

## 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.*

### **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 HowSmart 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 18<sup>th</sup> 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 18<sup>th</sup> 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