

White River Electric Cooperative
May 2020
Board Meeting Report

The White River Valley Electric Cooperative Board of Directors met in regular session at the Branson Headquarters on Thursday May 21, 2020. The meeting was held in the Community Room, to allow for social distancing due to the Missouri COVID-19 Pandemic restriction.

Board President Hyatt began discussion on information being released in the “Members Only” section of the WRVEC website. An update on prior Board discussions on this matter was provided along with details of the page to be published. The following motion was made;

- Motion to approve publishing the CEO and Board of Directors compensation to the “Member’s Only” section of the WRVEC’s website for member transparency. Motion unanimously carried. **#05-21-2020-01**

Vice President Whorton then presented the April Board Summary and stated it would be placed on the WRVEC website as submitted.

Whorton then updated the Board regarding the Bylaw Governance and Engagement Committee’s meeting which was held on May 12, 2020. This meeting was held to discuss best alternatives to conduct White River’s 2020 Annual Meeting in light of possible restrictions and health Orders surrounding the COVID-19 Pandemic. Due to outbreak, the Missouri Governor authorized a waiver of statutory requirements related to cooperative annual meetings found at Section 394.120, section 2 & 7, essentially allowing cooperatives to hold and conduct annual meetings and voting in a means and timeframe, as determined by their boards of directors, to be in the best interest of the cooperative and its members. Discussion by all directors weighed both pros and cons of many options, with safety and concern for all Cooperative members and employees being paramount. The entire board reviewed viable options and worst-case scenarios, of each avenue. The committee unanimously agreed it would be best to hold a virtual meeting and proceed with electronic and mail-in voting capabilities prior to the meeting. Holding a virtual meeting with an extended electronic voting window prior to the meeting allows members and employees, alike, a safe and secure way to participate. Accordingly, the following Motion was made by Jenny Whorton on Behalf of the Bylaw, Governance and Member Engagement Committee:

- Motion to forego the in-person 2020 Annual Meeting of Members and to hold the Annual Meeting on the 12th day of September, 2020 by means of a virtual, live-stream format with dial-in options to conduct meeting business in accord with the Governor’s waiver of MO Statute 394.120: Sections 2 and 7 (Annual Meeting and Voting). Due to the meeting format, member voting will open prior to the 2020 Annual Meeting of Members and will accommodate online, mail-in and in-person ballots.
 - o A Roll Call vote was requested by Director Leek. The following Directors voted in favor of the motion: Whorton, Short, Rains, Rowland, Funk, Kyle, Crum. The following Director voted against the motion: Leek. Motion carried. **#05-21-2020-002**

The Bylaw Governance and Engagement Committee along with Cassie Cunningham, Manager of Communications and Member Engagement, also reviewed and discussed with the entire Board the communications that need to go out in order to best educate all WRVEC members of the meeting format and voting changes. It was also discussed and agreed, that in order to

provide members with as much information as possible the annual report will be delivered directly to members' homes prior to the meeting.

Next Director Funk updated the Board regarding the Finance & Equity Management Committee's most recent meeting. The Committee met on April 29, 2020 at the Branson headquarters. The decision was unanimously made by the Committee to present several items for Board approval. Accordingly, the following Motions were made by Pat Funk on behalf of the Finance and Equity Management Committee:

- Motion to approve the 2020 Pole Replacements Contract #1 with BBC Electrical Services, Inc. to continue providing pole replacement services through 2020 year-end. Motion unanimously carried. **#05-21-2020-003**
- Motion to approve the additional add-on software with NISC; which will have an updated timeclock as well as an HR portal, for an approximate cost of a one-time payment of \$6,000.00. Motion unanimously carried **#05-21-2020-004**

Funk then stated the committee had also been presented with a proposal regarding the engineering department acquiring PwrMetrix Software, which would require additional departmental budget funds. Funk expounded on the PwrMetrix Software, stating the software analyzes outage data and provides graphical areas of where and when certain outages happen, allowing cooperatives the ability to focus on areas that need additional attention. Funk said the Committee agreed the full Board should hear about the advantages of this software. Beau Jackson, Manager of Engineering and Plant Services, stated he would like to present a full presentation with data analytics during the June Board meeting on this subject, enabling the Board to visually see the true data and all that it can provide. Funk stated this topic would be moved to the June meeting for further Board Discussion and potential Board action.

Updates were given by the following departments: Safety and Training, Accounting and Office Operations, Communications and Member Engagement, Engineering and Development, Information Technology and Operations.

Manager of Finance and Office Operations, Tim Shafer presented the Financial report. During this presentation the Board held a lengthy discussion regarding WRVEC's Long Term Debt (LTD) structure and refinancing options in light of the historically low rates at this time. During the discussion, Shafer presented a financial forecast matrix, allowing the Board to visualize WRVEC's future financial forecast. After considering the matrix and evaluating the needs for the Cooperative's cash liquidity in the near future, the Board was of the consensus that the current financial environment would be favorable for securing an additional credit facility. Accordingly, the following motions were made during the Financial Report:

- Motion to authorize management to draw down on the current Power Vision Loan with CFC, as deemed necessary, to secure reasonable and adequate cash liquidity for the Cooperative in the near term at the most favorable interest rate available. Motion unanimously carried. **#05-21-2020-005**
- Motion to secure an additional Twenty-Five Million Dollar Power Vision Loan with CFC so funds are available to the Cooperative at favorable interest rates for future financial security. Motion unanimously carried. **#05-21-2020-006**

During the Communications and Member Engagement departmental report, Director Funk reported on Behalf of the Revolving Loan Fund Committee, stating the committee unanimously approved advancing the application from Gainesville Schools. The following motion was therefore made:

- Motion for Board approval of the Revolving Loan Fund application received from Gainesville School District in the amount of \$385,000. On motion duly made and seconded, motion carried with Director Pat Funk abstaining from the vote. **#05-21-2020-007**

Report was given by John Combs, Manager of Operations. Discussion was held regarding the ROW contracts #3 and #4 with Southern Construction. Following the discussion, the following motions were made:

- Motion for Board approval regarding Right-of-Way Contract #3 with Southern Construction in the amount of \$559,633.05; with such work to begin after May 1, 2020 and to be completed no later than December 31, 2020. Motion unanimously carried. **#05-21-2020-008.**
- Motion for Board approval regarding Right-of-Way Contract #4 with Southern Construction in the amount of \$85,729.05; with such work to begin after May 1, 2020 and to be completed no later than December 31, 2020. Motion unanimously carried. **#05-21-2020-009**

Also, during the Operations report, an update was given to the Board regarding the vegetation management contract with Progressive Solutions. This contract had previously been approved during the April Board meeting pending confirmation of a termination for convenience clause for a nominal amount. The Board was advised that the proposed addendum provided a \$40,000 termination clause should the Cooperative decide not to proceed. Board Counsel advised that this sum, representing approximately 10% of the base contract amount, was customary. With this additional information presented, the following motion was made:

- Motion to approve the Progressive Solutions LLC contract with the Addendum "A" termination clause, as presented. Motion unanimously carried. **#05-21-2020-0010**

Monthly reports on cooperative activities/programs were presented by the following: Chris Hamon, CEO; Angie O'Dell, Manager of Executive Business Administration; the KAMO Report was presented by Director Short; the Sho-Me Report was presented by CEO Hamon.

The next regular meeting of the White River Valley Electric Board of Directors will be held on Thursday June 18th, beginning at 9:00 am. This meeting will be held at the Branson Headquarters in the Community Room unless governmental health orders are mandated that would prevent in-person assembly of the Board, in which case, the meeting will be held by teleconference. Additional notice will follow in advance of the meeting to confirm location and method.

Jenny Whorton

Vice-President