

MINUTES OF SPECIAL BOARD OF TRUSTEES MEETING

The Board of Trustees of the Western Cooperative Electric Association, Inc. met at the office of the Cooperative for a special meeting on March 3, 2021, at 1:00 p.m. to discuss the financial impact of Winter Storm Uri due to the unusually high market gas prices that are required to be passed on to consumers through the Energy Cost Adjustment (ECA).

The meeting was called to order by President Crossland. The following trustees were present: Crossland, Hobbs, Joy, Rohleder, Luetters, Keller, Weinhold and Schaus. Also present were Tom Ruth, General Manager; Stacey Malsam, and Nolan Numrich. Secretary/Treasurer Schaus kept the minutes of the meeting.

The agenda was approved as presented.

Tom Ruth, Manager, reported on the estimated cost impact of the ECA by rate class.

Benchmarking against other utilities was reviewed.

Billing alternatives were reviewed and discussed.

There was a discussion on the length of time over which expense would be recovered. At the end of the discussion, it was moved by Luetters and seconded by Hobbs that the recovery period would be extended over a 2-year period. Upon vote taken, the motion carried.

There was a discussion on creating a Regulatory Asset on the balance sheet as a mechanism to defer cost and spread expense. At the end of the discussion, it was moved by Joy and seconded by Weinhold to create a Regulatory Asset. Upon vote taken, the motion carried.

A framework for a Regulatory Asset Rider tariff was discussed as a mechanism to allow expense recovery over the two-year period. At the end of the discussion, it was moved by Hobbs and seconded by Keller to establish a Regulatory Asset Rider. Upon vote taken, the motion carried.

Financing options were presented by Ruth for various loan terms and interest rates. At the end of the discussion, it was moved by Rohleder and seconded by Keller to borrow \$7M from CoBank on an unsecured callable note at 1.5% interest for a period of 2 years. Upon vote taken, the motion carried.

There being no further business, the meeting was adjourned. The next regular meeting will be March 22, 2021 at 9:00 a.m.


Secretary

Approved by:


President