

From the Boardroom...

Regular meeting of the Board of Directors held September 26, 2013

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, Paul Nolte, Dale Jarman, Richard Strobel, Densil Allen, Robert Simmons, Stan Rhodes and Sandra Streit. Absent was Clark Bredehoeft.

APPROVAL OF AGENDA

After discussion, the agenda was approved with the addition of the resolution to authorize the signing of loan documents.

APPROVAL OF AUDITOR'S REPORT

Roger Schmidt, Jr. of Schmidt & Company entered the meeting. He reviewed the Auditor Report and answered questions of the Board.

APPROVAL OF MINUTES

The unapproved minutes of the regular meeting of the board of directors held August 22, 2013, were approved.

REVIEW OF EXPENDITURES FOR AUGUST

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

APPROVAL OF REPORTS

The following August 2013 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.

RUS LOAN

President Allen presented loan documents for consideration. The loan was approved, including a resolution authorizing the cooperative to borrow from the FFB an amount not to exceed \$20,000,000.

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.

CFC VOTING DELEGATE

Max Swisegood was appointed the voting delegate for the CFC Region 8-10 meeting with Paul Nolte as the alternate.

WAGE AND SALARY COMMITTEE

Director Nolte reported that the Wage and Salary Committee met recently.

EXECUTIVE SESSION

Directors adjourned into executive session, following which they reconvened.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Manager Gray and Director Nolte reported their attendance at the September board meeting. Nolte on NW's margins and kWh sales. Gray reported on NW's discussions regarding a rate increase and Associated Electric's land auction and purchase of the New Madrid plant.

MEMBER ACCESS TO INFORMATION

Directors discussed the proposed Member Access to Information Policy which was then tabled.

MANAGER'S REPORT

Manager Mike Gray provided his Manager's Report for the month. He reported on 1) annual meeting expenses and plans for next year's annual meeting, 2) the October board meeting to be held Oct. 28, 3) the board retreat to be held Jan. 23-24 in Independence, 4) a Memo of Understanding regarding health insurance for Union members, and 5) CFC's offering of early repricing on a current loan set at 6.35% with a balance of \$886,261.13.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

MEETING ADJOURNED

FINANCIAL REPORT • *Statement of Operations* • September 30, 2013

	This month	YTD 2013	YTD 2012
Revenue	1,860,071	19,386,446	18,082,094
Power Bill Expense	1,098,153	11,553,078	11,435,020
Operation & Maint. Expense	417,078	4,437,646	4,102,230
Depreciation Expense	151,145	1,289,700	1,330,190
Interest Expense	81,331	1,002,928	864,266
Total cost of Svcs. (Total Expense)	1,747,707	18,283,352	17,731,706
Operating Margins (Revenue less Expenses)	112,364	1,103,094	350,388
Other Margins	9,666	152,351	(19,579)
TOTAL MARGINS	122,030	1,255,445	330,809