

MINUTES OF BOARD OF TRUSTEES MEETING

The Board of Trustees of the Western Cooperative Electric Association, Inc. met at the office of the Cooperative for the monthly meeting on June 20, 2019, at 9:00 a.m.

The meeting was called to order by President Crossland. The following trustees were present: Crossland, Hobbs, Joy, Luetters, Heier, Schaus, Keller, Rohleder and Weinhold. Also present were Tom Ruth, General Manager; Stacey Malsam; Dennis Deines; and E. Jay Deines, Attorney, who kept the minutes of the meeting.

The minutes of the meeting held May 8, 2019 were presented. The minutes were approved as presented. The agenda was approved as presented.

Rich Macke and Elena Larson were introduced to present a study on Revenue Requirements and Cost of Service that they have completed. This study will guide the board on setting rates of service. The board had questions and Elena will return with updates and suggestions.

It was moved by Hobbs and seconded by Joy to accept the Power System Engineering, Inc. proposal of Cost of Service and commence the implementation of the rate changes. Upon vote taken, the motion carried.

Tom Ruth, Manager, asked that Policy 608 be modified to bring employees back to work for light duty sooner if medically cleared to do so. It was moved by Luetters and seconded by Keller to adopt the amended Policy 608. Upon vote taken, the motion carried.

Manager Ruth presented an outline of Board responsibilities and duties for review and suggestions.

Resolutions concerning Patronage and Capital Credits were presented. It was moved by Joy and seconded by Luetters to adopt the following resolutions:

**RESOLUTION
OF
THE BOARD OF TRUSTEES
OF
WESTERN COOPERATIVE ELECTRIC ASSOCIATION INC**

WHEREAS, the Board of Trustees on June 20, 2019, with quorum present, did meet during regularly called business meeting; and **WHEREAS**, Western Cooperative Electric Association, Inc (Western East System) has an operating margin for the year 2018 in the amount of \$364,157.55; and

WHEREAS, Western East has non-operating loss for the year 2018 (with MidKansas Electric Corporation, MKEC, patronage removed) in the amount of \$(18,374.84); and

WHEREAS, Western has MKEC patronage allocated for 2018 of \$565,662.66; and

WHEREAS, the Board deems that a more equitable basis for distributing patronage capital is accomplished by deducting the cost of power from the total patronage of each consumer before distribution of the unassigned patronage capital and that the MKEC patronage will not be payable until payout of the patronage from MKEC is received by Western;

NOW, THEREFORE, BE IT RESOLVED, the total operating margins totaling \$364,157.55 will be assigned as patronage capital to the patrons of Western East System. The non-operating loss of \$(18,374.84) will be carried forward to be offset by future non-operating margins. The MKEC patronage allocated in the amount of \$565,662.66 will be assigned as patronage capital to the patrons of Western East System and will be payable upon payment of patronage to Western from MKEC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of "The Western Cooperative Electric Association Inc" this 20th day of June, 2019.

**RESOLUTION
OF
THE
BOARD OF TRUSTEES
OF
WESTERN COOPERATIVE ELECTRIC ASSOCIATION INC**

WHEREAS, the Board of Trustees on June 20, 2019, with quorum present, did meet during regularly called business meeting; and

WHEREAS, Western Cooperative Electric Association, Inc (Western West System) has an operating margin for the year 2018 in the amount of \$1,221,909.98; and

WHEREAS, Western has non-operating margins for the year 2018 (with Sunflower Electric Power Corporation, SEPC, patronage removed) in the amount of \$242,253.38; and

WHEREAS, Western has SEPC patronage allocated for 2018 of \$1,358,592.42; and

WHEREAS, the Board deems that a more equitable basis for distributing patronage capital is accomplished by deducting the cost of power from the total patronage of each consumer before distribution of the unassigned patronage capital and that the SEPC patronage will not be payable until payout of the patronage from SEPC is received by Western; **NOW**,

THEREFORE, BE IT RESOLVED, the total operating margin totaling \$1,221,909.98 and the total non-operating margins of \$242,253.38 will be assigned as patronage capital to the patrons of Western West System. The SEPC patronage allocated in the amount of \$1,358,592.42 will be assigned as patronage capital to the patrons of Western West System and will be payable upon payment of patronage to Western from SEPC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of “The Western Cooperative Electric Association Inc” this 20th day of June, 2019.

Upon vote taken, the motion carried.

Tom Ruth gave the Manager’s report and financial report.

Stacey Malsam reported on financial activities during the month.

Dennis Deines reported on Member Services.

Manager Ruth reported on his expenses during the last month.

A list of delinquent accounts to be written off the books, a list of which is attached hereto and made a part of these minutes was presented. It was moved by Luetters and seconded by Rohleder to approve the write-offs. Upon vote taken, the motion carried.

Joy reported on Sunflower and MKEC activities for the last month.

Checks numbered 61699 through 61889 were reviewed and discussed. It was moved by Hobbs and seconded by Keller that the checks be accepted as printed. Upon vote taken, the motion carried.

A list of members requesting a refund or transfer patronage capital credits, which list is attached hereto and made a part of these minutes was presented. It was moved by Luetters and seconded by Heier to approve the request for refund and transfers of patronage capital credits. Upon vote taken, the motion carried.

Co-Bank, RUS, CFC and Federated reports were reviewed and discussed.

The KEC report was given by Hobbs. He reported that they are in the process of a Manager Search to replace Bruce Graham.

The board gave E. Jay Deines, Attorney, approval to attend the Electric Coop Bar Association meeting in Denver, Colorado.

The minutes of the safety meetings held May 22, 2019 were reviewed and discussed.

A list of contracts for electrical service, a list of which is attached hereto and made a part of these minutes was presented. It was moved by Joy and seconded by Schaus to execute the contracts listed and attached hereto on behalf of the Cooperative. Upon vote taken, the motion carried.

A list of applicants for membership, a list of which is attached hereto and made a part of these minutes was presented. It was moved by Weinhold and seconded by Keller that the applicants be approved for membership. Upon vote taken, the motion carried.

There being no further business, the meeting was adjourned. The next regular meeting will be July 18, 2019 at 9:00 a.m.

Richard Schuman
Secretary

Approved by:

Craig Cusack
President