

From the Boardroom...

Regular meeting of the Board of Directors held December 22, 2016

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: Max Swisegood, Clark Bredehoeft, Dale Jarman, Richard Strobel, Sandra Streit, Jeremy Ahmann and Stan Rhodes. Also present were General Manager Mike Gray and general counsel Shawn Battagler and Administrative Assistant Kim Lewis.

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 Nov. 21, 2016; expenditures for the month of November 2016; new membership applications; membership terminations and the treasurer's report.

APPROVAL OF REPORTS

The following November 2016 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 gave the safety report for the month of November.

AMEC REPORT

Bredehoeft reported on his attendance and reported highlights including AECEI update, FEMA issues, 2018 annual meeting, directors' conference plans and campaign finance legislation.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Gray and Swisegood reported their attendance at the NW board meeting and reported highlights including an AECEI update, financials, clean line energy status, employee charitable activities, airplane crash investigation results, substation maintenance issues and tower replacement.

CFC VOTING DELEGATE

The board appointed Bredehoeft as the CFC voting delegate and Jeremy Ahmann as the alternate.

NRECA ANNUAL MEETING

The board approved attendance to the NRECA Annual Meeting for all directors wishing to attend.

NRTC VOTING DELEGATE

The board appointed Robert Simmons as the NRTC voting delegate and Richard Strobel as the alternate.

NRECA VOTING DELEGATE

The board appointed Stan Rhodes as the NRECA voting delegate and Jeremy Ahmann as the alternate.

MANAGER'S REPORT

Gray provided his Manager's Report for the month. Items of interest included mowing services, scholarships, employee recognition banquet planning, Federated coverage, payment kiosk information and discussion regarding the retreat. The board resolved to purchase insurance through Federated Insurance to cover the defense of capital credit lawsuits.

EXECUTIVE SESSION

Directors adjourned into executive session and then returned to the regular meeting.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

MEETING ADJOURNED

FINANCIAL REPORT • *Statement of Operations* • November 2016

	This month	YTD 2016	YTD 2015
Revenue	1,953,463	23,926,775	23,088,374
Power Bill Expense	1,269,485	14,966,376	14,824,712
Operation & Maint. Expense	161,211	2,461,158	2,659,504
Depreciation Expense	169,441	1,832,784	1,756,030
Interest Expense	<u>116,510</u>	<u>1,103,701</u>	<u>1,062,310</u>
Total cost of Srvc. (Total Expense)	1,716,647	20,364,019	20,302,556
Operating Margins (Revenue less Expenses)	(49,116)	624,166	(23,237)
Other Margins	<u>11,986</u>	<u>196,087</u>	<u>153,279</u>
TOTAL MARGINS	(37,130)	820,253	130,042