry Hart, CEO of the Association of Missouri Electric Cooperatives, the sponsoring organization of the conference. "By us getting involved in helping develop their leadership potential, we hope these delegates go back to their communities, continue to learn from local leaders, educators and co-op staff so when they get into positions of leadership later in life, they won't forget the cooperatives' way of thinking."

Each year, Missouri electric cooperatives send delegates to Jefferson City for three days of leadership activities,

cooperative education and hands-on government. Delegates secure a spot at this award-winning youth conference through their participation in the Rural Electric Youth Tour essay contest sponsored by West Central Electric.

From the introductory "Can You Find Me?" game, students are energized and off and running from daybreak until lights out, forging friendships and discovering more about themselves.

"CYCLE was a very inspirational experience for me," delegate Alyssa McKenzie said. "I loved every minute of it, and didn't want to leave. I have never felt so connected with a group of

people in my life. If I had the chance to go back, I definitely would."

While the conference is short, CYCLE is jam-packed with activity. One of the team-building exercises is the "Build a Cooperative" game, where students are divided into teams and

given a box of supplies they can use to build a model of their own member-owned business. Other activities include a

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--2013 delegate Alyssa McKenzie
Crest Ridge High School

boisterous game of Missouri Jeopardy, a segment when the teams perform a TV public service announcement based on something they've read in that day's newspaper and a session where the youth learn about their personalities and character through a fun questionnaire.

Of course, what would a trip to Jefferson City be without a tour of Missouri's beautiful Capitol? While there, the students get to sit at the desks on the floor of the House of

Representatives and debate a bill they've written with their CYCLE peers. Through this activity, the delegates see how hard it is for a bill to actually go through the process of becoming a law. While there, they also participate in a scavenger hunt designed to familiarize them with their state Capitol.

The fun continues each evening with activities such as a barbecue at the park, a hypnotist and motivational sessions with speakers such as the Rachel's Challenge group, who speaks to students about how they can start a chain reaction of compassion in their own communities. They hear about Rachel Scott, the first person killed in the Columbine High School shooting in 1999, and how she stood up and made a difference in the lives of others in just a few short years.

"It was a great experience," delegate Nick Gilloti said. "It's something that I will always remember and something that will always be in my heart."

For more information about the 2013 Youth Tour contest or CYCLE, contact Heather Hoflander at 800-491-3803 or heather@wcecoop.com.



(Left photo) Alyssa McKenzie of Crest Ridge High School speaks during the debate of a bill on the floor of the Missouri State House of Representatives. CYCLE delegates worked with their parties to draft a bill, one of which was debated by delegates in a mock "How a Bill Becomes a Law" session at the Missouri State Capitol Building. (Above) WCE delegates for the 2013 Cooperative Youth Conference and Leadership Experience visit the Missouri State Capitol Building. Front row (l-r) Katie Culbertson and Alyssa McKenzie, both of Crest Ridge High School. Back row (l-r) Dakota Markhan and Dominick Gilloti, both of Crest Ridge High School, and Kayla Sims of Chilhowee High School.



From the Manager...

Electric co-op membership offers value far beyond affordable, reliable electricity

Here at West Central Electric Cooperative, we work hard to deliver safe, affordable, and reliable electricity to our nearly 12,000 members every

day. But we don't stop there. Because we're a cooperative, we strive to do much more, to find ways of providing real value to you and the communities we serve.

So what exactly does real value mean? Well, in some ways it's basic, like connecting with a real, local person when you call our office, rather than just a recording. It could be finding a copy

of *Rural Missouri* magazine featuring *West Central Electric News* in your mailbox, which keeps you informed about co-op business and goings-on in Missouri. Or, it's getting the lights back on more quickly after a major ice storm or tornado, thanks to mutual-aid agreements that bring line crews in from other co-ops to help us restore power.

October marks National Cooperative

Month, when we take time to celebrate co-ops and talk about why our not-for-profit, consumer-owned business model is special. Offering our members real value—and working to improve the quality of life in the communities we serve—is just one way we set ourselves apart.

To learn more about cooperatives, visit <http://usa2012.coop/about-co-ops>.



PEDAL FASTER...WCE Branch Manager Brent Scholtzhauer explains the energy bike to a young fairgoer visiting the Missouri Electric Cooperatives Building at the Missouri State Fair. The energy bike, one of many displays in the building, is designed to show patrons just how much energy it takes to run incandescent lightbulbs compared to compact fluorescent lightbulbs.

The cooperative principles guide cooperatives to be stewards of their communities

Every October since 1930, not-for-profit cooperatives of all kinds have recognized National Cooperative Month as a way to educate the public about how co-ops work and to appreciate their many members.

This year, West Central Electric highlights the notions that guide all co-ops: the seven cooperative principles. These notions lead electric cooperatives like WCE to do business in a better way every single day. Here are real-life examples of how the principles affect your cooperative.

1. Voluntary and Open Membership/ 2. Democratic Member Control

Co-ops are open to anyone who is able to use its services, which means any person who moves onto WCE lines is allowed membership. Annual meetings serve as a way for members to get to know the people who run their co-op,

and it's where members are updated on business matters. Every year in August, WCE convenes for its annual member-

3. Members' Economic Participation

Because electric cooperatives are owned by its members, they do not cre-

"While our first priority is delivering safe, affordable, reliable electricity to those we serve, we also feel strongly about supporting and contributing to the development of our communities. Even if there were no 'concern for community' principle, every person who works at WCE lives here, too. We're friends and neighbors first."

--WCE Board President Densil Allen
on the 7th cooperative principle

ship meeting.

"Democratic member control" means members vote for directors to represent them on a board, which governs the cooperative.

ate profits for distant shareholders. Any excess revenue—called "margins"—is allocated back to the membership in the form of capital credits, or patronage capital. Capital credits are "retired" and

then paid back to members each year based on their purchases (in the case of electric cooperatives, electricity) from the cooperative. Margins are used by the co-op as working capital for a period of time, then paid back to individual members.

WCE has retired nearly \$21 million in capital credits to members since 1939.

"Allocating and retiring excess revenue to members helps distinguish cooperatives," General Manager Mike Gray pointed out. "We're proud to support our communities by putting money back into the local economy—and into the pockets of those we serve. It makes our business model special."

Nationally, electric cooperatives have

From the Boardroom...

Regular meeting of the Board of Directors held July 25, 2013

The meeting was called to order by President Clark Bredehoeft. Robert Simmons, Secretary of the Cooperative, caused the minutes of the meeting to be kept. The following Directors were present: Max Swisegood, Clark Bredehoeft, Paul Nolte, Dale Jarman, Richard Strobel, Densil Allen, Robert Simmons and Ronald Steelman. Absent was Stan Rhodes.

APPROVAL OF AGENDA

Discussion, the Agenda was approved with the addition of discussion of a policy relating to member access to cooperative information under New Business.

APPROVAL OF MINUTES

The unapproved minutes of the regular meeting of the board of directors held June 27, 2013, were approved.

Discussion was held regarding the procedure of noting votes on matters in the minutes. After discussion, upon motion made by Max Swisegood, seconded by Densil Allen and carried, going forward minutes will be kept noting who made the motion and who seconded the motion. As established previously, dissenting votes will not be noted in the minutes unless the dissenting director or directors request such.

REVIEW OF EXPENDITURES FOR JUNE

An itemized list of expenditures for June was presented to the board, and the payment of the bills was ratified.

APPROVAL OF REPORTS

The following June 2013 reports were approved: Operating Report (RUS Form 7) and Comparative Operating Statement including the Financial Statistical Report with month and budget comparisons and statistical data pertaining to operating revenue, expenses, margins, assets, liabilities, and KWH sales; Treasurer's Report; the written monthly Construction, Retirement, Maintenance and Operations Report and the Safety Report, which included no lost time accidents during the month.

MEMBERSHIPS

The applications submitted for membership in the cooperative were accepted and approved. Directors reviewed a list of requests for termination of membership in the cooperative which, along with their requests that their billings be deducted from their deposits and the remainder, if any, be refunded to them, were accepted and approved.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Manager Gray and Director Nolte reported their attendance of the July board meeting. They reported on highlights of the meeting.

NRECA REGION 8-10 MEETING VOTING DELEGATE

Manager Gray explained that the board of directors needs to select a nominee and an alternate to vote at the NRECA Region 8-10 board meeting. The meeting will be held October 22-24 in San Antonio, Tex. Paul Nolte was elected to be the voting delegate for the NRECA Region 8-10 meeting and Mike Gray was elected to be his alternate.

MANAGER'S REPORT

Manager Mike Gray provided his Manager's Report for the month. He reported on 1) invitations received, 2) State Fair activities, 3) CoBank, 4) AMEC annual meeting to be held October 2-4, and 5) a benefits update; 6) Gray also provided information regarding an upcoming CoBank director election.

ANNUAL MEETING DISCUSSION

Manager Gray reported on annual meeting planning. Discussion was held regarding the voting procedures. The policy prohibiting electioneering or campaigning within 100 feet of the voting facility was discussed. Management or staff will put a sign on the door of the facility notifying members of such.

POLICY 2.11 DISCUSSION – PROCEDURE FOR HANDLING MEMBERSHIP PROPOSALS – BYLAW AMENDMENTS

The directors discussed existing Policy 2.11 relating to the procedure for handling membership proposals relating to bylaw amendments. After discussion, upon motion made by Dale Jarman, seconded by Robert Simmons and carried, the second paragraph of Policy 2.11 was amended to read as follows: To this end, if any member or members desire to offer an amendment of any of the articles of sections of the cooperative's bylaws, such member or members shall deposit a copy of said proposed amendment, signed by not less than 1% of the current members of the cooperative, with the secretary of the board, at least 90 days before the annual meeting or special meeting in which such proposed amendment is to be offered, and the said secretary shall cause a copy of said proposed amendment to be included in the notice of the meeting.

NEW POLICY ON DIRECTOR BECOMING EMPLOYEE

The directors discussed a new policy regarding a director becoming an employee. After discussion, the proposed policy passed with the following wording being added as #4 to existing policy 5.1: No person shall be eligible to be employed by West Central Electric Cooperative who has been a member of the board of directors of the cooperative in the preceding three years.

UNFINISHED BUSINESS

None.

NEW BUSINESS

A policy on member's access to cooperative information was discussed. Directors will review the policy further and the board will discuss the policy more the next meeting. The cooperative's attorney was asked to draft a response in accordance with discussion for the president to sign.

MEETING ADJOURNED

FINANCIAL REPORT • Statement of Operations • July 31, 2013

	This month	YTD 2013	YTD 2012
Revenue	2,290,991	15,465,302	14,076,602
Power Bill Expense	1,297,048	9,089,637	8,982,808
Operation & Maint. Expense	489,633	3,589,930	3,533,313
Depreciation Expense	148,409	1,032,384	1,000,234
Interest Expense	127,310	780,838	696,870
Total cost of Srvcs. (Total Expense)	2,062,400	14,492,789	14,213,225
Operating Margins (Revenue less Expenses)	228,591	972,513	(136,623)
Other Margins	26,917	170,592	(32,557)
TOTAL MARGINS	255,508	1,143,105	(169,180)

From page 3

retired \$11 billion in capital credits since 1988--\$768 million in 2012 alone.

4. Autonomy and Independence

Electric cooperatives form a vast network across America. They're found in 47 states, and cooperative-owned electric lines cover 42 percent of the nation's land mass. But what's unique is that each cooperative is an autonomous, independent business.

"We work with our co-op neighbors, but WCE members are the sole governors of this cooperative," Gray said. "Our member-elected board of directors approves policies and resolutions that inform the way we do business."

5. Education, Training, and Information

Cooperatives have a charge to keep their members informed—not just about cooperative business, but also about topics like energy efficiency, safety, and community contribution. For example, *Rural Missouri* magazine and *West Central Electric News* are ways WCE keeps its members up on relevant news.

You can also stay informed via our website at www.westcentralelectric.coop as well as our Facebook page and Twitter.

6. Cooperation Among Cooperatives

Even though co-ops are independent entities, they still rely on one another to share resources, information, and, in some cases, manpower.

Electric co-ops have long relied on one another to get power restored more quickly after severe weather emergencies. Called "mutual-aid agreements," it works just as it sounds: When WCE needs extra hands after an ice storm or tornado, co-ops from neighboring towns and states help out. And when neighboring co-ops need help, WCE sends crews to them.

"Mutual-aid assistance gets power back on so much faster than we could with just our crews," Gray said. "The winter of 2012-13 was a perfect example. We called in assistance from other cooperatives several times, and provided assistance ourselves to our co-op neighbors."

7. Concern for Community

Possibly the most visible of all the cooperative principles, the last is what drives electric co-ops to be good stewards of the communities they serve.

WCE undertakes a variety of projects, from providing employees to judge at the local 4-H and FFA fairs to adopting a needy family at Christmas.

"While our first priority is delivering safe, affordable, reliable electricity to those we serve, we also feel strongly about supporting and contributing to the development of our communities," WCE Board President Densil Allen said. "Even if there were no 'concern for community' principle, every person who works at West Central Electric lives here, too. We're friends and neighbors first."

Sources: National Rural Electric Cooperative Association, National Rural Utilities Cooperative Finance Corporation

**Don't forget to pick up
your**

**FREE REFLECTIVE
HALLOWEEN TREAT BAG**

**at your
cooperative
offices in
Higginsville
and Oak
Grove.**

