

From the Boardroom...

Regular meeting of the Board of Directors held June 26, 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, Adm. Asst. and Benefits Admin Kim Lewis, Office Manager Sandy Starke and cooperative attorney Matt Krohn.

APPROVAL OF AGENDA

After discussion, the agenda was approved.

AUDITOR'S REPORT

Directors approved the audit report provided by Larry Lane of Schmidt & Company.

REPORT ON SCHOLARSHIP INVESTMENTS

Directors listened to a report from Jerry Willis regarding options for scholarship investments. After discussion, the board approved filing a complaint to AXA Advisors, LLC.

APPROVAL OF MINUTES

The unapproved minutes of the regular meeting of the board of directors held May 22, 2014 were approved.

REVIEW OF EXPENDITURES FOR MAY

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

APPROVAL OF REPORTS

The following May 2014 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; construction, retirement, maintenance and operations report. Gray also reported on outages, pole change-outs, pole inspections and maintenance.

SAFETY REPORT

Gray reported no lost time accidents during the month of May.

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.

AMEC REPORT

Bredehoeft and Gray reported on their attendance at the recent AMEC meeting as well as legislation of interest to the cooperative.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

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

ANNUAL MEETING DISCUSSION

Gray reported on vendor booth requests. The board directed Gray on the number of ballots to order and meals to reserve.

MANAGER'S REPORT

Gray provided his Manager's Report for the month. He reported on the following: 1) State Fair tickets, 2) the NRECA Region 8-10 meeting to be held Oct. 21-23 and director training, 3) the AMEC annual meeting to be held Oct. 1-3

UNFINISHED BUSINESS

Discussion was held regarding the building tour.

EXECUTIVE SESSION AND ADJOURNMENT

The board entered into executive session.

MEETING ADJOURNED

FINANCIAL REPORT • *Statement of Operations* • June 2014

	This month	YTD 2014	YTD 2013
Revenue	1,947,035	13,904,081	13,066,094
Power Bill Expense	1,246,987	8,176,876	7,792,589
Operation & Maint. Expense	505,837	2,827,657	2,985,763
Depreciation Expense	152,823	909,741	883,976
Interest Expense	<u>119,574</u>	<u>675,489</u>	<u>650,212</u>
Total cost of Srvc. (Total Expense)	2,025,221	12,589,763	12,312,540
Operating Margins (Revenue less Expenses)	-78,187	1,314,318	753,554
Other Margins	<u>5,436</u>	<u>70,378</u>	<u>118,019</u>
TOTAL MARGINS	-72,751	1,384,696	871,573