

From the Boardroom...

Regular meeting of the Board of Directors held July 24, 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, Paul Nolte, Dale Jarman, Richard Strobel, Densil Allen, Robert Simmons, Sandra Streit. Absent was Director Stan Rhodes. Also present were General Manager Mike Gray, Adm. Asst. and Benefits Admin Kim Lewis, cooperative attorney Rod Widger.

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 June 26, 2014 were approved.

REVIEW OF EXPENDITURES FOR June

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

APPROVAL OF REPORTS

The following June 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; construction, retirement, maintenance and operations report.

SAFETY REPORT

Mike Gray reported no lost time accidents during the month of June.

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 their attendance at the recent board meeting and shared highlights of the meeting.

AMEC VOTING REPRESENTATIVE AND BOARD MEMBER

The board appointed Clark Bredehoeft as an AMEC board member and as the cooperative's voting representative to the AMEC Annual Meeting, and Mike Gray as alternate.

NRECA REGION VIII MEETING

The board appointed Max Swisegood as the cooperative's delegate and Mike Gray as alternate for representation at the NRECA Region VIII meeting.

ANNUAL MEETING DISCUSSION

Gray presented a copy of the annual meeting program and proposed agenda. Rod Widger led a discussion of the immediate effect and consequences of the membership bylaw amendment proposal.

MANAGER'S REPORT

Gray provided his Manager's Report for the month. He reported on the following: Missouri State Fair Foundation fund-raising dinner and Friends of the Fair reception.

UNFINISHED BUSINESS

Discussion was held regarding the building tour.

EXECUTIVE SESSION AND ADJOURNMENT

The board entered into executive session to discuss personnel matters.

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 Srv. (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 |