



## Board blog: A typical WH board meeting

Posted by [Dale Jans, Board Director, District 4](#) on January 06, 2012

As I write this, I am preparing for the January board meeting. Earlier this week, the CEO sent out the monthly information packet for this meeting. It is 104 pages of reports the board will review for the electric operation and the holding company meetings.

A typical board meeting starts with three directors who make up the audit committee. These directors review the check register and capital credits retirements to estates. Questions are asked and answered. A new team of three directors rotates onto the audit committee every three months, enabling each of WH's directors to serve on the audit committee every nine months.

While the audit committee is finalizing its work, the rest of the directors begin arriving in the board room. At precisely 8:30 a.m. our chair gavels the meeting into session and the meeting begins. After reviewing the agenda and minutes, the first report is heard. It's from the chief financial officer, and she reviews in great detail the monthly and year-to-date income statement, balance sheet, cash flow statement and capital budget, commenting on variances from budget or other things of note. She also provides the directors a projection for what the rest of the year will look like from a financial perspective. During this portion of the meeting, we scrutinize the wholesale power cost bills, as these make up almost 75 percent of our entire cost structure. Power supply issues are always discussed in detail – especially with all of the new regulations and mandates that are affecting the price of power. The board reviews collections and bad debt activity. We pay special attention to a report that measures our monthly and year-to-date competitiveness with the other electric utilities in this area. One of our major objectives is to make sure we are providing competitively priced electricity.

Similarly, we review activity from each of our operating divisions. Each month, the board receives a full written brief on progress being made along with updated measures we have set in all areas of the electric and holding company operations. We see our electric reliability record for the current month, and compare it to previous years. We get a report on customer satisfaction and any new market research. We see product sales results, progress reports on technology implementation and safety updates.

The CEO then provides his views on current opportunities and challenges facing the company as well as offers insights on progress regarding the board's strategic plan. The CEO also usually lines up two or three outside speakers to help us look into the future. These have included bankers, power supply experts, legislative leaders, technology developers, entrepreneurs and even delegation of WH members. Recently, for example, we will had panel of WH's commercial members brief the board about their operating conditions and what they need from their electric utility in the future. We end the board meeting with our attorney briefing the board on legal matters.

All of these things generate numerous questions for and discussions with management. Before the day is over, we provide direction to management on anything requiring board authorization.

Usually by 4 p.m., the meetings for both the electric operation and the Holding Company have concluded. Through these board meetings and others industry events attended throughout the month, your locally elected directors represent your interests in the operation of Wright-Hennepin. It is a privilege for each director to serve you in this work.