

Notice of teletownhall annual meeting

June 14, 2022 at 7:00 p.m.

Logan County Electric Cooperative is excited to connect with our members on June 14 at 7:00 p.m. during the 86th annual meeting of members.

This meeting will be conducted as a teletownhall meeting, and we value your attendance at this event.

Teletownhall annual meeting

A teletownhall meeting is a meeting where cooperative members receive a call from the cooperative and will hear a recorded message from Director of Communications Michael Wilson. You will be asked to hold on the line while the other members are called. Within a few minutes the teletownhall annual meeting will begin.

Contact Information

Before this event, please be sure the phone number listed on your cooperative account is current so that you don't miss this meeting. Not sure? Look on SmartHub, send us an email, or call the office and update your contact information.

Caller Id

The caller-id for the meeting will show "Logan Co-op" or "937-565-4216".

Toll-free access

If you miss the call, or if your phone drops the call, you can still participate in the annual meeting. Gain direct access to the live event by calling 1-888-886-6603.

Live Meeting and Real-time Polling

During the meeting we will use the in-event polling feature to allow participants to affirm the minutes of the 2021 annual meeting and to affirm the 2023 nominating committee.

Please read over the 2021 annual meeting minutes and contact the cooperative if any corrections need to be made. During the meeting you will also hear a report regarding the financial condition of the cooperative from Director of Accounting and Finance Tiffany Stoner, and a state-of-the-cooperative address from President and General Manager Joe Waltz.

Event Reporting

After the event, the cooperative will receive a report that includes a list of participants, poll results, and a quality recording of the entire teletownhall meeting.

Member Bill Credit

This report will list how many minutes each participant stayed on the call. Members who stay on the call for at least twenty (20) minutes will receive a \$20 bill credit.

Please keep this packet of information to reference during the June 14 teletownhall annual meeting.

Agenda: 86th annual meeting

7 p.m. Receive a call from Logan County Electric Cooperative @ 937-565-4216

Dropped the call? Don't worry - reconnect with us @ 1-888-886-6603

I. Welcome

A. Called to order

- Board of Trustees Chairman Scott Hall

II. Business meeting

A. Reading of official notice of annual meeting

B. Minutes of 2021 annual meeting

p. 3 – 4

- Minutes to be affirmed by membership

C. 2022 nominating committee report

p. 5

D. Trustee election results

E. 2023 nominating committee

p. 5

- To be affirmed by membership

F. Proposed changes to Code of Regulations

p. 6 – 7

- To be affirmed by membership

III. Management Reports

A. 2021 Financial Report

p. 8 – 11

Tiffany Stoner, Director of Finance and Accounting

B. President's Report:

Joe Waltz, President/General Manager

IV. Conclusion

2021 ANNUAL MEETING MINUTES

ANNUAL MEETING OF THE ASSOCIATION MEMBERS LOGAN COUNTY COOPERATIVE POWER & LIGHT ASSOCIATION, INC.

June 8, 2021

The 85th Annual Meeting of the members of the Logan County Cooperative Power & Light Association, Inc. was held on Tuesday, June 8, 2021 at 7:00 p.m. as the form of a telephone townhall meeting, pursuant to notice duly given to all members.

The meeting was called to order by Chairman Scott Hall, who presided and who welcomed the members, and declared that a quorum was present.

Upon motion, duly seconded and carried, the reading of the Minutes of the Annual Meeting of September 24, 2020 was dispensed with. The Chairman then called for any additions or corrections to the Minutes and, there being none, upon motion, duly seconded and carried, the Minutes of the Annual Meeting of September 24, 2020 were accepted as presented and distributed prior to the meeting.

The Chairman then introduced Mr. Michael Wilson, Director of Communications, who introduced the members of the Nominating Committee as follows: Kevin Knief - District 1; Keith Stoner- District 2; Ron Milton- District 3; Chuck Strayer- District 5; Tim Jenkins– District 6; and Janet Detrick- District 7. Mr. Wilson reported that the Nominating Committee met on January 11 and 23 to interview the members who submitted Trustee Interest Cards for District 1 and District 4. He thanked the candidates for volunteering to be on the ballot and introduced them as follows: District 1 - David Campbell and Jordan Heppard; District 4 - Janet Blank and Jim Naderer.

Note: Jim Naderer, who had been approved at the 2020 Annual Meeting as the District 4 representative to the 2021 Nominating Committee did not participate on the Nominating Committee as he had submitted his name as a possible candidate for the District 4 elected position.

Mr. Douglas M. Smith of Smith, Smith, Montgomery & Chamberlain, LLC was then called upon to announce the results of the election as tallied and certified by OSG Connect. Mr. Smith reported that there were 855 ballots cast in the election, representing approximately 22% of the eligible voting members, and that David Campbell was elected as District 1 Trustee, and Janet Blank was elected as District 4 Trustee. Mr. Smith congratulated Mr. Campbell and Mrs. Blank and further advised that the oath of office would be administered to Mr. Campbell and Mrs. Blank prior to the Reorganizational Meeting in July, at which time, Mr. Campbell and Mrs. Blank would be required to sign an oath of office, which oath would then be filed with the annual minutes.

The Chairman then presented the 2022 Nominating Committee as appointed by the Board of Trustees and to be affirmed by the membership as follows: Kevin Knief– District 1; Scott Risner– District 2; David Evans - District 3; Jay Ackley- District 4; Greg Krisher- District 5; Tim Jenkins– District 6; and Janet Detrick – District 7. Upon motion, duly seconded and carried, the 2022 Nominating Committee was affirmed.

The Chairman then introduced the Director of Finance and Accounting, Tiffany Stoner, to present the 2020 Financial Highlights Report. Ms. Stoner reported \$19,476,720.00 in revenue for 2020; and kilowatt sales of 172,975,405. Ms. Stoner noted a 5.7% reduction in kilowatt sales from 2019 to 2020 and indicated the reduction was due, in large part, to the interruption in commercial business last spring due to Covid 19. Regarding expenses, Ms. Stoner reported expenses for 2020 were down by \$438,387.00 from 2019; that of the \$18,768,272.00 in expenses for 2020, \$12,595,432.00 were related to the cost of power, and represented 67% of total expenses paid by the Cooperative. Mrs. Stoner also noted

2021 annual meeting minutes continued...

the remaining 33% of expenses are related to line maintenance, substation maintenance, tree trimming, consumer accounts, management, kilowatt taxes and interest on debt. Ms. Stoner also reported \$786,797.00 in patronage capital was retired in 2020 and that life-to-date patronage capital retirement stands at \$12,230,642.00.

Ms. Stoner provided a brief review of the independent auditor's report prepared by Rea & Associates in March 2021, noting Logan County Electric Cooperative received a "clean" opinion. Which, Ms. Stoner explained, means the members and others who rely on the Financial Statements of Logan County Electric Cooperative can be assured that proper controls are in place to safe guard the assets of the Co-Op and the Financial Statements can be relied upon.

The Chairman then introduced LCEC President and General Manager, Joe Waltz, to present his Annual Report. Mr. Waltz welcomed the members who were participating in the Annual Meeting, and advised that the decision to hold the meeting as a telephone townhall event was driven by the importance of the health and safety of the members and the employees of the Cooperative. Mr. Waltz announced that the return of in person events involving the membership, Board of Trustees and Cooperative staff was on the horizon as an event has been planned for July 20, 2021, called The Member Recharge Event to be held at the Cooperative offices. Mr. Waltz noted that there would be various demonstrations on safety and linework and an opportunity for the members to speak in person to the Board Members.

Mr. Waltz noted that businesses worldwide, including Logan County Electric Cooperative, were forced to change many aspects of operations during the last year in order to keep the power on during the pandemic while, at the same time, being mindful of everyone's safety. Mr. Waltz acknowledged that many members of the Cooperative experienced a financial strain as a result of the pandemic. In order to lessen the burden of the financial strain, Logan County Electric Cooperative waived late payment fees and cancelled disconnection notices for several months during the height of business closings during the pandemic. Mr. Waltz also acknowledged that Logan County Electric Cooperative staff was forced to implement various ways to adapt to the restrictions while, at the same time, maintaining their focus on meeting the needs of the members in a productive, professional and safe way. Mr. Waltz applauded the diligent work of every member of the entire Cooperative workforce in keeping Logan County Electric Cooperative operating throughout the pandemic, and that Logan County Electric Cooperative would not have been able to "keep the lights on" without the diligence and dedication of the entire workforce.

Mr. Waltz advised that the Strategic Plan, which provides a process to define our strategy and direction as the Cooperative moves into the future, was completed as part of continued cooperative business in 2020. Mr. Waltz noted that, while the Strategic Plan has created over ten different strategic themes, there are in fact four keys, or pillars. Mr. Waltz identified the four pillars as: financial stability, reliability, economic development, and member engagement. Mr. Waltz also provided a brief explanation of each pillar.

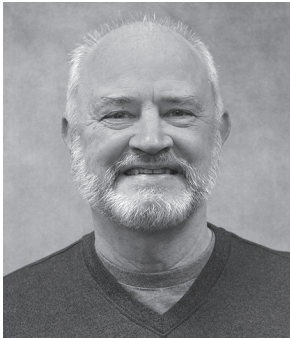
Mr. Michael Wilson then advised that all members who stayed on the call for at least fifteen minutes will receive a \$25.00 bill credit and that all members who remained on the call until the end of the meeting qualified to be placed in a drawing for an additional \$100.00 bill credit. Mr. Wilson also reminded the membership of the Member Recharge Event scheduled for July 20, 2021, noting there will be food, demonstrations, door prizes and, weather permitting, a few lucky members whose names are drawn will get a bird's eye view of Logan County in a hot air balloon.

On behalf of the Board of Trustees and employees, the Chairman then thanked the members for their participation in the 85th Annual Meeting of Members and the second Telephone Townhall Annual Meeting. The Chairman also announced that the 86th Annual Meeting will be held on June 14, 2022.

There being no further business, the Chairman declared the meeting adjourned.

2022 TRUSTEE CANDIDATES

Election results will be announced during the annual meeting.



Jerry Cline

District 5 (Pleasant, Miami, Union, and Liberty townships)

Jerry is a retired plant safety leader from Honda's Ohio Transmission Manufacturing.



Rod Hager

District 5 (Pleasant, Miami, Union, and Liberty townships)

Rod is a retired high school math teacher.



Scott Hall

District 6 (Village of Huntsville)

Scott is a retired plant manager from Ohio Ready Mix in Marysville.



Deb Anderson

District 6 (Village of Huntsville)

Deb works as a wife, mother, grandmother, and an IT project manager in banking and healthcare.



Warren Taylor

District 7 (Washington, and Harrison townships)

Warren is a retired farmer and employee at D.A.B. Industries.



Kevin Barth

District 7 (Washington, and Harrison townships)

Kevin is a purchasing manager within Honda North American Indirect Procurement and is supporting capital & expense investment projects at the Ohio Transmission Plant.

BOARD NOMINATIONS AND THE NOMINATING COMMITTEE

CODE OF REGULATIONS. SECTION 4. Nominations.

The committee on nominations shall be confirmed by the members present at a meeting at the annual meeting of members.

2022 NOMINATING COMMITTEE

District 1 – Kevin Knief
District 2 – Scott Risner
District 3 – David Evans
District 4 – Jay Ackley

District 5 – Greg Krisher
District 6 – Tim Jenkins
District 7 – Janet Detrick

2023 NOMINATING COMMITTEE - to be confirmed

District 1 – Lance Hill
District 2 – Scott Risner
District 3 – David Evans
District 4 – Jay Ackley

District 5 – Greg Krisher
District 6 – Tim Jenkins
District 7 – Gary Ginter

PROPOSED CHANGES TO CODE OF REGULATIONS

A proposed regulation announces Logan County Electric Cooperative's intent to issue a new regulation or modify an existing regulation.

Article IV: Section 4 of the Code of Regulations directs the co-op's board nominations process.

The proposed changes would:

1. Allow nominating committee members to serve

more than three (3) consecutive years of the committee allowing for more experience as they interview perspective trustee candidates.

2. Amend date written petitions are due so candidate can be included in Ohio Cooperative Living magazine article and reduce number of signatures required on petition to fifty (50) instead of one hundred (100).

Code of Regulation

Article IV: Board of Trustee

Section 4: Nominations

Proposed Changes

SECTION 4. Nominations. It shall be the duty of the Board to appoint a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected so as to ensure equitable representation on the committee to the geographic areas constituting the service area of the Cooperative. The committee on nominations shall be confirmed by the members present at a meeting at which members of the Board are to be elected. Members on the committee of nominations shall possess the same qualifications as required of Board Members pursuant to Article IV, Section 3. No member of the Board or officer, nor any member of the Board or officer's family (father, mother, brother, spouse, sister, son, or daughter by blood, marriage or adoption) may serve on such committee and no committee member shall nominate a family member (father, mother, brother, spouse, sister, son, or daughter by blood, marriage or adoption). ~~No person shall serve on the Nominating Committee more than three (3) consecutive years.~~ The committee shall prepare at least one hundred twenty (120) days before the meeting of the members a list of nominations which shall include no more than two candidates from each district to be elected. The Secretary shall be responsible for providing notice of nominations to all members, at least ninety (90) days prior to the Annual Meeting, which shall include a statement of the number of Board members to be elected and the names and addresses of the candidates nominated by the committee on nominations and an invitation to nominate other members for election to the Board of Trustees.

Any member may be nominated by submitting a written petition not less than ninety (90) ~~forty-five (45)~~ days prior to the Annual Meeting of Members, signed by not less than fifty (50) ~~one hundred (100)~~ members. No person shall be voted upon for membership on the Board who has not signified a willingness to serve if elected. Nothing contained in this Section shall affect in any manner whatsoever the validity of any election of Board members or any action taken by the Board. If a nominee, the duties of the Secretary, as set forth above, shall be carried out by a board member who is appointed by the Board, but who is not a nominee.

Deleted: No person shall serve on the Nominating Committee more than three (3) consecutive years.

Amend: forty-five (45) to ninety (90)

Amend: one hundred (100) to fifty (50)

The Code of Regulations contains the rules under which the cooperative operates. It addresses key issues such as membership, the annual meeting, board nominations and elections, corporate officers, patronage, indemnification rights, and more.

The proposed changes to Section 4 were approved by the board of trustees and are being presented

to Logan County Electric Cooperative members for approval during the annual meeting.

Amendments or changes to the Code of Regulations can only take effect after approved by the cooperative's membership.

For questions about the proposed changes please contact the office, 937-592-4781.

Code of Regulation

Article IV: Board of Trustee

Section 4: Nominations

Proposed Changes

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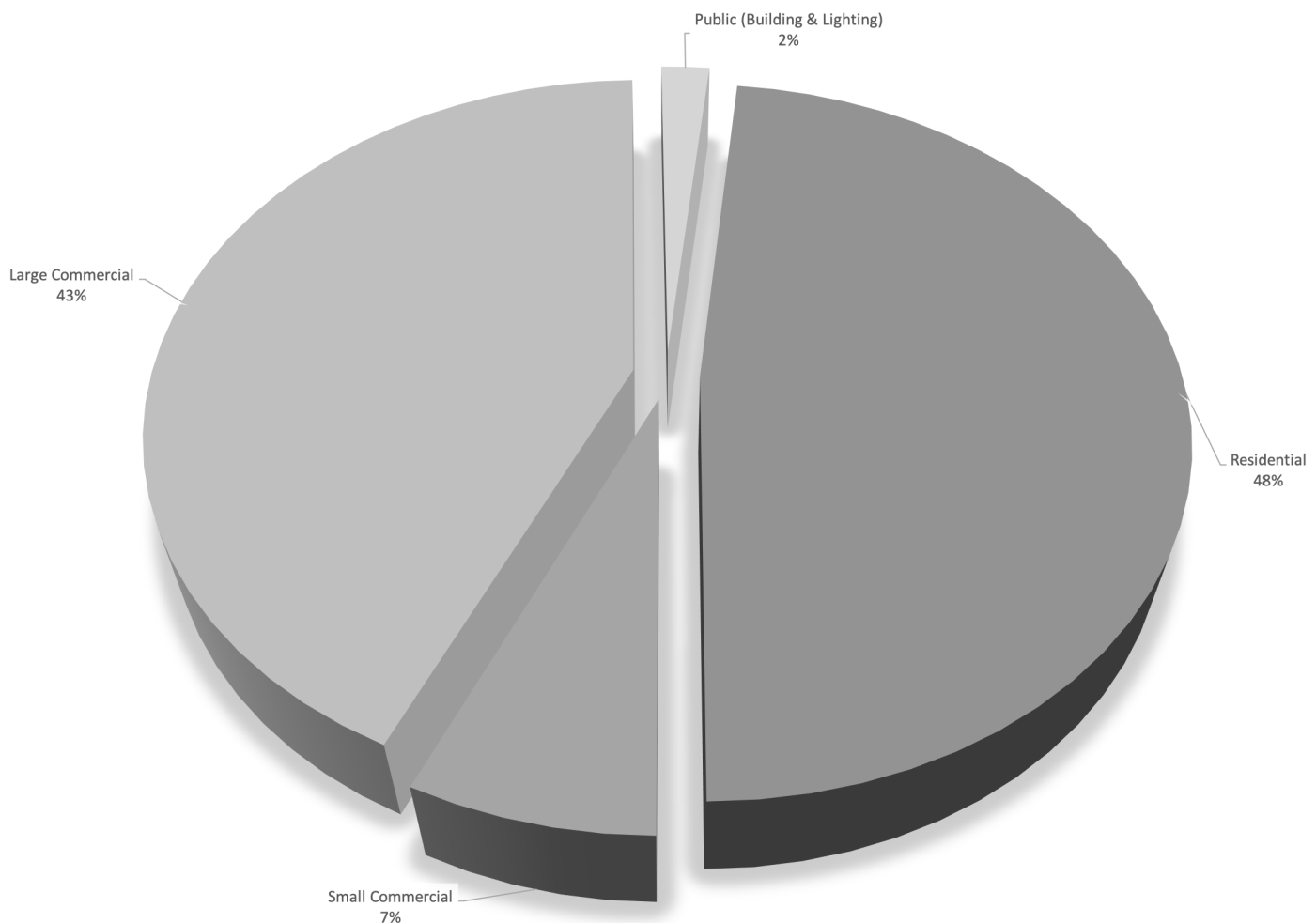
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2021 Financial Report

Source of revenue

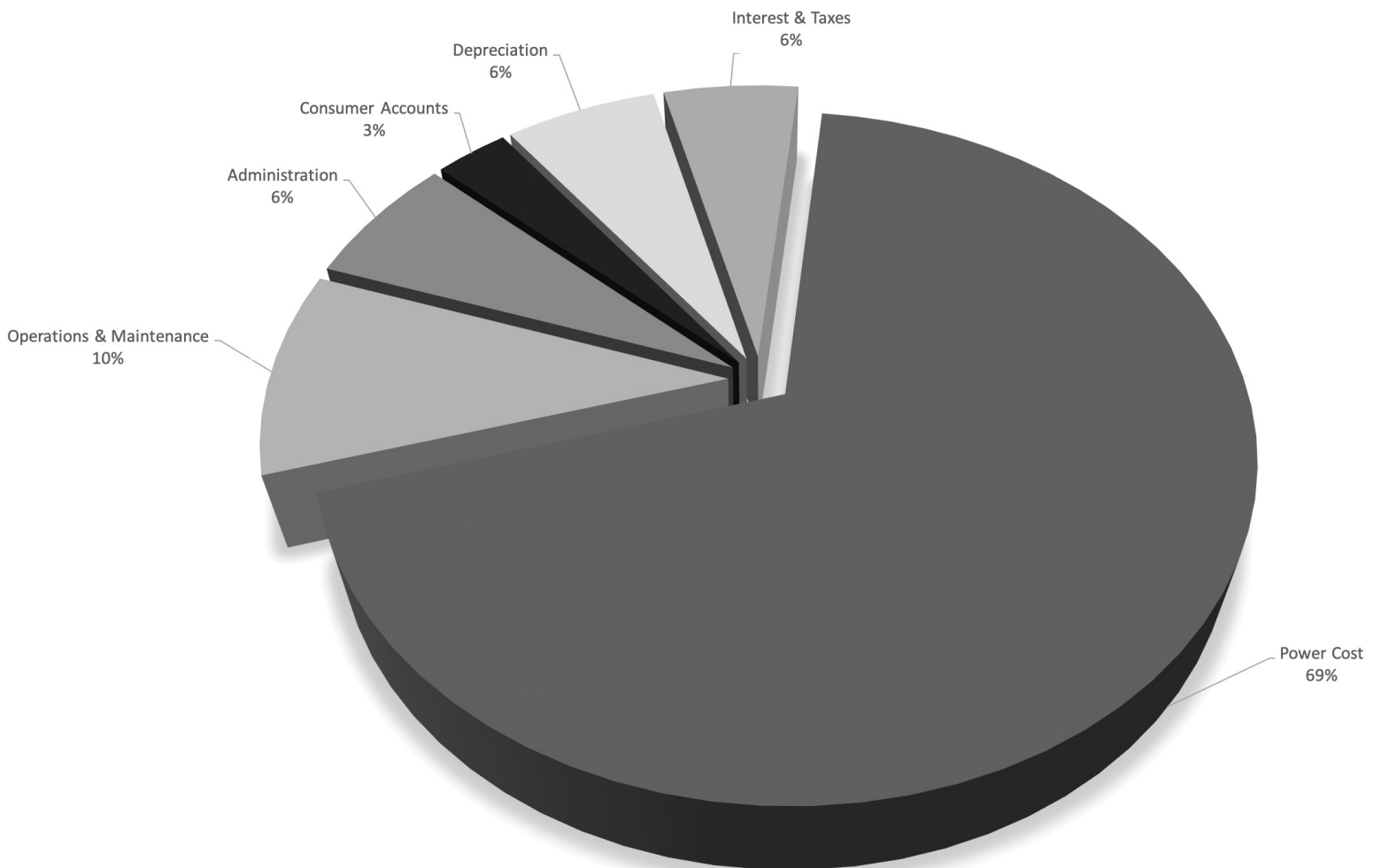
Revenue is the income generated by the cooperative from the sales of electricity. The co-op's revenue in 2021 was \$20,787,068, which was up \$1,310,348 from 2020.

The revenue was evenly generated between revenue classes: 48% from residential accounts and 50% from commercial accounts.



Expense

The total operating expenses for 2021 were \$20,114,923, which was up \$1,346,651 from 2020. The cooperative's wholesale power costs of \$13,846,674 represented 69% of the 2021 expenses. The 2021 operating expenses are shown in detail on page 10.



CONSOLIDATED STATEMENTS OF REVENUE, EXPENSE AND PATRONAGE CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUE	\$ 20,787,068	\$ 19,476,720
OPERATING EXPENSES:		
Cost of purchased power	13,846,674	12,595,432
Transmission, operation	13,001	13,778
Distribution, operation	1,354,353	1,329,755
Distribution, maintenance	588,741	606,722
Customer accounts	392,534	377,721
Customer service and information	48,287	39,432
Sales expense	168,100	157,782
Administrative and general	1,237,231	1,181,964
Maintenance of general plant Depreciation and amortization	63,737 1,269,320	54,578 1,254,558
Taxes	400,246	399,721
Interest on long-term debt	721,127	738,527
Other interest expense	3,310	3,377
Other deductions	8,262	14,925
Total operating expenses	20,114,923	18,768,272
Operating margins before capital credits	672,145	708,448
CAPITAL CREDITS		
Buckeye capital credits	537,280	645,395
Other capital credits	35,755	29,791
Total capital credits	573,035	675,186
Net operating margins	1,245,180	1,383,634
NON-OPERATING MARGINS:		
Interest and dividend income	17,619	22,821
Gain on sale of assets	-	11,875
Other non-operating income	4,499	16,365
Total non-operating income margins	22,118	51,061
NET MARGINS FOR THE PERIOD	1,267,298	1,434,695
PATRONAGE CAPITAL, beginning of year		
Reallocation of capital credits	41,943	36,791
Retirement of capital credits	(796,991)	(786,797)
PATRONAGE CAPITAL, end of year	\$ 21,332,943	\$ 20,820,693

INDEPENDENT AUDITOR'S REPORT

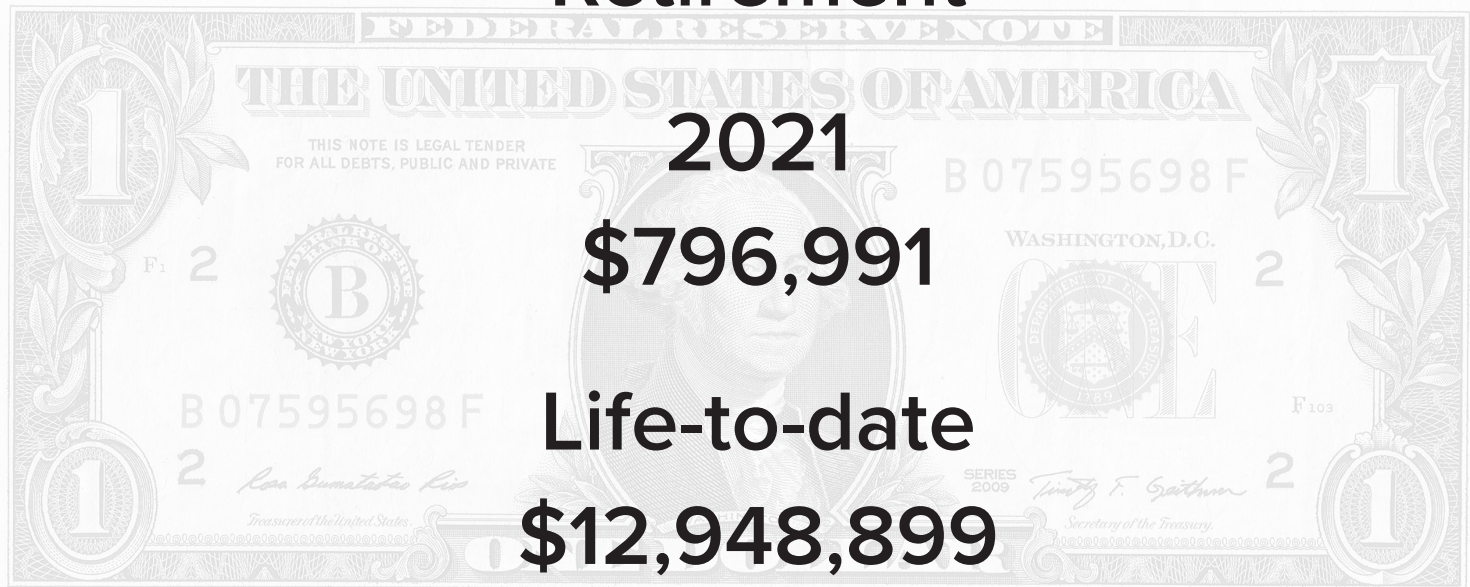
Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Logan County Electric Cooperative, Inc. and Subsidiary (the Cooperative), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the related consolidated statements of revenue, expense and patronage capital and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Cooperative as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Patronage Capital Retirement



Why do co-ops return capital credits?

Federal law provides cooperatives with federal tax-exempt status. To retain this tax exemption, co-ops are required to operate on an at-cost basis. Returning capital credits facilitates operating at cost.

Although your cooperative operates as a not-for-profit organization, we must collect revenue that exceeds our costs so that the co-op remains in a strong financial position. We use these excess dollars to invest in capital improvement projects to maintain safe and reliable electric service. Additionally, we invest in our members and the local community by giving back

in meaningful ways — scholarships, Youth Tour, sponsorships (Run-to-Educate, United Way Community Care Day, Logan County Fair), donations (Operation Round Up, community events, youth sports teams), education (Cardinal Power Plant tour, Be e3 Smart, safety demonstrations), and much more.

We invest in our electric system, find meaningful ways to give back to our communities, and then return the excess revenue to our members as capital credits. We do this because we truly exist for the purpose of serving our members instead of profiting from them.



**Logan County
Electric Cooperative**
1587 County Road 32 North
Bellefontaine, OH 43311

Notice of 65th annual meeting

June 14, 2022 at 7 p.m.

Logan County Electric Cooperative will hold a
teletownhall annual meeting.

**IMPORTANT ANNUAL MEETING
INFORMATION ENCLOSED**