

From the Boardroom...

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

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, Richard Strobel, Jeremy Ahmann, Dale Jarman, Sandra Streit and Stan Rhodes. Also present were General Manager Mike Gray, general counsel Shawn Battagler and staff.

APPROVAL OF CONSENT AGENDA

The board approved its consent agenda consisting of the minutes of the regular meeting of Dec. 22, 2016, expenditures for the month of December 2016; new membership applications; membership terminations and the treasurer's report.

APPROVAL OF REPORTS

The following December 2016 reports were approved: Operating Report (RUS Form 7) and Comparative Operating Statement including the Financial Statistical Report with month and budget comparisons, end-of-the-year financials and statistics, 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.

AMEC REPORT

Bredehoeft and Gray reported their attendance at the AMEC board meeting. Highlights included an AECl update, FEMA issues, weather forecasting information, legislative conference and Amendment 2 litigation.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Gray and Swisegood reported their attendance at the NW board meeting. Highlights included AECl update, financials, airplane costs, substation maintenance issues, tower replacement, renewable resources, fiber build, CEO compensation study and AECl teacher training.

PURPA

The board resolved to adopt the Resolution for PURPA Joint Implementation Plan.

2017 BUDGET

The board approved the 2017 budget as presented.

SEXUAL HARASSMENT & DISCRIMINATION TRAINING

The board discussed training held on sexual harassment and discrimination on Jan. 26, 2017.

POLICY REVIEW

The board reviewed policies and changes suggested by the Policy Committee.

MANAGER'S REPORT

Gray provided his Manager's Report for the month. Items of interest included payment facilities changes in Warrensburg and member billing concern and adjustment.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

EXECUTIVE SESSION

The board entered into executive session

MEETING ADJOURNED

Following executive session, there being no further business to come before the board, the meeting was adjourned.

FINANCIAL REPORT • *Statement of Operations* • December 2016

	This month	YTD 2016	YTD 2015
Revenue	2,696,316	26,623,091	26,165,722
Power Bill Expense	1,655,144	16,621,520	16,285,078
Operation & Maint. Expense	348,524	2,809,681	2,909,045
Depreciation Expense	169,952	2,002,737	1,919,268
Interest Expense	<u>120,246</u>	<u>1,223,947</u>	<u>1,195,535</u>
Total cost of Srvc. (Total Expense)	2,293,866	22,657,885	22,308,926
Operating Margins (Revenue less Expenses)	108,802	732,967	747,922
Other Margins	<u>751,883</u>	<u>947,970</u>	<u>999,033</u>
TOTAL MARGINS	860,685	1,680,937	1,746,955