

From the Boardroom...

Regular meeting of the Board of Directors held August 28, 2014

The meeting was called to order by President Densil Allen. Robert Simmons, Secretary of the Cooperative, caused the minutes of the meeting to be kept. The following Directors were present: Max Swisegood, Clark Bredehoeft, Dale Jarman, Richard Strobel, Densil Allen, Robert Simmons, Stan Rhodes and Sandra Streit. Also present were General Manager Mike Gray and general counsel Shawn Battagler.

APPROVAL OF AGENDA

After discussion, the Agenda was approved.

APPROVAL OF MINUTES

The unapproved minutes of the regular meeting of the board of directors held July 24, 2014, were approved.

REVIEW OF EXPENDITURES FOR JULY

An itemized list of expenditures for July was presented to the board, and the payment of the bills was ratified.

APPROVAL OF REPORTS

The following July 2014 reports were approved: Operating Report (RUS Form 7) and Comparative Operating Statement including the Financial Statistical Report with month and budget comparisons and statistical data pertaining to operating revenue, expenses, margins, assets, liabilities, and KWH sales; Treasurer's Report; the written monthly Construction, Retirement, Maintenance and Operations Report and the Safety Report, which included no lost time accidents during the month.

MEMBERSHIPS

The applications submitted for membership in the cooperative were accepted and approved. Directors reviewed a list of requests for termination of membership in the cooperative which, along with their requests that their billings be deducted from their deposits and the remainder, if any, be refunded to them, were accepted and approved.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Gray and Swisegood reported on their attendance and shared highlights from the recent NW Board meeting, including Dave McDowell being hired as the new CEO of NW, and an update on AECI activities.

AMEC REPORT

Gray and Bredehoeft reported their attendance and shared highlights from the meeting including James Ashworth being elected to the Federated board, legislative activities, regulatory issues, grassroots activities, State Fair involvement, Youth Tour and CYCLE information, salary information for AMEC employees, AECI report, budget review, disaster assistance, mapping coordination and awards were announced for the upcoming annual meeting.

ANNUAL MEETING

Gray reviewed expenses from the annual meeting, and the board discussed recommendations for further meetings.

OPEN DIRECTOR POSITION

The board discussed the open director position and the process of identifying and appointing a member to fill the vacant spot. A motion was made to fill the position, however, the board tabled the motion until the next regular board meeting. Directors discussed a member who has expressed interest in filling the vacant seat.

COMMITTEE REVIEW

The board appointed the following committees for next year: Scholarship: Robert Simmons, Densil Allen, Jr., Stan Rhodes and Dale Jarman; Wage and Salary: Densil Allen, Jr., Sandra Streit, Richard Strobel and Clark Bredehoeft; Bylaws: Max Swisegood, Dale Jarman and Robert Simmons. The Wage and Salary Committee meeting was scheduled for Sept. 18.

MANAGER'S REPORT

Manager Mike Gray provided his Manager's Report for the month. He reported on policies regarding disbursement of health insurance premiums relating to retirees, calendar, solar net metering, billing and payment types, union representative changes and investment fund updates.

BOARD MEETING DATES SET

Upcoming board meeting dates were set for: Thursday, Oct. 30, Tuesday, Nov. 25 and Tuesday, Dec. 30.

Planning for the 75th anniversary was discussed.

UNFINISHED BUSINESS

Richard Strobel raised the issue of recognizing Paul Nolte's service to the board. Management was authorized to take actions to acknowledge Nolte's outstanding service to the board and the cooperative.

The board discussed the process for reviewing the manager's evaluations.

NEW BUSINESS

None.

MEETING ADJOURNED

FINANCIAL REPORT • *Statement of Operations* • July 2014

	This month	YTD 2014	YTD 2013
Revenue	2,057,635	15,961,716	15,338,261
Power Bill Expense	1,288,202	9,465,078	9,089,637
Operation & Maint. Expense	468,244	3,274,259	3,474,393
Depreciation Expense	153,360	1,038,753	1,032,384
Interest Expense	<u>111,729</u>	<u>748,826</u>	<u>777,032</u>
Total cost of Srvc. (Total Expense)	2,021,535	14,526,916	14,373,446
Operating Margins (Revenue less Expenses)	36,100	1,350,418	964,816
Other Margins	<u>11,843</u>	<u>82,221</u>	<u>144,936</u>
TOTAL MARGINS	47,943	1,432,639	1,109,752