

From the Boardroom...

Regular meeting of the Board of Directors held Aug. 22, 2019

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, Richard Strobel, Stan Rhodes, Jeremy Ahmann and Sandra Streit. Also present were General Manager Mike Gray and general counsel Sheri Smiley. Dale Jarman and Clark Bredehoeft were absent.

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 July 25, 2019; expenditures for the month of July 2019; new membership applications; membership terminations and the treasurer's report.

APPROVAL OF REPORTS

The following July 2019 reports were approved:

Financing and Treasurer's Report: Michael Newland presented the July 2019 Operating Report (RUS Form 7) and Comparative Operating Statement. He reviewed the Financial and Statistical Report with monthly and annual budget comparisons and gave the investment report. He presented and reviewed statistical data pertaining to operating revenue, expenses, margins, assets, liabilities, cash flow management, and KWH sales as well as discussing line-loss calculations and sales comparisons year-to-date. He discussed cash flow, margins, deferred revenue and equity and the 2020 budget. He recommended that the Board authorize \$750,000.00 deferred revenue to be recognized. The board allowed the \$750,000 deferred revenue be recognized. Newland also reported on the audit being performed by Jackson Thornton for 2019.

Operations and Safety Report: Randy Burkeybile gave the operations report and discussed crew work and outages in July. He also gave the safety report and discussed safety meetings, crew visits, and travel which has occurred without incident. He reported that an audit had been done by AMEC and no issues were found and gave an update on changing out lights to LED. He also gave an update from the August 15, 2019, storms which caused 28 poles to be lost.

Engineering Report: Dan Disberger gave the engineering report. He reported on new services, change services and gave a staking department and a Right-of-Way Department report. He also reported on inquiries made for potential new services.

Member Services Report: Brent Schlotzhauer presented the member services report. He included a report on Operation Round Up, a wrap-up from the annual meeting and reported on teachers who attended Energy in Today's classroom. He discussed net metering, chamber meetings he attended and the state fair.

BOARD COMMITTEES

Appointment of Board Committees was tabled until the September board meeting.

AMEC REPORT

Gray reported on Rural Missouri magazine, department reports and a potential by-law proposal.

NW REPORT

Swisegood presented the NW report for August. He discussed outages, the solar and wind report, safety report, and margins and expenses and salaries.

ANNUAL MEETING DISCUSSION

The surveys collected at the annual meeting were reviewed. Of most interest to members was moving the time up to earlier in the evening and having a better sound system.

MANAGER'S REPORT

In his monthly manager's report, Gray gave an update on the Oak Grove building construction which he reported is completed and came in at budget. He reported by that Toth will do a work plan and a system study and recommended that a cost of service study also be done by Toth. A motion was made by Max Swisegood, seconded by Robert Simmons and passed to move forward with the cost of service study.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Potential new annual retreat dates were discussed. The Wage and Salary committee will meet on September 19th at 7:00 p.m.

MEETING ADJOURNED

Following the executive session, the meeting was adjourned.

FINANCIAL REPORT • *Statement of Operations* • July 2019

	This month	YTD 2019	YTD 2018
Revenue	\$2,453,035	\$17,354,423	\$17,929,640
Power Bill Expense	1,521,103	10,443,944	10,640,499
Operation & Maint. Expense	811,164	4,568,473	3,564,962
Depreciation Expense	186,203	1,279,412	1,238,318
Interest Expense	<u>124,780</u>	<u>828,842</u>	<u>745,554</u>
Total cost of Srvc. (Total Expense)	2,643,250	17,120,671	16,189,333
Operating Margins (Revenue less Expenses)	(190,215)	233,752	1,740,307
Other Margins	<u>15,591</u>	<u>163,705</u>	<u>96,396</u>
TOTAL MARGINS	\$(174,624)	\$397,457	\$1,836,703