

# Board Approves \$900,000 in Capital Credits

A regular meeting of the Board of Directors of SEMO Electric Cooperative, Inc. (hereinafter referred to as "Cooperative") was held on Monday, July 15, 2024, at the office of the Cooperative in Sikeston, Missouri. The meeting was called to order at 12:30 p.m. by President Rick Faulkner. The following Directors were present: Faulkner, James Deneke, Carl Eftink, John Bledsoe, Myron Hawes, Tim Coppage, Carla Moore, Dicky Hanor, Keith Haynes, Field LaPlant, and Von Priggel. Directors absent: Dennis Fowler. Also present were Sean Vanslyke, CEO/General Manager; Megan McCord, Attorney for the Cooperative; Jefferson Choti of the National Rural Utilities Cooperative Finance Corporation (CFC); and staff members Karen Griffin, Rosa Hester, Chris Freed, Becky Ivester, Jared Kelley, Loyd Rice, Brad Milam, Amanda Burnett, and intern Betsy Riggs.

A prayer of invocation was offered by Bledsoe. The chair asked for approval of the agenda. On a motion made and passed, the agenda was approved. The Board considered its consent agenda consisting of: the minutes of the regular meeting of June 14, 2024; new membership applications; membership cancellations; an initial review of Policy 415 – Electric Motor Loads; and an initial review of Policy 416 – Privacy and Confidentiality. Kelley presented the monthly safety report, highlighting the common causes of hand injuries, which include contact with machinery and equipment, sharp objects, impact injuries, pinch points, and chemical exposure.

Griffin introduced Hester, who is leaving the Cooperative to transfer from a local college to a university. Hester thanked the Board for the opportunity to transition from an intern to an employee for nearly two years. Hester shared that she gained invaluable experience in member and subscriber service, understood the significance of teamwork, and cherished working with her exceptional co-workers. Choti, of CFC, presented a Cost-of-Service Study (COSS) recently completed by CFC. A COSS is a detailed analysis used by electric cooperatives to determine the cost of providing electric service to various rate classes. The primary goal is to ensure that rates are equitable and reflective of the actual cost incurred in delivering electricity. Choti indicated that rates need some minor adjustments and discussed how demand charges flow from electric generation to electric distribution. CFC is a member-owned nonprofit cooperative that provides industry expertise and financing to nearly 1,000 electric cooperatives across 49 states.

Under old business, the Board reviewed its schedule of meetings and confirmed registrations for attendance; approved Policy 412 – Payment of Bills; and conducted an initial review of Policy 413 – Deposits. Under new business, the Board reviewed and discussed district updates. Rice presented information on a request for REDLG support from a local business, and Burnett presented options to retire capital credits. The Board approved retiring approximately \$900,000 in capital credits. This year's credits or "Power Perks" checks will be mailed to members' most current address listed on the Cooperative's records. If the amount is \$10 or less, the amount will be carried over to the following year. Vanslyke reported on the recent employee impact of Policy 224 – Supplemental Compensation for Exempt Employees for Disaster Situations.

Burnett reviewed the financial summary for the month of June 2024 with revenue and expense analysis and budget comparisons. Compared to the budget, year-to-date revenue is down 3.15%, expenses are down 7.86%, and power costs are up 1.65%. On a motion made, seconded, and passed, the Board accepted the financial report. She also provided information on her final project for the NRECA's Management Internship Program (MIP).

Eftink reported no meeting had been held at M&A Electric (Transmission) Power Cooperative. Haynes reported on business from the Association of Missouri Electric Cooperatives' (AMEC) meeting. Items of interest included a financial report and committee updates. The Board reviewed written reports, and department leaders were present to supplement their written reports and to answer questions from the Board.

Remaining staff members left the meeting, and the Board entered Executive Session to discuss legal and personnel matters. Following Executive Session, it was reported that the following motion was made, seconded, and passed during Executive Session: Resolved, that the per diem days and associated expenses from directors be approved as presented. There being no further business, the meeting was adjourned at 6:05 p.m.



*Team SEMO's Amanda Burnett, left, introduces Jefferson Choti of the National Rural Utilities Cooperative Finance Corporation (CFC). Choti presented a Cost-of-Service Study recently completed by CFC, which is a detailed analysis used by electric cooperatives to determine the cost of providing electric service to various rate classes.*



*Team SEMO's Rosa Hester (left) and her supervisor Karen Griffin meet with the board as Hester expressed her heartfelt appreciation for her time as an intern and employee at the cooperative. She is leaving the area to complete her college degree at a university. Hester shared that she gained invaluable experience in member and subscriber service, understood the significance of teamwork, and cherished working with her exceptional co-workers.*