

From the Boardroom...

Regular meeting of the Board of Directors held January 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 and Stan Rhodes. Also present were General Manager Mike Gray, Admin. Asst./Benefits Admin Kim Lewis, Office Manager Sandy Starke and cooperative attorney Matt Krohn.

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 Dec. 30, 2013 were approved.

REVIEW OF EXPENDITURES FOR DECEMBER

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

APPROVAL OF REPORTS

The following December 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 and the written monthly Construction, Retirement, Maintenance and Operations Report.

SAFETY REPORT

Gray reported no lost time accidents during the month. Employees have now worked 1,318 days without a lost-time accident. Employees have driven 23,433 miles in December without a serious accident.

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.

APPROVE WRITE-OFF ACCOUNTS--2011

The board approved the write-off of delinquent accounts for the year 2011.

2014 OPERATING BUDGET

The board approved the 2014 budget as written.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

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

CERTIFICATION OF DELEGATES FOR N.W. ELECTRIC POWER COOPERATIVE, INC.

Directors approved a resolution certifying delegates to the N.W. Electric Power Cooperative, Inc. annual meeting to be held April 16, 2014.

MANAGER'S REPORT

Manager Mike Gray provided his Manager's Report for the month. He reported on the following: 1) the cooperative's new phone system; 2) a class action lawsuit versus Office Depot; 3) action.coop progress (3,228 signatures with more than 2,000 cards returned by WCE members); 4) employee recognition banquet and service awards; 5) upcoming AMEC Legislative Conference; 6) AEGIS audit regarding insurance coverage on Feb. 7.

RETREAT TOPICS WRAP-UP DISCUSSION

The board discussed retreat topics.

UNFINISHED BUSINESS

The board discussed issues relating to offsets.

NEW BUSINESS

A discussion was held regarding the NRECA Directors' Conference.

Jerry Willis was designated to look after the John & Kathryn English Scholarship Trust.

EXECUTIVE SESSION

Directors adjourned into executive session, followed by reconvening to the regular meeting.

MEETING ADJOURNED

FINANCIAL REPORT • *Statement of Operations* • January 2014

	This month	YTD 2014	YTD 2013
Revenue	3,095,907	3,095,907	2,820,731
Power Bill Expense	1,671,945	1,671,945	1,522,014
Operation & Maint. Expense	461,952	461,952	410,068
Depreciation Expense	150,316	150,316	146,453
Interest Expense	110,572	110,572	84,381
Total cost of Srvc. (Total Expense)	2,394,785	2,394,785	2,162,916
Operating Margins (Revenue less Expenses)	701,122	701,122	657,815
Other Margins	17,114	17,114	23,272
TOTAL MARGINS	718,236	718,236	681,087