

From the Boardroom...

Regular meeting of the Board of Directors held July 28, 2016

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, Richard Strobel, Sandra Streit, Dale Jarman, and Jeremy Ahmann. Absent was Stan Rhodes. Also present were General Manager Mike Gray and General Counsel Shawn Battagler.

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 June 28, 2016 were approved.

REVIEW OF EXPENDITURES FOR MAY

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

APPROVAL OF REPORTS

The following June 2016 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 presented the safety report and reported 84 days without a lost-time 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.

NRECA VOTING DELEGATE

Robert Simmons was named voting delegate and Dale Jarman, alternate, to the NRECA regional meeting.

N.W. ELECTRIC POWER COOPERATIVE, INC. REPORT

Gray and Swisegood reported on their attendance at the N.W. meeting. Highlights included discussion regarding substation outages, solar issues, a new manager at North Central REC, an airplane striking a line and an AECL update regarding operations and sales.

DIRECTOR CONFERENCE REPORT

Board members reported on their attendance to the NRECA Directors Conference. They discussed a board culture assessment analysis, fiber networks and employment law issues.

ANNUAL MEETING

Gray and the board discussed details of the meeting and mail-in voting.

FACILITIES DISCUSSION AND BUDGET APPROVAL

Gray presented information on cost estimates for updating facilities and presented an estimated budget. The board approved a \$1 million budget for facility improvements.

MANAGER'S REPORT

Gray provided his Manager's Report for the month which included member satisfaction survey results, the governor's ham breakfast, a state fair donation request and a benefits update.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

MEETING ADJOURNED

FINANCIAL REPORT • *Statement of Operations* • June 2016

	This month	YTD 2016	YTD 2015
Revenue	2,328,824	12,914,350	13,117,820
Power Bill Expense	1,439,253	8,188,406	8,191,242
Operation & Maint. Expense	486,371	2,870,514	1,581,202
Depreciation Expense	166,540	990,893	948,195
Interest Expense	89,165	603,929	558,207
Total cost of Srvc. (Total Expense)	2,181,329	12,653,742	11,278,846
Operating Margins (Revenue less Expenses)	147,495	260,608	332,009
Other Margins	6,137	82,569	96,802
TOTAL MARGINS	153,632	343,177	428,811