

From the Boardroom...

Regular meeting of the Board of Directors held October 25, 2018

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

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 September 25, 2018; expenditures for the month of September 2018; new membership applications; membership terminations and the treasurer's report.

APPROVAL OF REPORTS

The following September 2018 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 gave the safety report for the month of September.

2018 LOAD FORECAST

Gray presented the 2018 Load Forecast prepared in support of G&T operations. The board resolved to approve and adopt the load forecast and to authorize submission of resolution to AECl indicating such approval.

CORPORATE DEBT LIMIT

On the recommendation of the RUS field representative, the board considered the necessity of approving its stated debt limit and resolved to increase the corporate debt limit to \$75,000,000.00.

AMEC REPORT

Bredehoeft reported his attendance to AMEC and related items of interest from that meeting. Directors reported attendance to the AMEC Annual Meeting.

OAK GROVE BUILDING

John Frandsen of Septagon Construction entered the meeting to present an update on site plans, specifications, and permit progress on the Oak Grove building improvements. After discussion, Mr. Frandsen left the meeting.

NW REPORT

Swisegood presented the NW report for September. He noted highlights of the business, operations, and financial activities of NW. Gray discussed the impact of AECl's long-range financial forecast. A discount applied to the base peak demand rate charged to NW along with other offsetting actions by NW will essentially neutralize the anticipated demand increase anticipated by West Central Electric Cooperative.

STRATEGIC PLANNING COMMITTEE

Streit reported the review and discussions of the Strategic Planning Committee. She noted that some items have been completed and timelines have been amended for other initiatives. Additional recommendations will be passed to the board retreat agenda.

MANAGER'S REPORT

Gray presented his monthly Manager's Report. Items of interest included collection agency termination, employee banquet planning and other business.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

EXECUTIVE SESSION

The board entered into executive session.

MEETING ADJOURNED

Following the executive session, the meeting was adjourned.

FINANCIAL REPORT • *Statement of Operations* • September 2018

	This month	YTD 2018	YTD 2017
Revenue	\$2,346,412	\$22,724,292	\$20,055,968
Power Bill Expense	1,378,693	13,500,353	12,059,837
Operation & Maint. Expense	578,408	4,688,895	4,573,107
Depreciation Expense	178,969	1,595,822	1,553,337
Interest Expense	<u>119,659</u>	<u>984,924</u>	<u>961,011</u>
Total cost of Srvc. (Total Expense)	2,255,729	20,769,994	19,147,292
Operating Margins (Revenue less Expenses)	90,683	1,954,298	908,676
Other Margins	<u>73,208</u>	<u>295,296</u>	<u>270,539</u>
TOTAL MARGINS	\$163,891	\$2,249,594	\$1,179,215