

**Platte-Clay Electric Cooperative, Inc.
Regular February 2019 Meeting of the Board of Directors
Held February 15, 2019**

The Regular February 2019 Meeting of the Board of Directors of Platte-Clay Electric Cooperative, Inc. (hereinafter called the "Cooperative"), was held at the offices of the Cooperative located in Kearney, Missouri, at 9:00 a.m. on Friday, February 15, 2019, pursuant to the Bylaws of the Cooperative and previous resolution of the Board of Directors.

The meeting was called to order by Debi Koechner, President of the Cooperative, who presided. Secretary Theresa Wren acted as Secretary of the meeting and caused the keeping of the minutes.

ROLL CALL

Debi Koechner	Kendall Davis	Larry Leachman
Steve Adkins	Dennis Fulk	Theresa Wren
Kim Goepferich	Gary Shanks	

The Directors in attendance constituted a quorum of the Directors of the Cooperative. Also present at the meeting were Dave Deihl, CEO/General Manager, Tim Hill, Operations Manager, Ken Brown, Accounting, Finance & Customer Service Manager, Ed Williams, Information & Technology Manager, Jennifer Grossl, Communications & Marketing, Jared Wolters, Engineering Manager, Jim Cox, Safety Manager, Garret Poorman, Communications Director and Sheri Smiley, counsel for Platte-Clay Electric Cooperative, Inc.

APPROVAL OF CONSENT AGENDA

A Consent Agenda consisting of the approval of the Agenda, approval of the

Minutes from the meeting held January 18, 2019, and approval of Memberships and Terminations was presented. A motion was made, seconded and passed to pass the Consent Agenda as presented.

MEMBER COMMENTS

Manager Dave Deihl reported there were member comments this month including positive comments received regarding the recent snow storm service and positive comments received regarding service.

STAFF REPORTS

Safety

Jim Cox, Safety Manager, gave the loss report. He reported that as of 2/1/19 there were 1651 days of no lost time accidents. He also discussed industry standards and ways to prevent incidents.

Finance Report

Ken Brown gave the Finance and Accounting report for the month of January. He gave capital credit return scenarios and recommendations for how to handle capital credits that are under \$50.00 due to cost of processing and efficiency. A motion was made, seconded and passed that all capital credits be credited to accounts for active accounts unless a member comes to the annual meeting at which point if the capital credit is in excess of \$50.00 they can request a check. Inactive accounts do have to have a \$50 minimum to receive a check unless it is a final payment.

Mr. Brown also discussed the FASB Revenue Deferral. He reported he had met

with the auditor and Mr. Brown's recommendation was to defer \$3,272,241.72 into 2019.

A motion was made, seconded and passed to pass the following resolution:

RESOLUTION

AUTHORIZING THE DEFERRMENT OF REVENUE

WHEREAS, With the approval of the Cooperative's Board of Directors, as regulators, Platte Clay Electric Cooperative has agreed to a plan to defer \$3,272,241.72 of operating revenues until 2019 for a one time economic event associated with FASB Accounting Standards update No. 2014-09; Revenue from Contracts with Customers (Topic 606) the implementation of which resulted in a one-time economic event gain for the recognition for the cumulative effect of the change in accounting principle, and

WHEREAS, Platte Clay Electric Cooperative, Inc. realizes this is a one-time economic event which does not provide any corresponding increased cash flow. As part of its strategy of developing and establishing rates for electric energy has established a deferred revenue plan designed to provide adequate cash flow and margins during the accounting period based on billing cycles for kwh sales.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Platte Clay Electric Cooperative, Inc. approved the Deferred Revenue Plan - One Time Economic Event as herein described in order to realize margins in the accounting period revenue is billed to our members. The Cooperative will record the revenue deferral for the calendar year 2018 pursuant to the Plan and cash equivalent of all revenue deferred will be segregated in a specific restricted account until subsequently recognized into revenue.

BE IT FUTHER RESOLVED, that Platte Clay Electric Cooperative's Board of Directors will regulate and manage Platte Clay Electric Cooperative by adopting and approving the implementation of the December 2018 Revenue Deferral Plan – One-time Economic Event in the amount of \$3,272,241.72 that will be fulfilled by either refunding increased revenues through future rate reductions currently identified as margin rebates or by paying for future wholesale power cost increases with either a diminished or no corresponding effect on future retail rates, the equivalent of all margins or revenues deferred will be segregated in a special fund until such time as a like amount is subsequently amortized into revenue, and

BE IT FURTHER RESOLVED, that the Platte Clay Electric Cooperative Board of Directors hereby acknowledges, approves, and accepts its responsibility for the implementation of the December 2018 Revenue Deferral Plan- One-time Economic Event in accordance with the “Accounting Standards Codification” ASC 980 10, and

BE IT FURTHER RESOLVED, that the Platte Clay Electric Cooperative Board of Directors hereby is aware of the potential impact on its tax exempt and “cooperative” statuses and it acknowledges, approves, and accepts responsibility for the implementation of the December 2018 Revenue Deferral Plan.

Mr. Brown also reported on the budget, discussed the balance sheet, the income statement, operating statistics and key ratios. Net Margins for the month ending 1/31/19 are \$841,204 with year-to-date total margins of \$841,204. The Tier is 4.21.

Engineering Report

Jared Wolters presented the Engineering Report. He gave an update on Centurylink and an update on Verizon’s potential pole attachment. He also reported on meter change outs, a solar update and reported on the January capital budget.

Operations Report

Tim Hill gave the Operations Report. He reported on outages for the month and gave a facilities update on the remodel.

Information Report

Ed Williams gave the information and technology report. He gave an update on Aclara Ace and the Microsoft end of life notice he received. He also discussed cameras and access control.

Marketing & Communications Report

Jennifer Grossl gave the marketing report. She reported on the KC Remodel and

Garden Show she attended. She also discussed social media, including Facebook engagement. She reported that based on the survey done that the ASCI score had increased since 2016. She reported that she and Jim Cox gave a safety demonstration at Excelsior Springs and she discussed areas that the Focus Group have been discussing, including how to fill a board vacancy. She gave the Chamber of Commerce schedules for the upcoming month.

Manager's Report

Dave Deihl gave the manager's report. He reported that he had given a State of the Coop report to all employees. He also presented a proposed Bylaw Change to Article IV, Section 6, Vacancies that had been drafted by legal counsel. The new proposed language would read:

Director Vacancy. Except as otherwise provided in these Bylaws, if a vacancy occurs on the Board of Directors, the vacancy shall be filled:

- (1) by an affirmative vote of the majority of remaining Directors, and within a reasonable time of a Director position becoming vacant, the Board shall fill a vacant Director position, until the next Annual Member Meeting, at which time the Members must elect a new Director to fill the unexpired Director Term of the previously vacant Director position.
- (2) An individual elected or appointed to fill a vacant Director position must comply with the Director Qualifications. Except as otherwise provided in

these Bylaws, and as used in this Bylaw, “vacant Director position” and “Directory vacancy” do not include Director positions vacated due to an expired Director Term.

Under Article IV, Section 2 the words “at all times” would be stricken so it reads: For the purposes of equitable representation of the members the Board of Directors shall be composed of three members from each of the following described districts....”

A Motion was made, seconded and passed to present the recommended Bylaw changes to the Membership for voting at the annual meeting in May, 2019.

MEETING REPORTS

AMEC LEGISLATIVE CONFERENCE

Steve Adkins and Dave Deihl reported on the legislators they met and gave an update on possible legislation.

AMEC BOARD REPORT

Steve Adkins reported on his attendance at the Board meeting. He reported that the State Auditor spoke. He gave updates on a new wind farm and AECl’s position on it. He also reported on AECl margins and plant.

PRESIDENT’S REPORT

Debi Koechner gave the president’s report. Next month Board Policies 207-504 will be reviewed and discussed. She also reviewed the upcoming meetings:

- March 15 – PCEC Board Meeting
- April 16 – N.W. Annual Meeting

- April 19 – PCEC Board Meeting
- April 28-30-NRECA Legislative Conf.
- May 9 – PCEC Annual Meeting
- May 17 – PCEC Board Meeting

ADDITIONAL BUSINESS

There was no new business.

EXECUTIVE SESSION

Executive session was called at 11:05 a.m. and was out at 11:26 a.m.

ADJOURNMENT

There being no further business to come before the meeting, on motion duly made, seconded and unanimously carried, the meeting was adjourned. The next regular meeting will be held on March 15, 2019, at 9:00 a.m.

APPROVED:

Secretary

President