
CEO'S REPORT

We have maintained effective operations since 1939. However, we are always looking for ways to improve so we can provide the most value to your membership with White River Valley Electric Cooperative. The year 2021 was no different. While we strive to achieve goals under each of our strategic initiatives - there was particular focus on safety, financial responsibility, operational efficiencies, economic development opportunities, and the overall protection of Cooperative assets.

Safety is always a top priority at WRVEC. There is nothing more important than making sure that all employees make it home to their families every night. We also strive to deliver electric service to your homes and businesses that is protected from unnecessary hazards and prepared for mother nature's worst. We have increased ride-a-longs, more robust inspection reporting, continued training, and support a culture of sharing experience to learn from past mistakes and prevent future errors. Knowing the proper procedures and holding each other accountable provides the safest atmosphere possible.

As a not-for-profit cooperative, we pay the bills for things like power generation, maintenance, and operations. The money left over after bills are paid each year are called a margin. Margins provide equity for the Cooperative and are assigned to members through capital credits. Our financial responsibility is key to maintaining approved budgets and demonstrating value for the membership. That includes looking for ways to reduce waste and cut costs. In 2021, we rolled out a warehouse automation process to encourage more diligence and real-time material counts. In addition, employee diligence and member communication closed the year with some of the lowest write-offs to date.

Efficiency in all aspects of our daily operations is evaluated on a regular basis by our team. We are continuing to shape the workflow program by including all employees who "touch" the process. Gathering more employee input and expertise promotes more buy-in. Supply chain interruptions are a big hurdle as well. We continue to make strategic choices that tackle limited availability and inflated costs.

We also jumped into some large projects last year that are still progressing like the broadband study, our long-range plan, Cooperative Cyber Dome, and modified emergency response plans - all things that required modification during and after a global pandemic.

Your Cooperative never stopped running during COVID. We have seen an uptick in activity since the country resumed "normal" operations. New developments blanket many areas surrounding our beautiful lakes as people rushed to the outdoors and we continue to be a resource for businesses that had to modify the way they operate and help navigate expansion opportunities for others. Your WRVEC team is working diligently to aid economic development in the area.

All these actions help to protect the Cooperative's assets, your assets as a member. We deliver the most value to your membership when we continually evaluate what we do and how we can improve. Maintaining our strong operations and implementing innovative programs help to run a tight ship and make sure that we're steered in the right direction for the future.

FROM THE PRESIDENT

Instability seemed to become the "norm" rather than the exception throughout 2021. One of the biggest responsibilities of the WRVEC Board of Directors is to help chart a course that maintains the stability of the cooperative. This is no small task. The Board works closely with the executive team to monitor big changes like unprecedented weather events and supply chain crises that could affect WRVEC and its members. The co-op must be prepared to adapt to external challenges like these. In 2021, WRVEC did just that.

A persistent supply chain crisis proved to be a sizable challenge in 2021, but the Co-op was able to successfully navigate it thanks

to diligent preparation from the WRVEC team. The Board assisted with valuable financial checks and balances. By the end of the year, the Co-op had even returned \$5.72 million in capital credits to its members while also increasing overall member equity.

Putting member feedback into action is another important task for the WRVEC Board. It is a top priority that the Co-op's reporting is always transparent and easily accessible for the membership. Part of listening and reacting to member needs in 2021 involved exploring the potential for broadband internet offerings in the WRVEC service territory. We understand that the member need for

high-speed internet is large and that White River Valley might be the only potential solution for some members. That is why we conducted a feasibility study to help determine whether the massive undertaking of rolling out high-speed internet would be a wise decision for our Cooperative. The potential project would be a huge financial commitment.

Charting a smooth course for the Co-op while continuing to meet member needs is not a task taken lightly by the Board or the WRVEC team. The amount of experience provided by our Board of Directors and our charge for continuing education equips us with the tools and information needed to serve our membership well.