



A Touchstone Energy® Cooperative

West Central *Electric News*

September 2014



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

Allen says putting members first is important part of who co-ops are

In his first address to members as WCE's Board President, Densil Allen, Jr. stressed to members that for all the changes seen in the past 75 years, and all those changes yet to come, putting members first has



Densil Allen, Jr.

been the cooperative's priority from day one.

"Our day-to-day tasks may be much different than they were back in the 1940s, but our daily goal has never changed," he said.

Allen drew attention to the historic photo display that was a part of the annual meeting festivities, and noted that through the photographs, changes were pretty evident.

"Throughout the years, there have been many things that have threatened to negatively affect our members and their families. In the 1970s, it was the oil crisis. Around the turn of this century, it was deregulation of the electric industry. Most recently, and the issue that is currently threatening our members is the regulation of emissions from existing coal-fired power plants.

"The rural electric cooperatives have always been at the forefront, taking pains to ensure we go above and beyond what is simply 'required' if it means a greater benefit for our

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DEMOCRATIC MEMBER CONTROL...The second cooperative principle, "Democratic Member Control" was alive and well during the cooperative's 75th annual meeting Aug. 1 in Warrensburg. At left, WCE member Mark Bellington of Odessa speaks during the comment period prior to the bylaw election.

Incumbents prevail in director election as cooperative marks 75th anniversary

West Central Electric Cooperative's 75th annual meeting drew its traditional large crowd as members came together to hear about the state of their cooperative, vote on directors and a bylaw amendment, and celebrate 75 years of electrifying the rural Missouri countryside.

A total of 753 members registered for the meeting held Aug. 1 at the UCM Multipurpose Building in Warrensburg, with a total attendance of more than 1,500.

Director Election and Proposed Bylaw Amendments

Three incumbents were elected to serve for an additional three years. In District 3, Robert Simmons (492) and Richard Strobel (438) defeated challenger Donna Matthews (411) for the two available seats.

In District 5, At-large District (the new district created by a 2012 redistricting bylaw change) Densil Allen, Jr. was elected. He ran unopposed and was elected by acclamation.

Members also passed a bylaw amendment 459-260 (*see related story on this page*) requiring that board members continually use cooperative energy at

their permanent, primary place of residence. The bylaw formerly stated that board members must be a "bonafide resident in the area served by the cooperative."

Passage of this issue immediately removed long-time director Paul Nolte, who is a current WCE member,

but resides within the city limits of Higginsville.

Other Meeting Highlights

Other highlights of the meeting included a presentation of WCE's winning Youth Tour essay, Molly Bertz, daughter of Harold and Melisa Bertz

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Residency requirements bylaw change removes Nolte from board

In a decision with immediate effects regarding WCE's board of directors, members voted 459-260 to amend the bylaws to require that board members continually use cooperative energy at their permanent, primary place of residence. The bylaw formerly stated that board members must be a "bonafide resident in the area served by the cooperative."

Immediately upon its passing, the change removed long-time board treasurer Paul Nolte, a current WCE member and farmer who resides within the city limits of Higginsville.

During the meeting, members discussed their feelings on whether current WCE members, even though they may own a farm or business that uses cooperative energy, should be able to serve if the home in which they live does not use cooperative energy.

"What it comes down to with this bylaw, as far as I'm concerned, is whether it is important that the people who represent us on this board actually live and have

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Mike Gray

*This institution is an equal
opportunity provider and employer.*

Board of Directors:

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

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members, and we will continue to do so.

Allen went on to discuss how recently-proposed EPA regulations are not good for our cooperative or our members and their families, and how the regulations, if passed as-is, could drive up electric bills beyond what members can afford to pay.

"Our goal as a member-owned, non-profit cooperative is to make sure you, our members, have safe, reliable, and affordable electricity," he said. "We know you cannot afford higher electric bills."

Allen urged members who had not yet

done so, to visit www.action.coop or the EPA booth at the meeting and add their names to the growing list of rural Americans who are sending a message to the EPA asking them to take a common-sense approach to providing energy which must include renewable energy, nuclear power, natural gas, and clean coal.

"America needs an 'All of the Above'" strategy to keep your rates

affordable. Your electric cooperatives already use renewables, but this source must have a back-up from coal, natural gas or nuclear in order to be able to provide what we need," Allen told members.

"We are rooted in the fact that putting our members first is an important part of who we are."

--Densil Allen, Jr., WCE Board President

He also highlighted other ways in which the coop-

erative has put members first from day one, including scholarship programs, school supply drives,

an aggressive right-of-way program, and a \$25 energy credit for all members registered at the annual meeting.

"We take care of our communities because that's where our members live and work," Allen told the membership.

"So you see, while making sure the lights go on was our mission from the start, it is and has been about much more than that. We are rooted in the fact that putting our members first is an important part of who we are. For all of us here at West Central Electric – your board of directors, your general manager, your employees – it's members first, from day one.

Board elects officers, Allen will stay on as president

Three incumbents were elected to serve for an additional three years during the business meeting at the 75th WCE Annual Meeting Aug. 1 in Warrensburg.

In District 3, Robert Simmons (492) and Richard Strobel (438) defeated challenger Donna Matthews (411) for the two available seats.

Densil Allen, Jr. was elected as the first representative from the new District 5, At-large District (the new district created by a 2012 redistricting bylaw change). He ran unopposed and was elected by acclamation.

Directors met immediately following the announcement of election results to elect officers for the coming year.

Densil Allen of Warrensburg, will remain as president; Clark Bredehoeft of Blackburn, will remain as vice president; Robert Simmons of

Warrensburg will remain as secretary and Stan Rhodes of Corder will remain as assistant secretary. Dale Jarman of Holden was named treasurer. He will

replace long-time treasurer Paul Nolte, who lost his position on the board due to the passage of a bylaw requiring WCE members to have their permanent, primary residence on co-op lines.



Allen



Directors elected for a three-year term include (l-r) Densil Allen, Jr., Robert Simmons and Richard Strobel.



(Left photo) Billy Johnson of Holden receives his prize, a Vizio LED Smart TV at the 75th annual meeting Aug. 2 in Warrensburg. (Bottom photo) Robert Dooling of Odessa adds his name to the growing list of co-op members opposed to the EPA's proposed regulations on coal-fired plants.



Gray tells members cooperative is strong

In his annual report to the members, General Manager Mike Gray reported that the cooperative is in good shape both physically and financially, and said he hoped the farmers and businessmen who came together to form the cooperative 75 years ago would be proud.



WCE General Manager Mike Gray reports on the state of the cooperative.

"It's been 75 years," Gray said, "I hope that original group would be proud of what WCE has become."

Operations

Gray reported the addition of 114 new services in 2013, which he told members was average for the past three years.

To date in 2014, the cooperative has added 60 new services, which is on pace to match the previous few years' totals.

"Growth continues to be steady, and hopefully with the slowly improving economy, we should see these numbers increase over the next few years.

Gray told members the cooperative continues to focus on maintenance and system improvements recommended in the construction work plan.

In 2013, crews changed out nearly 600 poles and replaced more than 12 miles of conductor. One of the larger projects, he said, was completed by contract crews working for WCE, and included a rebuild of more than seven miles of original line built between Higginsville and Concordia 75 years ago.

The next project for contract crews will be upgrading and rebuilding six miles of line north of Holden.

"As I have reported in the past, it is crucial that we continue to replace equipment on our system each year to maintain the reliability that you expect from us," he said.

Winter Peaks

Gray also briefed members on the new peak set by WCE this past winter. On Jan. 6, and again on March 2, an all-time peak of over 80,000 kw was set.

"The system performed just as it should with no outages or voltage issues during these times of heavy load," he said. "The outstanding system performance is the result of years of ongoing maintenance and upgrades on which WCE crews are constantly working.

Gray told members the cooperative continues to maintain its tree trimming and right-of-way spraying program, using contract crews for topping and

side trimming and WCE personnel for mowing and spraying.

"This spring, we have had a few more outages related to trees, so we are addressing this issue and concentrating on these problem areas," he said.

Finances

On the financial side, Gray told members that 2013 was solid with mostly normal temperatures and Kwh sales returned to the average of the last five years, which was about a 7.5% increase over 2012 sales.

"We ended the year with margins of \$2.7 million. So far in 2014, with the extremely cold winter, our kwh sales are up over 10%, compared to 2013," he said.

Gray noted that the high peaks set this past winter will have an impact on wholesale power costs next year.

"Early estimates indicate our demand charges for 2015 will increase, but there are many factors that could possibly cause an increase. One is EPA's proposed regulations for CO2 emissions from existing power plants," he told members.

EPA regulations announced in June require a 30% emissions cut by 2030. These regulations will mainly affect coal-fired plants, from which we receive 80% of our wholesale power.

Members were invited to sign cards at the meeting allowing NRECA to contact the EPA on our members' behalf, and let them know we need a common-sense approach to providing electricity that won't drive up electric rates.

"Later this fall, we should get solid numbers from AEI and will determine if any rate increase will be necessary in 2015," he said.

Customer Service

Gray also discussed several changes made in the office over the past year. One of those changes is the transition to a voice-over IP phone system that allows the cooperative to utilize the computer system and Internet to operate.

"By going with this new set-up, we have been able to utilize some of our CSRs more effectively and hopefully provide you with better service when you call our office," he said.

Another change is in the way members make a payment over the phone. Because of standards set by the Payment Card Industry, payments must be made via an automated system. This new system takes about five minutes to make a payment by phone, and helps prevent credit card fraud. Members who do not like the new automated system can also make a payment with a mobile device using the SmartHub app, sign up for auto-draft, mail in their payment or pay in person at one of our offices.

Conclusion

In conclusion, Gray thanked the board and employees of the cooperative for their service to members over the past year.

"As we go forward into the next 75 years, we will strive to provide the quality of service we know our current and future members will want," he said.



WCE employees look over the historic display marking 75 years of West Central Electric Cooperative.

Incumbents prevail, cooperative marks 75th anniversary

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of Mayview won the contest this spring with her essay written from the perspective of her great-grandmother, Mada Bertz, who watched as her husband, August, joined the local farmers in founding what is now West Central

unable to make the meeting following a flight delay that morning.

"Molly's essay about those first months in the late 1930s when West Central Electric was born couldn't have been a more perfect way to mark our 75th anniversary," Hoflander said. "She is truly a gifted writer and an even more amazing speaker, and I hope the presentation did it justice."

Informational booths where members could have their blood pressure checked, learn about gardening and insulation and how to make their homes the most energy-efficient they can be were set up throughout the evening. WCE linemen were on hand to give live demonstrations on electrical safety and how power outages are located and repaired. Members were also treated to a special photo display marking 75 years of the cooperative.

Staff from the Association of Missouri Electric Cooperatives were on hand to help members join the fight to keep EPA regulations on emissions from affecting their electric rates. Members who did not sign up at the meeting may contact the Higginsville office for a card, or go to www.action.coop and add their name to the growing list of members in opposition to the regulations.

Members could also receive information on the WCE rebate program and Exede satellite internet services. Upon arrival, members were registered for prizes, including a free month of electricity (won by Helen Hotmer of Odessa), several energy certificates and prizes donated by vendors.



WCE Groundman/Truck Driver Doug Bird presents Helen Hotmer of Odessa with her certificate for a free month of electricity.

Electric Cooperative. WCE Youth Tour Coordinator Heather Hoflander delivered the speech for Bertz, who was

Residency requirements bylaw change removes Nolte from position

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their primary place of residence on the lines they are representing," member Kathy Garver of Oak Grove said. "If you care that they have a residence on the lines, then yes. If you don't care, then no. It is a simple clarification issue, nothing more."

It was a proposal at the 2013 annual meeting by Garver that placed the issue on this year's ballot.

Mark Bellinger voiced his opinion against the bylaw change, saying a system for making sure the cooperative has qualified directors already exists.

"Members can be receiving power at a business location or farm location, and may not necessarily live there, but they are still a member of our co-op, and if they are qualified to represent us, then they should be allowed to do that, and not be based simply on where they put their head down at night," he said. "We have a method that if there is someone we feel is not representing us correctly, we have a vote of whether we elect them or not elect them as a director."

In regard to the issue of how the bylaw change would affect Nolte, member Don Rasa said he felt it was unfair.

"(Paul Nolte) is an excellent director who has served you faithfully for 24 years," Rasa said. "He pays his electric bill and he has service at his farm. Whether he resides at the farm or not should be immaterial since he is a member of the cooperative."

Nolte said he has been honored to serve as a director for a business whose guiding principles align strongly with his personal beliefs.

"I'm very thankful that I had the opportunity to serve this cooperative. I am a big believer in the cooperative way of doing business and was always proud

to be a part of West Central Electric," he said.

"I am very disappointed, though, that several of our good members will now be denied the basic right to have the opportunity to serve as a director of their co-op. One of the basic principles of a cooperative is that it should be governed by all of its members and not just a few. I believe that every member should have that opportunity," he said.

Nolte said he wishes West Central Electric "nothing but the best" in the future. He had served on the WCE board of directors since 1990.



(Left photo) Ryan Christianson, 10, shows off the new bike and helmet he won at the WCE annual meeting Aug. 1 in Warrensburg. (Bottom photo) Elizabeth Iiams, 10, is excited to take her new bike and helmet home.



2014 Annual Meeting Prize Winners

Grand Prize Free Month Electricity
Helen Hotmer

28" Vizio LED Smart TV from NW Ele.
Billy Johnson

\$75 Energy Certificates
Daniel O'Halloran
Mt. Zion Baptist Church
Larry Opfer
Robert & Marsha Corbin
Richard Petering
Bedrock Mobile Home Park
Stephen & Mary Nicholson
Darren Gibson
Scott & Tresina Alvested
William & Katherine Angel

Plants from JoCo Master Gardeners
Steven Aderman
Olivia Burden
Robert Lynn
Robert Sykes

\$25 Wal-Mart gift card from Graybar
Larry and Sherol Bell
James Bolles

KIDS--Grand Prize Bike & Helmet
Ryan Christianson
Elizabeth Iiams

Stuffed Buddy Bear
Danny Gibson
Kali Plunket

Kids' DVD
Josephine Vannoy
Robert Yates

Hats Courtesy of Comfort Solutions
David & Lisa Hamilton
Donld & Nancy Lawson
Charles Kaseman
Lois Cheatham

From the Boardroom...

Regular meeting of the Board of Directors held June 26, 2014

The meeting was called to order by President Densil Allen. 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, Sandra Streit and Stan Rhodes. Also present were General Manager Mike Gray, Adm. Asst. and Benefits Admin Kim Lewis, Office Manager Sandy Starke and cooperative attorney Matt Krohn.

APPROVAL OF AGENDA

After discussion, the agenda was approved.

AUDITOR'S REPORT

Directors approved the audit report provided by Larry Lane of Schmidt & Company.

REPORT ON SCHOLARSHIP INVESTMENTS

Directors listened to a report from Jerry Willis regarding options for scholarship investments. After discussion, the board approved filing a complaint to AXA Advisors, LLC.

APPROVAL OF MINUTES

The unapproved minutes of the regular meeting of the board of directors held May 22, 2014 were approved.

REVIEW OF EXPENDITURES FOR MAY

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

APPROVAL OF REPORTS

The following May 2014 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; construction, retirement, maintenance and operations report. Gray also reported on outages, pole change-outs, pole inspections and maintenance.

SAFETY REPORT

Gray reported no lost time accidents during the month of May.

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.

AMEC REPORT

Bredehoeft and Gray reported on their attendance at the recent AMEC meeting as well as legislation of interest to the cooperative.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Gray and Swisegood reported their attendance at the recent board meeting and shared highlights of the meeting.

ANNUAL MEETING DISCUSSION

Gray reported on vendor booth requests. The board directed Gray on the number of balloons to order and meals to reserve.

MANAGER'S REPORT

Gray provided his Manager's Report for the month. He reported on the following: 1) State Fair tickets, 2) the NRECA Region 8-10 meeting to be held Oct. 21-23 and director training, 3) the AMEC annual meeting to be held Oct. 1-3

UNFINISHED BUSINESS

Discussion was held regarding the building tour.

EXECUTIVE SESSION AND ADJOURNMENT

The board entered into executive session.

MEETING ADJOURNED

FINANCIAL REPORT • Statement of Operations • June 2014

	This month	YTD 2014	YTD 2013
Revenue	1,947,035	13,904,081	13,066,094
Power Bill Expense	1,246,987	8,176,876	7,792,589
Operation & Maint. Expense	505,837	2,827,657	2,985,763
Depreciation Expense	152,823	909,741	883,976
Interest Expense	119,574	675,489	650,212
Total cost of Srvc. (Total Expense)	2,025,221	12,589,763	12,312,540
Operating Margins (Revenue less Expenses)	-78,187	1,314,318	753,554
Other Margins	5,436	70,378	118,019
TOTAL MARGINS	-72,751	1,384,696	871,573