

From the Boardroom...

Regular meeting of the Board of Directors held July 27, 2017

The meeting was called to order by Vice President Clark Bredehoeft. Robert Simmons, secretary of the cooperative, caused the minutes of the meeting to be kept. The following Directors were present: Max Swisegood, Richard Strobel, Sandra Streit, Dale Jarman, Stan Rhodes and Jeremy Ahmann. Absent was Densil Allen, Jr. Also present were General Manager Mike Gray, General Counsel Shawn Battagler, Office Manager Sandy Starke and Kevin Kelso, auditor.

AUDITOR'S REPORT

Kelso presented his report on the audit of the cooperative books for 2016. He answered questions from the board and highlighted key financial ratios.

APPROVAL OF AGENDA

After discussion, the agenda was approved.

APPROVAL OF CONSENT AGENDA

The board approved its consent agenda consisting of the minutes of the regular meeting of June 22, 2017; expenditures for the month of June 2017; new membership applications; membership terminations and the treasurer's report.

APPROVAL OF REPORTS

The following June 2017 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 and the written monthly Construction, Retirement, Maintenance and Operations Report.

SAFETY REPORT

Gray presented the safety report for the month of June.

AMEC REPORT

Bredehoeft and Gray reported their attendance at the AMEC monthly meeting. Items of interest included: personnel issues, international program, linemen rodeo, Rural Missouri update, training, legislative and legal update, future meetings and donations.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Gray and Swisegood reported their attendance to the N.W. meeting. Highlights of the meeting included: AECI update, wind farms, solar, storm damage, key accounts event and policy updates.

DIRECTOR CONFERENCE REPORT

Directors who attended the statewide Directors' Conference reported on the subject and speakers from the conference. Items of interest included: rural broadband, rate structure and demand charges, renewables, federal and rural initiatives, NRECA update and succession planning.

POLICY UPDATES

The board reviewed and approved proposed changes to policies.

AUDIT AGREEMENT 2017 & 2018

The board approved the audit agreement.

ANNUAL MEETING

Gray and the board discussed details of the annual meeting.

MANAGER'S REPORT

Gray provided his Manager's Report for the month which included information on capital credit check issues, road widening and turn lane, discussion regarding Democratic Rules of Order, personnel issues, area development and State Fair involvement.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

EXECUTIVE SESSION

The board entered into executive session.

MEETING ADJOURNED

Following the executive session, the meeting was adjourned.

FINANCIAL REPORT • *Statement of Operations* • June 2017

	This month	YTD 2017	YTD 2016
Revenue	2,204,055	13,256,628	12,914,350
Power Bill Expense	1,344,651	7,939,069	8,188,406
Operation & Maint. Expense	459,574	3,081,518	2,872,693
Depreciation Expense	173,166	1,029,508	990,893
Interest Expense	<u>104,323</u>	<u>647,858</u>	<u>604,229</u>
Total cost of Srvc. (Total Expense)	2,081,715	12,697,954	12,656,221
Operating Margins (Revenue less Expenses)	122,340	558,674	258,129
Other Margins	<u>28,025</u>	<u>161,066</u>	<u>82,569</u>
	150,365	719,741	340,699