



RELIABLE
RESILIENT
RESPONSIVE

ANNUAL 2020 REPORT

WarrenRECC

AGENDA

Watch the
meeting **online** at
www.WRECC.com
at **6 p.m.**

WARREN RECC ANNUAL MEMBERSHIP MEETING

Thursday, July 8, 2021

Drive-thru Registration and Voting: 8 a.m.–6 p.m.

Business Meeting: Online at www.wrecc.com at 6 p.m.

Program: 6 p.m.

Virtual Meeting.....6 p.m.
WelcomeN.E. Reed, Chairman
InvocationJoe Neely, Director
Pledge of Allegiance
National Anthem
Warren RECC Highlights.....Dewayne McDonald, President and CEO
Kentucky Electric Cooperatives UpdateChris Perry, President and CEO
TVA Update.....Ernie Peterson, TVA

Door Prizes

Business Meeting.....**Marc A. Lovell**

- | | |
|---|----------------------------|
| 1. Report of Registration | 5. Old/Unfinished Business |
| 2. Official Notice of Meeting | 6. New Business |
| 3. Approval of Minutes of Last Year's Meeting | 7. Adjournment |
| 4. Election of Directors | |
| • Election Results | |

BOARD OF DIRECTORS



Terry A. Garmon
District 1



Thomas Dotson
District 2



Chris Gravil
District 3



N.E. Reed
District 4



Joe B. Neely
District 5



Dennis P. Ingram
District 6



Tim Purcell
District 7



Marc A. Lovell
Attorney

VOTING FAQs

WHO IS A MEMBER?

A member is the person(s) whose names appear on the Warren RECC billing system. If only one name appears on the account, only that person can vote. If a second name appears on the account, either can vote; but only one vote per membership will be valid and counted.

If an electric account is the name of a firm, association, corporation, LLC, church, school, not-for-profit, body politic, subdivision, or any other type of account, only the name of the person whose name appears on the account can vote. If no individual name appears on the account, legal documentation must be received and verified by Warren RECC that the person has the authority to speak and transact business on behalf of that corporation.

WHO IS ELIGIBLE TO VOTE?

Members on the Record Date of April 1 of any calendar year. Anyone who applies for membership after April 1 will not be eligible to vote in the 2021 election. In addition, any name changes or additions made to accounts after April 1 will not be effective for the 2021 election.

Membership will be verified at the time of registration and voting credentials will be issued. At-large voting will take place at the election site(s). Only active members, as of the Record Date, who register for the Annual Membership Meeting will be eligible to vote—one member, one vote.

WHAT IS A "RECORD DATE"?

A Record Date is the date for determining the total membership and the members entitled to: sign a member petition, receive an Official Ballot and Notice of Meeting, and/or vote.

Members who apply for electric service after the Record Date of April 1 and before the Annual Membership Meeting and/or a Special Meeting of the Members are eligible to attend the meeting but not eligible to vote in that year.

If membership is suspended or terminated after the Record Date of April 1, the person(s) whose names appeared on that account may not sign documents, receive documents, vote or otherwise act.

WHAT IS THE NOMINATING COMMITTEE?

The Nominating Committee reviews the report of the Elections Committee as well as interviews all candidates verified and approved by the Elections Committee. The Nominating Committee then prepares a list of nominations from the districts in which terms are expiring. At the Annual Membership Meeting, the Cooperative Attorney presents the list of nominations made by the Nominating Committee and any additional candidate(s) verified by the Elections Committee but not nominated by the Nominating Committee whose petition was validated by the Office of the President and CEO.

WHAT DOES "VOTING AT LARGE" MEAN?

Warren RECC members elect their Board of Directors by "voting at large." This means a member can vote for anyone running for a position on the Board, even if that position is not in the area where the member resides.

CANDIDATES FOR ELECTION

In compliance with the Warren RECC Bylaws, Article III, Meetings of Members, notice is hereby given that the following are candidates for election to the Board of Directors.

District 1 – Warren County

Terry Garmon (Nominated Candidate)
Tim Westbrook (Independent Candidate)

District 5 – Logan and Simpson Counties

Randy Mann (Nominated Candidate)
Wade Woodward (Independent Candidate)

VOTING: DISTRICT 1 WARREN COUNTY

TERRY GARMON

(Nominated Candidate)

Current employer/position:

Owner broker/auctioneer—American Land & Farm, LLC

Relevant work experience:

- Warren RECC Director—22 years
- Agricultural sales—41 years
- Propane Energy Partners director—20 years
- Former director of marketing, Kentucky Department of Agriculture
- Developed Kentucky Proud program
- Real estate agent/broker/auctioneer—17 years

Years as a Warren RECC member: 38 years

Civic/volunteer activities:

- Kentucky, Tennessee and National Realtor associations—member
- Realtors Land Institute—member
- National Auctioneers Association—member
- Kentucky Center for Agriculture and Rural Development—founder
- Farm Credit Mid-America—advocate council

Most important qualifications:

- Experience with various business types; state, local and federal government; with multi-million-dollar budgets
- Understanding member needs
- Managing and assisting with employee growth and development
- Integrating employee needs with member needs
- Knowledge of rural Kentucky and changing member needs

What do you see as the role of a Warren RECC board member?

- Advocate and voice for Warren RECC members
- Vision to pave the way for employees to have a stable and fulfilling work environment
- Establishing a policy and vision for Warren RECC sustainability
- Seeking opportunities to improve Warren RECC as a leading service provider and employer

What do you see as the biggest challenges facing rural electric cooperatives in the near future?

- Changing technology
- Broadband and fiber needs in rural areas
- Renewable energy demands and member demands
- Cyber threats
- Attracting and maintaining qualified employees



TIM WESTBROOK

(Independent Candidate)

Current employer/position:

Self-employed farmer

Relevant work experience:

I have farmed full time with my father since I graduated from high school in 1980.

Years as a Warren RECC member: 37 years

Civic/volunteer activities:

- Alvaton Fire Department
- Warren County Farm Bureau
- Warren and Edmonson County Farm Service Agency, 9-year maximum term

Most important qualifications:

I have been blessed with my wife and three sons. I have raised them on the farm and watched them follow in my footsteps. My grandfather told me that farming is not an easy life, but it is a good life.

What do you see as the role of a Warren RECC board member?

To serve members and employees to the best of my ability.

What do you see as the biggest challenges facing rural electric cooperatives in the near future?

- Being able to serve all the new homes and apartments with affordable service
- Employee safety



VOTING: DISTRICT 5 LOGAN AND SIMPSON COUNTIES

RANDY MANN

(Nominated Candidate)

Current employer/position:

Partner, Seldom Rest Farms

Relevant work experience:

- Strategic long-term planning and marketing of our grain operations
- Responsible for managing employees as well as contract laborers
- Our current scope of farming efforts encompasses acreage in Simpson, Logan and Warren Counties

Years as a Warren RECC member: 34 years

Civic/volunteer activities:

- Trustee—Locust Grove Church of Christ
- Board Member/Officer—Kentucky Soybean Association
- Member/Officer—Kentucky Soybean Promotion Board
- Member/Officer—American Soybean Association
- Officer—U.S. Soybean Export Council

Most important qualifications:

I have served as chairman of several boards at the state and national levels for the soybean industry. Those positions allowed me the opportunity to manage/direct committees, oversee long-term projects, implement budgets and be an integral part of global soybean market development in Europe and Asia.

What do you see as the role of a Warren RECC board member?

- Representing the district and respective members
- Helping the co-op identify and prioritize problems or areas for needed improvement
- Working with necessary individuals and divisions in an effort to attain equitable solutions and enhanced service to WRECC customers

What do you see as the biggest challenges facing rural electric cooperatives in the near future?

Effectively managing residential and industrial growth with all affiliated entities.



WADE WOODWARD

(Independent Candidate)

Current employer/position:

- PVF Feed and Livestock, owner/self employed
- PVF Properties LLC, owner/self employed
- Hardison Farms Farm Fresh Meats, owner

Relevant work experience:

- Pleasant View Excavating—Underground utility installation/agricultural drainage/commercial site prep
- PVF Feed and Livestock Management (2007-present)—Feed sales, trucking logistics, purchasing, and human resources
- PVF Properties, management (2008-present)—Work with warehousing and manufacturing clients and negotiate lease contracts

Years as a Warren RECC member: 9 years

Civic/volunteer activities:

- Local County FFA alumni
- Auburn Cumberland Presbyterian Church
- National Cattlemen's Beef Association

Most important qualifications:

- Work ethic and commitment
- Forward thinking decision maker
- Able to work well with customers and employees
- WKU bachelor's degree in agribusiness

What do you see as the role of a Warren RECC board member?

- Provide oversight of Warren RECC policies and budgets for members
- Represent Warren RECC members positively while keeping their best interests in mind
- To be accessible and approachable by all members, as well as all WRECC employees
- Hiring or retaining a qualified CEO

What do you see as the biggest challenges facing rural electric cooperatives in the near future?

- Keeping up with technology and the fast-paced growth of the cooperative
- Planning for future electricity usage increases while trying to minimize rate increases
- Finding and retaining qualified employees to fill the growing number of positions
- Cyber security



WE MISSED YOU

Here is what happened in 2020!



Above and right, we masked up! Warren RECC offices took every precaution to remain safe (we had a little fun, too)!



The weather didn't seem to notice there was a pandemic. In 2020, we participated in three storm restoration efforts in six weeks. Here, CEO Dewayne McDonald leads a team headed to Louisiana in prayer before they depart.



Though we weren't able to see you face to face in 2020, we were still in the office working to make sure you had the safe, reliable electricity you have come to depend on.



We thanked our first responders for their tireless work keeping us safe during the pandemic.

NEW EMPLOYEES

Welcome to new employees who have joined the WRECC family this year



JENNIFER KURFISS
MSR II
Morgantown



ZACH NORRIS
Warehouse Associate
Bowling Green



TY MCKINNEY
Apprentice Lineman
Bowling Green



SCOTT DAVIS
Apprentice Lineman
Leitchfield



EVAN EMBRY
Apprentice Lineman
Leitchfield



TRAVIS GARNER
Fiber Optic Network Specialist



DALTON WORLEY
Apprentice Lineman
Bowling Green



KRIS MOSELEY
Apprentice Lineman
Franklin



EMILY ANDERSON
MSR II
Bowling Green



JUSTIN MARTIN
Meter Technician I

2020

WARREN RECC

ACTIVE ACCOUNTS

As of December 31, 2020

Allen	29
Barren	428
Butler	6,374
Edmonson	7,517
Grayson	10,956
Logan	2,825
Ohio.....	3,159
Simpson.....	4,751
Warren	34,001
TOTAL	70,040

ACCOUNTS BILLED

2020 69,604

AVERAGE KWH USAGE

(residential per month)

2020 1,655

MILES OF LINE

2020 5,772

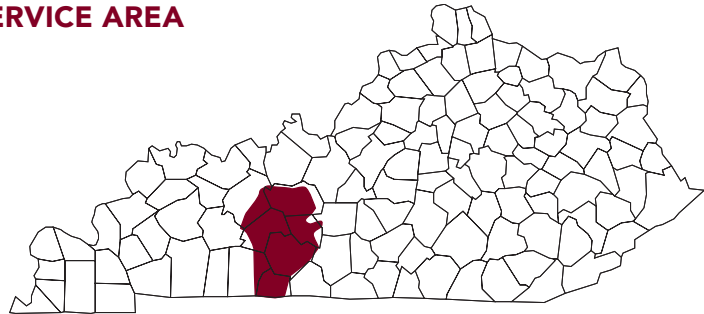
CONSUMERS PER MILE

2020 12.06

FOR INFORMATION AND INQUIRIES

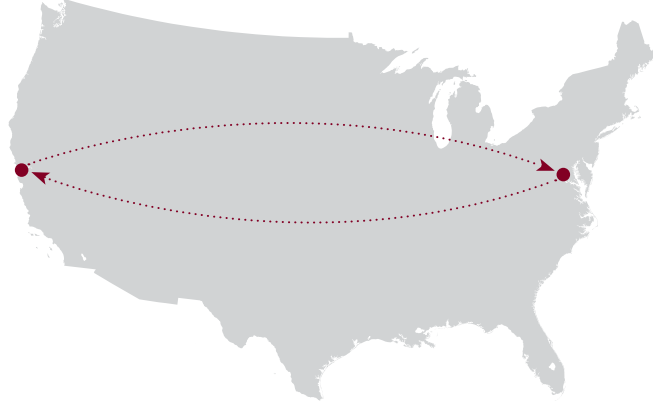
951 Fairview Ave
Bowling Green, KY
(270) 842-6541
www.wrecc.com

SERVICE AREA

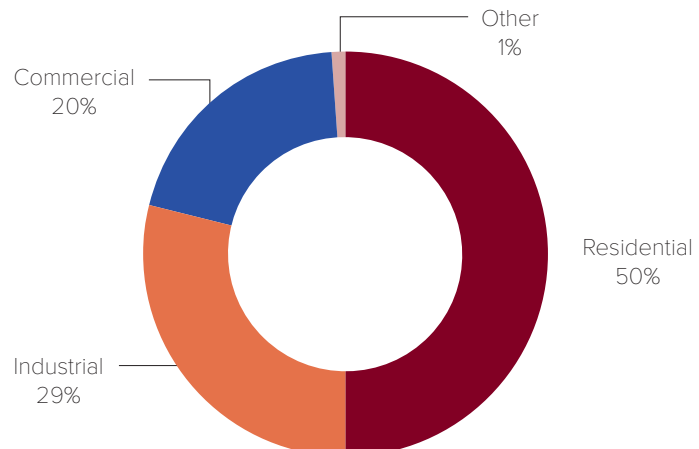


MAINTAINING LINE TO KEEP MEMBERS CONNECTED

Warren RECC maintains **5,772** miles of line in more than eight counties in the cooperative territory. **That is roughly enough line to stretch from Washington, D.C., to San Francisco, California, and back.**



REVENUE SOURCES



YEAR IN REVIEW

STATEMENT OF OPERATIONS

As of December 31, 2020

Operating Revenue\$191,180,873

OPERATING EXPENSE

Purchased Power\$135,367,595

Operating System.....25,770,866

Depreciation11,541,941

Taxes.....5,196,749

Interest on Loans3,967,375

Other Deductions.....114,510

Total Cost of Electric Service\$181,959,036

Operating Margins\$9,221,837

Non-Operating Margins835,140

Other Capital Credits259,109

Patronage Capital and Margins.....\$10,316,086

BALANCE SHEET

As of December 31, 2020

ASSETS

Total Utility Plant.....\$375,401,498

Less Depreciation(157,693,136)

Net Utility Plant\$217,708,362

Investments in Associate Organization.....\$6,561,108

Cash.....16,090,441

Accounts Receivable10,315,112

Inventory.....5,677,208

Prepaid Expenses227,961

Deferred Debits and Other Assets13,211,382

Total Assets \$269,791,574

LIABILITIES

Consumer Deposits4,466,229

Membership and Other Equities129,648,788

Long-Term Debt92,684,930

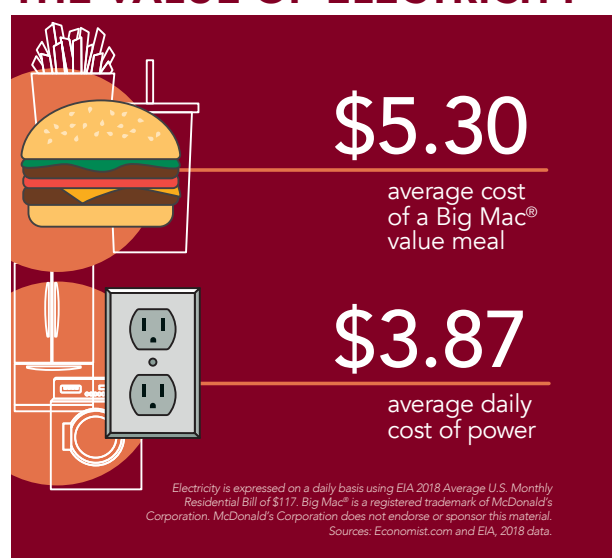
Notes and Accounts Payable25,905,798

Other Current Liabilities10,352,529

Noncurrent Liabilities6,733,300

Total Liabilities \$269,791,574

THE VALUE OF ELECTRICITY



JOE NEELY

Director Joe Neely retires from the Warren RECC Board of Directors effective July 31, 2021. He began his service to Warren RECC in 1969, representing Logan and Simpson counties.



ORVILLE "PETE" DOTSON III

Director Orville "Pete" Dotson, III retired from the Warren RECC Directors effective April 27, 2021. He began his service to Warren RECC in 1994, representing Warren County.



CONSIDERING AN ELECTRIC VEHICLE?



EXPLORE THE RESOURCES AT
WWW.WRECC.COM TO LEARN MORE

POWERED BY
WarrenRECC

THERE'S AN APP FOR THAT!

SmartHub allows you to manage payments, check usage, view billing history, set up notifications, report an outage and so much more.

Download the FREE app today and have convenient account access.



TO INSTALL THE APP ON YOUR MOBILE DEVICE:

- Use the Apple App Store or Google Play Store to search for **SmartHub** and install the App
- Open **SmartHub** and search for your provider by name: Warren Rural Electric Cooperative
- Tap the Confirm button to continue
- If you already access your account online, use your username and password to login. Otherwise, tap on the upper right-hand corner to register your account as a new SmartHub user and then login.

If you have any questions, call a Member Services Representative at (270) 842-6541.



WarrenRECC