



# Boone Electric Cooperative

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September 25, 2019

Dear Boone Electric Member,

On September 18, 2019, the Boone Electric Cooperative's Board of Directors voted unanimously to build a new headquarters building at the cooperative's current location on Rangeline Street. Construction is scheduled to begin next year and will take approximately three years to finish the three-phase plan.

After nearly two years of studying and vetting the multiple options and proposals, the board hired local, general contractor, Coil Construction to manage the \$25 million project. This project will include building a new lobby and office space, but will utilize parts of the current structure's framework for rebuilding a portion of our operations. BEC considered other options such as moving the entire campus to a new location, rehabbing only, or completely demolishing all structures and building new before deciding on Coil's proposal.

The current headquarters was built in phases: a building housing all operations was first in 1952, then an expansion occurred to house trucks and equipment in 1976-77, these two buildings were brought together under one roof in 1997 and in 2004, the community room was expanded. While each phase has included upkeep and repairs, the main building has been deteriorating over the past two decades.

During the 2019 Annual Meeting of Members, Board President Joel Bullard shared some of the building's hazards. One of the most prominent, is a roofing system that repeatedly allows water not just into the interior of the building, but often leads to an employee's desk being waterlogged. While we looked into replacing the roof and making other necessary improvements, the millions necessary didn't solve other problems like safety and security, nor did they extend the life of the buildings or make them more efficient.

Boone Electric prides itself on personal interactions with members in our front lobby. Today though, the MSRs also encounter scary situations. While we hire off-duty sheriff's deputies to help deter problems, our employees are at risk should anyone come in wishing harm. We want to provide them with up-to-date safeguards.

The equipment used in line construction and maintenance has changed since our move to Rangeline Street 70 years ago. BEC didn't use underground wiring until the 1970s and it now accounts for nearly 40 percent of our current lines and 93 percent of new construction. These large reels of insulated wire take up space, as do our trucks. Our garage doors are 10 feet wide while some trucks measure 9' 11" wide.

Our building plan includes a larger Community Solar project when it is relocated to the south side of the current building and our popular community room will be expanded to hold larger groups. No worries, our lighted evergreen tree stays put to enjoy during the holidays.

Since we operate at the lowest possible cost and any profits we make are returned to you, financing for this investment will need to come from a loan from our cooperative bank and a rate change for our members. Over the next few months, the board will discuss and analyze their options, but it is looking like we may need a modest monthly increase equal to the cost of an extra frozen pizza in your shopping cart each month. We will let you know their decisions every step of the way.

We thank you for being members of Boone Electric Cooperative. We know you have questions and concerns and we are here to answer and address all of them. Our social media pages and website, [BooneElectric.coop](http://BooneElectric.coop), will continually provide information and updates.

Sincerely,

Todd Culley  
CEO, General Manager  
Boone Electric Cooperative