

From the Boardroom...

Regular meeting of the Board of Directors held October 28 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, Clark Bredehoeft, Paul Nolte, Dale Jarman, Richard Strobel, Densil Allen, Robert Simmons, Stan Rhodes and Sandra Streit.

APPROVAL OF AGENDA

After discussion, the agenda was approved with the addition of a review of auditor proposals.

APPROVAL OF MINUTES

The unapproved minutes of the regular meeting of the board of directors held September 26, 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 September 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.

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

Manager Gray and Director Nolte reported their attendance at the October board meeting and shared highlights of the meeting.

NRECA REGION 8-10 MEETING REPORT

Manager Gray and Director Nolte reported their attendance, and provided information shared at the NRECA Region 8-10 meeting.

AWARD SYSTEM IMPROVEMENTS CONTRACT

Manager Gray presented the bids for the Systems Improvements Contract. After discussion, the contract was awarded to Croft for \$297,315.08 for a labor-only contract for the 2013-2016 construction work plan, Project No. 392 for reconductoring (upgrading) 7.2 miles from 3-phase to 3-phase.

RATES DISCUSSION

Manager Gray reported on the 2013 actual demand cost and other factors impacting rates.

AUDITOR'S PROPOSAL FOR 2013-14

Manager Gray presented the audit proposal from Schmidt & Company, L.L.C. After discussion, the company's proposal to provide audit services for 2013-14 was approved as presented for a fee of \$8,400.

MANAGER'S REPORT

Manager Mike Gray provided his Manager's Report for the month. He reported on the CFC Integrity Fund, and after discussion, directors agreed to leave the CFC Integrity Fund procedure and fund it the same way it is currently. No additional contributions will be made at this time, and the authorized uses for the funds will remain the same. He also reported on 1) an organizational chart update, 2) the employee recognition banquet to be held Feb. 22, 3) the new FCC rule on forbidding robo calls for payment reminders, 4) AT&T disupte update, 5) the board retreat to be held Jan. 23-14.

UNFINISHED BUSINESS

Director Bredehoeft reported the AMEC Board had passed the budget and work program for AMEC.

NEW BUSINESS

None.

MEETING ADJOURNED

FINANCIAL REPORT • <i>Statement of Operations</i> • October 31, 2013			
	This month	YTD 2013	YTD 2012
Revenue	1,903,310	21,289,756	19,722,169
Power Bill Expense	1,157,545	12,710,623	12,553,950
Operation & Maint. Expense	504,765	4,901,922	4,627,483
Depreciation Expense	149,553	1,479,743	1,435,431
Interest Expense	131,422	1,134,350	949,076
Total cost of Svcs. (Total Expense)	1,943,285	20,226,638	19,565,940
Operating Margins (Revenue less Expenses)	-39,975	1,063,118	156,229
Other Margins	32,851	185,203	9,131
TOTAL MARGINS	-7,124	1,248,321	165,360