

From the Boardroom...

Regular meeting of the Board of Directors held November 24, 2015

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

APPROVAL OF AGENDA

After discussion, the agenda was approved as amended.

APPROVAL OF MINUTES

The unapproved minutes of the regular meeting of the board of directors held Oct. 29, 2015 were approved.

REVIEW OF EXPENDITURES FOR OCTOBER

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

APPROVAL OF REPORTS

The following October 2015 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.

SAFETY REPORT

Gray reported 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.

RESOLUTION AMENDING NRECA 401(k) PENSION PLAN

The board adopted a resolution amending the NRECA 401(k) plan.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Swisegood and Gray reported their attendance at the NW board meeting and highlights including policy review, AMEC teachers' education, AECl CEO search, fuel prices, NW manager's update at AECl, rate discussions and a long-range forecast.

AMEC REPORT

Bredehoeft reported his attendance at the AMEC meeting and highlights including: CEO report on the status of Joann Emerson, NRECA update, political activities in Jefferson City, online statewide outage map, personnel changes, Rural Missouri activities and the AMEC annual meeting.

MANAGER'S REPORT

Gray reported on the security upgrades at the Oak Grove office, a change in the bill drop location at F&C Bank, Cooperative Building Solutions discussions, planned meetings and presentation to the board, and a discussion regarding policies on using contractors. He also presented a request for a contribution to NRECA. A donation of \$250 to NRECA International was approved.

UNFINISHED BUSINESS

Directors discussed board retreat topics.

NEW BUSINESS

Directors discussed a proposed form of manager's contract.

EXECUTIVE SESSION

Directors met in executive session and returned to the regular meeting at the conclusion. Following the executive session, it was reported that the manager is directed to implement adjustments to the expenditures affecting payroll consistent with proposed recommendations.

MEETING ADJOURNED

FINANCIAL REPORT • *Statement of Operations* • October 2015

	This month	YTD 2015	YTD 2014
Revenue	1,686,500	21,195,131	21,816,763
Power Bill Expense	1,194,673	13,528,148	13,097,058
Operation & Maint. Expense	101,687	2,295,352	2,114,401
Depreciation Expense	161,908	1,593,757	1,525,759
Interest Expense	<u>159,629</u>	<u>1,086,084</u>	<u>1,123,710</u>
Total cost of Srvc. (Total Expense)	1,617,897	18,503,341	17,860,928
Operating Margins (Revenue less Expenses)	(252,904)	21,536	1,299,425
Other Margins	<u>4,073</u>	<u>139,649</u>	<u>113,887</u>
TOTAL MARGINS	(248,831)	161,185	1,413,312