

Midwest Energy Board of Directors Meeting Summaries

Below is a summary of the most significant items from Midwest Energy's Board of Directors meetings for recent months. Routine items not shown by month include approval of prior meeting minutes, selection of Board delegates to upcoming industry meetings and review of (1) prior-period financial results, (2) business plan progress and department activities, (3) performance dashboard results, (4) CEO Report, (5) Board Committee reports, and (6) Director reports from attendance at training events and conferences, if any.

May 2022

- Approved a resolution closing a bank account
- Heard a report on annual updates to the electric transmission formula rate and natural gas cost of service rider
- Heard a report on enterprise risk management
- Heard a report on cybersecurity risk appetite and cyber insurance
- Heard a report on natural gas leak detection

April 2022

- Approved the allocation of 2021 capital credits and payout of prior period amounts of \$6.2 million, which includes \$900,000 for estate payments, \$100,000 for previously unclaimed amounts less \$200,000 of new unclaimed amounts, and \$5.4 million for the general disbursement
- Heard a report on updated revenue requirements for the electric rate case
- Heard an update on power supply proposals and approved a resolution authorizing staff to negotiate and execute a contract for electric capacity and associated energy.
- Heard a report on the safety program
- Heard a report on electric vehicle strategy

March 2022

- Approved the 2021 Independent Auditor's Report from BKD
- Heard a report on electric rate case communications
- Approved the addition of LED lighting options
- Heard an update on power supply proposals

February 2022

- Heard an update on the electric rate case and residential demand rate design options
- Heard an update on power supply capacity/energy proposals
- Heard a report on the results of a benchmarking project with other coops

January 2022

- Heard a report on the updated 10-year Rate and Financial Forecast
- Heard an update on the electric rate case cost of service study results

- Heard a report on capacity only proposals received as a result of the power supply Request for Proposals and approved a capacity-only proposal.

December 2021

- Approved the 2022 Financial Plan (budget)
- Approved a resolution to write-off utility, miscellaneous and How\$mart accounts in the amount of \$372,102
- Approved write-off of \$852,620 related to a terminated software project
- Heard an update on an electric rate increase proposal
- Heard a report on equity level and targets
- Approved changes to Corporate Policy – Capital Credits
- Heard a report on power supply Request for Proposals responses
- Heard an update on the December 15 windstorm and fire damage
- Approved a real estate purchase resolution

November 2021

- Heard a report on the 2020 & 2021 Project Scorecard Review
- Heard a report on the proposed 2022 Business Plan and Financial Plan
- Approved a resolution to change a depository bank in Great Bend
- Heard a report on a power supply Request for Proposals
- Adopted a resolution approving the transfer/sale of miscellaneous facilities to Evergy
- Adopted a resolution approving the sale of the Wilson gas warehouse facility
- Heard a report on the Executive Knowledge Silo Matrix

October 2021

- Heard a report on the equity ratio target and discount rate used for estate capital credit retirements
- Saw a demonstration on the CustomerConnect portal for automated meter information

September 2021

- Approved an increase of \$300,000 for 2021 estate capital credit payments
- Approved cancellation of the oil field tariffs for natural gas sales and transportation service
- Approved the addition of an unmetered and metered 260-watt LED area light option to the Leased Area Lighting tariff
- Heard a report on Knowledge Transfer

August 2021

- Approved a resolution to close an existing bank account and open a renamed account to be used for pass-through of health and dental insurance claims
- Approved changes to Corporate Policy 301.2 Depositories and the Certificate of Secretary

July 2021

- Heard a report on the updated 10-year Rate and Financial Forecast
- Heard a report on the reduction in truck rolls required to complete service orders resulting from implementation of automated metering
- Approved Election and Balloting Rules for the 2021 director election
- Approved changes to the Bylaws and Corporate Policy 201.1 – Qualifications for Directors

June 2021

- Heard a report on the annual update to the electric Transmission Formula Rate
- Reviewed a draft of the 2020 IRS Form 990 report
- Approved the sale of Midwest Energy's crew office and warehouse facility in Wilson
- Approved a CEO Evaluation Process and Compensation policy

May 2021

- Approved the allocation of 2020 capital credits and payout of prior period amounts of \$6.2 million, which includes \$800,000 for estate payments, \$100,000 for previously unclaimed amounts less \$100,000 of new unclaimed amounts, and \$5.4 million for the general disbursement
- Heard a report on the 2021 Identity Theft Prevention Program Annual Report
- Heard a report on the Colonial Pipeline Ransomware Incident
- At the open meeting on May 17th in Hays, the Board voted to approve the proposed method to recover excess natural gas costs from Winter Storm Uri and proposed changes to natural gas delivery rates and rate schedules.

April 2021

- Heard a report on tariff changes necessary to (1) recover extraordinary natural gas costs resulting from Winter Storm Uri and (2) increase natural gas delivery revenue
- Heard a report on electric instrument metering

March 2021

- Approved the 2020 Independent Auditor's Report from BKD
- Heard a report on Winter Storm Uri Cost Recovery and scheduled an open meeting for May 17th to consider approval of tariff changes to recover storm costs and adjust natural gas rates

February 2021

- Heard a report on natural gas and electric prices and availability due to extreme weather conditions and near-term operational plans
- Heard an update on a natural gas rate increase proposal
- Selected five students to receive scholarships and participate in the 2021 Kansas Electric Youth Leadership Conference

January 2021

- Heard a report on capital credit retirement methods and approved changes to same
- Heard a report on the updated 10-year Rate and Financial Forecast
- Heard an update on a natural gas rate increase proposal and scheduled an open meeting on May 17 to consider approval
- Heard a report on improvements to technology implementation projects

December 2020

- Approved the 2021 Financial Plan
- Approved a resolution to write-off utility, miscellaneous and How\$mart accounts in the amount of \$246,339
- Approved write-off of \$1,154,085 related to a terminated software project
- Heard a report on development of a natural gas rate increase proposal
- Heard a report on pending settlement of litigation related to Smoky Hills Wind Farm
- Heard a report on political contributions
- Approved changes to Corporate Policies – Qualifications for Directors, Directors Fees and Expenses, and Drug-Free Workplace

November 2020

- Heard a report on the proposed 2021 Business Plan and Financial Plan
- Approved bank signature cards for new Board officers
- Adopted a resolution approving the updated power supply Resource Plan
- Approved right-of-way easements with Ellis County for the Northwest Business Corridor
- Approved a right-of-way easement with ITC Great Plains for its fiber optic project

October 2020

- Heard a report on capital credit refund methods
- Heard a report on natural gas business unit benchmarking and benefits of gas/electric synergies
- Heard a report on settlement of litigation related to a terminated software project.

September 2020

- Heard a report on complexity of implementing new technology
- Heard an introduction of new VP of Human Resources and department plans

August 2020

- Heard a report on financial benchmarking for electric generation/transmission and distribution operations
- Heard a report on rural gas system viability
- Approved changes to Corporate Policy 201.2 Qualifications for Directors and Bylaws
- Approved authority to proceed with community solar asset purchase and bill credits for panel owners

July 2020

- Heard a report on the updated 10-year Rate and Financial Forecast
- Heard a report on the Crisis Communication Plan
- Heard a report from Lee Tafanelli, Kansas Electric Cooperatives' CEO
- Approved Election and Balloting Rules for the 2020 director election
- Approved changes to Corporate Policy 201.4 Directors' Fees and Expenses
- Cancelled the 2020 Midwest Energy Annual Meeting due to COVID-19

June 2020

- Approved the removal of "System Abandonment" provisions from Natural Gas Terms and Conditions
- Approved the removal of "knock and collect" requirements from Natural Gas and Electric Terms and Conditions applicable during disconnection of meters
- Approved the removal of the Annual Service Rate Provisions section from the AMI Conversion Rider
- Heard a report on NERC audit preparation status
- Heard a report on use of drones at Midwest Energy
- Approved a one-time donation of \$35,000 to the Midwest Customers Care fund

May 2020

- Approved a capital credit payout of \$6.2 million, which includes \$700,000 for estate payments, \$100,000 for previously unclaimed amounts less \$100,000 of new unclaimed amounts, and \$5.5 million for the general disbursement
- Approved changes to Corporate Policies including
 - o 301.7 Capital Credits
 - o 604.6 Drug Free Workplace
- Approved changes to Bylaws allowing cancellation of the annual meeting in extreme circumstances including pandemic, while maintaining the regular cadence of director elections, without an annual meeting
- Heard a report on the 2020 Identity Theft Prevention Program Annual Report
- Heard a report on Cybersecurity Critical Security Controls

April 2020

- Approved a resolution authorizing the application for state or federal funding for the purpose of mitigating Coronavirus Pandemic expenses and losses
- Approved real estate transactions to enlarge a substation near Kinsley
- Heard an update on patronage capital allocation
- Heard a report on coronavirus preparation and response plan

March 2020

- Heard a report from BKD on the 2019 Independent Auditor's Report

- Approved a resolution adopting an accounting practice to defer a portion of revenue from large pipeline pumping stations and compressor stations for the purpose of rate stabilization
- Heard a report on patronage capital allocation
- Heard a report on benchmarking performance against other cooperatives
- Heard a report on the Information Technology Service Desk

February 2020

- Heard a report on patronage capital allocation.
- Heard a report on revenue deferral preliminary recommendations.
- Heard a report on natural gas rate increase recommendations.

January 2020

- Heard a report on the updated 10-year Rate and Financial Forecast
- Approved opening a customer comment period and scheduling an open meeting for the natural gas rate increase.

December 2019

- Reviewed and approved the 2020 Financial Plan
- Approved a resolution to write-off utility, miscellaneous and How\$mart accounts in the amount of \$351,756.40.
- Discussed capital credit allocation methodology
- Approved changes to Corporate Policy – Qualifications for Directors.

November 2019

- Heard a report on the proposed 2020 Business Plan and Financial Plan
- Approved bank signature cards assigning Robert Muirhead as Assistant Secretary
- Heard a report on power supply portfolio final recommendations and approved proceeding with Requests for Proposals and preliminary contract negotiations

October 2019

- Heard a report on AMI and backhaul communications business case outcomes and lessons learned
- Approved accounting treatment for old analog electric meter stock
- Heard a report on power supply portfolio preliminary recommendations

September 2019

- Heard a report on allocation of capital credits and impact of various allocation methodologies
- Heard a report on natural gas revenue requirements and a potential gas rate increase in mid-2020
- Discussed format for the annual Board/Executive Staff offsite education event

August 2019

- Heard a progress report on review of the power supply portfolio
- Approved modifications to USDA revolving loan fund documents and approved a revolving loan to an Atwood-area business

July 2019

- Approved a resolution to issue up to \$25 million of long-term debt for the purpose of financing capital additions
- Heard a progress report on review of the power supply portfolio
- Heard a report on the Infor and PowerPlan software project
- Discussed preference of options to increase governance transparency
- Approved the 2020 strategic priorities and strategies
- Approved changes to or adoption of Corporate Policies including
 - o 101.4 Board of Directors - CEO Relationship
 - o 103.2 Policy
 - o 103.7 Enterprise Risk Management
 - o 104.3 Governmental, Legislative and Regulatory Involvement
 - o 302.4 Fraud
 - o 604.1 Business Ethics, and
 - o 604.2 Conflict of Interest
- Approved Election and Balloting Rules for the 2019 director election

June 2019

- Heard a report on the Infor and PowerPlan software project
- Heard a report on governance and transparency topics
- Heard a report on proposed strategic priorities and strategies

May 2019

- Heard a report on the 2019 Identity Theft Prevention Program Annual Report
- Heard a report on 2019 wage increases
- Heard a report on NERC compliance, cybersecurity and a software application to automate some paperwork required for compliance

April 2019

- Approved a capital credit payout of \$6 million dollars, which includes \$700,000 for estates, \$100,000 for previously unclaimed amounts and \$5.2 million for general disbursement
- Approved changes to Corporate Policies including
 - o 104.1 Economic Development
 - o 201.1 Qualifications for Directors
 - o 201.3 Attendance at Industry Meetings and Educational Events, and
 - o 201.4 Board of Directors/Directors' Fees and Expenses.

- Heard a consultant's report on an Information Technology Assessment

March 2019

- Heard a report from BKD on the 2018 Independent Auditor's Report
- Approved a resolution authorizing an account with Commerce Bank to be used for customer payments coming from a third-party payment consolidator
- Discussed identification of major risks as a component of strategic planning
- Selected five students to represent Midwest Energy at the Electric Cooperative Youth Tour in Washington D.C.

February 2019

- Heard a report on the Infor and PowerPlan software implementation project
- Heard a report on a large customer's growth plans
- Discussed posting of Board governance and transparency topics on website
- Discussed inputs for upcoming strategic planning exercise
- At the open meeting on February 18th in Hays, the Board voted to cancel the Parallel Generation Rider for Qualifying Facilities

January 2019

- Heard a report on the updated 10-year Rate and Financial Forecast
- Approved recommendation to finance construction of customer facilities for major load additions in an amount up to \$10 million at an appropriate interest rate for up to 10 years

December 2018

- Reviewed and approved the 2019 Financial Plan
- Approved a resolution to write-off utility and miscellaneous accounts in the amount of \$355,898
- Discussed a strategic planning exercise in the first quarter of 2019
- Designated February 18th at 11:00 a.m. for the open meeting to consider cancellation of the Qualifying Facility Tariff

November 2018

- Heard a report on the proposed 2019 Business Plan and Financial Plan
- Approved opening a member comment period for cancellation of the Qualifying Facility Tariff

October 2018

- Heard report on a proposed strategic planning process
- Heard report on a new business planning format and a draft for 2019
- Approved expansion of a capacity-only power supply contract
- Approved sending five students to the Electric Cooperative Youth Tour in Washington D.C.

September 2018

- Approved a resolution to extend an expiring letter of credit facility five years
- Heard a report on power supply planning
- Approved changes to Article IV, Section 3 of the Bylaws and revisions to Corporate Policies including
 - o 103.5 Disclosure of Information
 - o 201.1 Qualifications for Directors, and
 - o 201.2 Duties and Responsibilities of the Board of Directors

August 2018

- Reviewed proposed Bylaw and corporate policy changes

July 2018

- Approved a syndicated long-term debt agreement for \$25 million dollars
- Approved Election and Balloting Rules for the 2018 director election
- Heard a report on 2017-2018 Midwest Customers Care program
- Heard a report on the vehicle fleet program
- At the Open Member Meeting held July 16 in Hays, the Board approved the proposed changes to the electric rates and electric rate schedules effective January 2019