

# RURAL MISSOURI

Sac Osage Electric Cooperative Annual Meeting Edition

September 2022

## Plan on Driving to the 2022 Annual Meeting

The board has decided to follow the format of last year's Annual Meeting for 2022. **Registration will be open from 9:00AM to 6:30PM on the day of the meeting.** Members will be able to register and collect their door prize without leaving their vehicle during this time. All members who register at the cooperative headquarters will receive a \$20.00 credit on their electric bill. Members will not be required to stay for the business meeting to collect

the door prize and the \$20.00 credit.

Any members who wish to stay for the business meeting will be asked to park at the top of the hill and walk to the warehouse. **There will not be food, entertainment, or a prize drawing this year.** The board of directors believes giving the drive-thru option for registration will allow the maximum number of members to benefit from the Annual Meeting.

**Cut out and bring the address card on the back page for easy registration.**

**Members must be present at registration to receive the bill credit.**

This year there are no contested director districts and no bylaw changes.

**Register from 9:00AM to 6:30PM on September 13th to receive your door prize and bill credit.**

## OFFICIAL NOTICE OF THE 2022 ANNUAL MEETING

The 2022 Annual Meeting of the Members of Sac Osage Electric Cooperative, Inc., will be held at the Cooperative headquarters, 4815 E. HWY 54, El Dorado Springs, Missouri, at 6:30 p.m., Tuesday, September 13, 2021, to take action upon the following matters:

1. Report of officers, directors and committees;
2. Such other business as may properly come before the meeting or any adjournment thereof.

There was one (1) nominee from each of districts 1 and 2 According to the Bylaws, Article IV, Section 4, if only one (1) person is nominated for the position of director in any district, ballots shall not be mailed and the person nominated shall be deemed elected at the Annual Meeting of the Members. Any director elected without opposition shall commence serving immediately after the election results are announced at the annual meeting of the members. The director biographical sketches are located inside the back cover of the Rural Missouri.

By order of the Board of Directors of Sac Osage Electric Cooperative, Inc.

Tim Minehardt, Secretary

**Offices Will Be  
Closed Monday  
September 5th  
For Labor Day**



## 2022 President's Report



Sac Osage Electric Cooperative Board of Directors and staff welcome you to the 83rd annual meeting. The meeting will again be held at the cooperative headquarters on Highway 54 east of El Dorado Springs on September 13th, 2022. The meeting will be held in the same manner as last year with a drive-through format. Please watch for one of your board of directors or employees outside the west overhead doors to guide you thru the quickest line. Also, you must be present and please have your registration card to receive \$20.00 credit on your account. Please review the official published notice in the Rural Missouri magazine for the meeting details.

The Auditor met with the board of directors to report he found no issues for 2021, and the cooperative is financially sound. For more details, please read the report of our treasurer, Tim Minehardt, here in the September issue of the Rural Missouri.

This past year has been a very exciting year, but with challenges. Broadband fiber has become reality for our membership! Your Board of Directors has put in countless hours along with your General Manager Jim Davis and many employees to pursue the best possible funding for our highspeed internet service. We are able to offer our membership broadband service starting at 100 Mbps for \$49.95, 1 Gigabit for \$79.95, and 2 Gigabit for \$99.95. Also available is local/long distance phone service for \$29.95 with any of the internet service listed above or \$39.95 without internet. With our contractor MDR doing the make ready and our partner Connexion Connect doing the fiber installation, we now have over 300 connected services with many on the waiting list.

The cooperatives operation continues to proceed efficiently with routine maintenance, aggressive right-of-way and vegetation management throughout our districts. The cooperative strives to have dependable and affordable electric service for our membership with the most preventable outages as possible.

Our general manager, Jim Davis has announced his retirement effective October 31st, 2022. Mr.

Davis has efficiently led the Cooperative in that capacity since 2013. Prior to taking over as general manager, Mr. Davis was the assistant manager/engineer. Upon his retirement he will have served the cooperative for more than forty-two years. We wish him all the best!

Your Board of Directors has appointed Aaron Ash to succeed Jim Davis as general manager upon his retirement. Aaron is a graduate of William Jewell college with a Bachelor of Arts in Business Administration, along with designing, managing and leading many phases of Sac Osage Electric daily routines. Mr. Ash has been with the Cooperative since 2005 (17 years), as the Member Services/Marketing Representative.

As I close, I want to THANK: the membership for supporting me; the Board of Directors for their tireless work; the professional management; staff; employees for keeping all departments running smoothly; and the lineman for putting their lives at risk during rain, sleet, snow, and excessive heat while we all remain safe at home just waiting to "FLIP THE SWITCH" once again for that fantastic electric service!

Kenneth L. Hacker  
Board President



**Tim Minehardt**  
District 1

My name is Tim Minehardt and I'm running for my last term as your representative in District 1.

I am a graduate of Willard High School and my family has lived in this area for 150 years. I have worked at 3M Company for over 20 years and use my personal vacation to make sure I can attend all needed meetings. I have taken all suggested classes and the CCD courses and they have been very helpful.

The Sac Osage Electric Board is very diversified and my back ground as a factory worker helps this. I want to thank the membership for their trust in me, it is a true honor to serve you in this position. A big thanks to my family for giving me the time and always supporting me.

### District 3

Tim Minehardt and Tony Underwood were the only nominees from their respective districts this year. They shall be deemed re-elected at the Annual Meeting of the Members. District 3 did not have any nominees, and the board will appoint a replacement from the membership of that district.



**George (Tony) Underwood**  
District 2

My name is George (Tony) Underwood; I have been a long time resident in the Jerico Springs area where my wife Thelma and I presently raise cattle and farm. We have two sons and three grandchildren. I have a degree in Agricultural Education from University of Missouri Columbia. I taught school for Stockton R-1 Schools for a year and then started a Home Building Company, which I ran until 1983. At that time, I joined Carpenters Local 311 in Joplin, MO and worked as a carpenter and supervisor until retirement in 2004.

I am an active Farm Bureau Member and serve on the Cedar County Farm Bureau Board. I also have experience as a Road District overseer, University of Missouri Extension Council, Stockton R-1 Board Member and Little League Baseball Coach.

As a Director for Sac Osage Electric Cooperative I have taken all the director courses required to become a Certified Credentialed Director. As a director I will continue to strive having reliable electric power source at affordable rates available for today and for the future. Thank you for your trust and support.



## 2021 Annual Meeting Minutes

The 2021 Annual Meeting of Members of Sac Osage Electric Cooperative, Inc. was held at the offices of Sac Osage Electric Cooperative, Inc., East Highway 54, El Dorado Springs, Missouri on September 14, 2021 beginning at 6:30 p.m.

The registration tables at the meeting site remained open from 9:00 a.m. to 6:30 p.m. for members to register prior to the meeting. Consistent with the Missouri statute which granted to the board of directors of rural electric cooperatives the flexibility in conducting membership meetings because of the COVID 19 epidemic, and to ensure the safety of the Cooperative's members and staff by adhering to CDC guidelines, the Board of Directors of the Cooperative authorized membership registration for the meeting by drive-through. However, all members were notified that if they wanted to do so they were welcomed to stay for the entire meeting by complying with social distancing guidelines

Additionally, because of COVID-19, no prize drawings were conducted, nor food or entertainment provided in connection with the meeting.

At 6:30 p.m., Neale Johnson, the Cooperative's President, officially convened the meeting and called the business portion of the Annual Meeting of Members of Sac Osage Electric Cooperative, Inc. to order. Mr. Johnson welcomed all members present to the meeting.

Rev. Jack Daniel of the 1st Christian Church of El Dorado Springs, Missouri gave the prayer of invocation and led the members in attendance in the Pledge of Allegiance.

Chris Hoberock, the Cooperative's General Counsel, who was appointed by the Cooperative's Board of Directors to preside over the business portion of the meeting, announced to the membership that a quorum for the meeting consisted of 5% of the first 2,000 members of the Cooperative and 2% of all members in excess of 2,000. Based upon a total membership of 8,931 members, Mr. Hoberock announced that a quorum for the annual meeting was 239 members. He informed the membership that

as of 6:32 p.m., 1232 members (later updated to 1248) had registered for the Annual Meeting in person at the meeting site and therefore a quorum was declared present and that the business portion of the meeting would proceed. Attached to these minutes is the Secretary's Certificate of Membership showing the total number of members registered for purposes of determining if a quorum was achieved. Also attached to these minutes is a listing of member numbers which details each member who registered in person at the meeting.

It was then moved, seconded, and upon voice vote, agreed to by a majority of the membership present that the reading of the Official Notice of the 2021 Annual Meeting would be waived. Attached to these minutes is a copy of the Notice of Annual Meeting as well as the Secretary's Certificate of Mailing stating that a copy of the Notice of the 2021 Annual Meeting had been mailed to each and every member of the Cooperative at his, her or its address as shown on the records of the Cooperative. The certification reflects that the Notices were placed in the United States mail on August 23, 2021.

Mr. Hoberock reviewed with the members the actions taken at the 2020 Annual Meeting of Members. Mr. Hoberock then announced that copies of the minutes of the 2020 Annual Meeting of Members had been available at the office of the Cooperative for review by the members and that additional copies were available for review by any member of the Cooperative. He then stated that the Bylaws of the Cooperative allow the Secretary the option of making the minutes available for all members to read rather than reading them at the meeting. The Secretary elected to make copies of the minutes available. A motion was then made and seconded to approve the minutes as written and published. Upon a voice vote by the membership, a majority of the members present voted to approve the minutes of the 2020 Annual Meeting as published.

Mr. Hoberock announced that copies of

the 2020 Independent Auditor's Report and Financial Statements of the Cooperative for the year ended December 31, 2020 were available to any member requesting a copy.

Mr. Hoberock announced that the first matter to be acted on at this meeting was the election of directors for District 7 and District 8 of the Cooperative. Mr. Hoberock then announced that the candidates for the directorship vacancies were as follows: District 7, James J. Murray and District 8, Kenneth Hacker.

Mr. Hoberock informed the membership that there were no nominations to fill the vacancy for District 9 and therefore pursuant to the Bylaws the Board of Directors would fill that position at a later time.

Mr. Hoberock stated that pursuant to the Bylaws of Sac Osage Electric Cooperative, Inc., unopposed candidates for a director position are automatically elected without a vote. Therefore, Mr. Hoberock announced that the unopposed candidates for District 7, James J. Murray, and District 8, Kenneth Hacker, were declared elected without a vote and that they would assume their duties at the conclusion of the meeting.

The President's and Secretary-Treasurer's reports to the members had previously been made available to each member in written form as published in the Rural Missouri magazine.

Mr. Hoberock then announced that the floor was open for any unfinished business which might properly come before the membership. After a reasonable pause, it was determined that no member requested recognition to bring up any matter of unfinished business.

Mr. Hoberock announced that the floor was open for any new business that might come before the membership. No new business was proposed by any member.

There being no further business to come before the meeting, upon a motion made and seconded, the meeting was adjourned at 6:39 p.m.

Cut this address card out  
for easy registration.



**STATEMENT OF REVENUE & EXPENSES**  
For the Year Ended December 31, 2021

Revenues:	
<b>Operating Capital &amp; Other Revenues</b>	<b>\$19,360,853</b>
Expenses and Other Deductions:	
Cost of Power	\$9,601,020
Operating and Maintenance Expenses	\$3,851,694
Customer Accounts Expense	\$ 640,673
Other Customer Expenses	\$ 168,322
Administrative and General	\$1,529,584
Depreciation	\$1,819,716
Taxes and Provision for Taxes	\$ 5,850
Interest on Long-Term Debt	\$ 981,805
Other Interest Expense	
Other Deductions	\$ 9,760
<b>Total Expenses &amp; Other Deductions</b>	<b>\$18,608,424</b>
<b>Net Margin</b>	<b>\$ 752,429</b>

**BALANCE SHEET 2021**

<b>Assets:</b>		<b>Liabilities and Capital:</b>	
Net Plant in Service	\$43,277,567	Capital Equities	\$27,186,994
Investments and Other Property	\$10,692,607	Total LT Liabilities and Obligations	\$30,076,702
Current Assets	\$ 7,115,190	Current and Noncurrent Liabilities	\$ 3,743,767
Deferred Debits	\$ 322,785	Deferred Credits	\$ 400,686
<b>Total Assets</b>	<b>\$61,408,149</b>	<b>Total Liabilities and Capital</b>	<b>\$61,408,149</b>

**2022 Annual Meeting Treasurer's Report**



It has been my privilege to serve you for the last 4 years as Sac Osage Electric Cooperative's Secretary-Treasurer. As a member of the Board, one of my primary duties is to represent you in the Cooperative's annual budgeting-making process.

The annual budget is affected by sales revenue more than any other single factor, with residential sales currently representing 86% of total revenue. Depending on the weather, residential sales can fluctuate significantly from year to year. Sales for 2021 were up 3.0% from 2020, and almost 2.5% greater than the 5-year average. The 2022 budget assumes that sales will approximate the previous 5-year average. Continued energy efficiency measures are expected to offset a potential increase in the number of consumers.

Purchased power is our largest single expense. Purchased power now represents about 52% of the total cost of electric service. In 2022, KAMO Power's billing is expected to be virtually the same with only an overall increase in power costs of \$8,375 compared to the 2021 budget.

The 2022 Construction Work Plan calls for total spending of \$2,999,625 for: new extensions and line conversions; replacement of bad poles, transformers, and regulators, and; AMR improvements and miscellaneous dis-

tribution upgrades and replacements. Our investment in new and improved infrastructure is 32% below the 2021 Construction Work Plan level.

The Board has approved \$1,500,000 for contract tree-trimming in 2022 to clear trees, branches, and foliage away from our power lines with an emphasis in the Bona, Arcola and Lockwood substations rights-of-way. \$75,000 has been budgeted for herbicide treatment of rights-of-way coming out of the Osceola, Collins & Iconium substations. This ongoing effort will greatly reduce tree-related outages and the amount of damage caused by storms.

Total margins being allocated to our 2021 members amount to \$1,651,527. These margins will eventually be returned to the membership based upon the amount of revenue each member contributed in 2021. During the year ending December 31, 2021, total refunds authorized to patrons amounted to \$1,259,000.

Sac Osage Electric's last rate increase, a change in the service availability charge, took place over 4 years ago, but due to stable power costs and continued expectations of adequate earnings, a rate increase was considered unnecessary in 2022.

Our independent auditor, Kevin Kelso CPA PC PA, has reported that the 2021 financial statements complied

with generally accepted accounting practices. The audit revealed no misstatements of information and all recorded transactions met RUS rules and regulations. I am pleased to report that the Cooperative concluded 2021 in an acceptable financial position.

Information regarding the balance sheet and statement of revenue and expenses may be found in this issue of the Rural Missouri. An official copy of the audit may be obtained by calling the office during normal business hours.

By bringing your registration ticket and coming in person on Tuesday, September 13, 2022 between 9:00 AM and 6:30 PM you can take home a door prize and receive a \$20 credit on your next electric bill! This can be done quickly and safely from the convenience of your vehicle, with the option of attending the business portion of the meeting at 6:30 PM if you so desire. We look forward to seeing you on the 13th!

Respectfully submitted,

Tim Minehardt, Secretary-Treasurer