

From the Boardroom...

Regular meeting of the Board of Directors held June 26, 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 Sheri Smiley.

Bryan Bacon, RUS Field Representative, gave the Cooperative's Long Range Financial Forecast and discussed the Cooperative's current financial position with the Board.

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 May 24, 2018; expenditures for the month of May 2018; new membership applications; membership terminations and the treasurer's report.

RESOLUTION FOR RUS AD APPLY CERTIFICATION

Gray presented the RUS AD Resolution. The resolution was passed after discussion.

APPROVAL OF REPORTS

The following May 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 May.

NW REPORT

Swisegood presented the NW report for June. He discussed AECl updates including: an update on airplane expenses. Gray discussed the Special AMEC District One meeting called for the purpose of naming a replacement for AMEC's CEO Barry Hart following his retirement in January of 2019.

AMEC REPORT

Bredehoeft gave the AMEC report from the June meeting. He reported that Barry Hart had announced his retirement.

AECI ANNUAL MEETING REPORT

Board members who attended the AECI Annual Meeting in Branson in June discussed the long-term strategic plan and the speakers who presented at the meeting. Gray presented a video to the board from AECI discussing the long-term strategic plan.

CFC INTEGRITY FUND CONTRIBUTION DISCUSSION

A discussion was held regarding the contribution to the CFC Integrity Fund. Staff recommendation was \$250, which was approved.

ANNUAL MEETING DISCUSSION

Gray announced that no Petitions were filed for the Board of Directors positions that are up for election. He reported that state representatives had been invited and he would extend an invitation to U.S. representatives as well. No presentations would be allowed.

APPROVE RUS LOAN ADVANCE

Gray presented information on the RUS Loan and reported that the Cooperative has until August 1, 2018, to draw additional money on the old loan. He recommended a \$5 million dollar draw against the loan, which was approved.

MANAGER'S REPORT

Gray presented his monthly Manager's Report. Items of interest included: an update on the Oak Grove building improvements.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

MEETING ADJOURNED

Following the executive session, the meeting was adjourned.

FINANCIAL REPORT • *Statement of Operations* • May 2018

	This month	YTD 2018	YTD 2017
Revenue	\$1,953,582	\$12,955,278	\$11,052,573
Power Bill Expense	1,342,828	7,619,829	6,594,417
Operation & Maint. Expense	499,300	2,513,043	2,621,968
Depreciation Expense	176,898	882,653	856,342
Interest Expense	<u>107,547</u>	<u>522,432</u>	<u>543,511</u>
Total cost of Srvc. (Total Expense)	2,126,573	11,537,957	10,616,238
Operating Margins (Revenue less Expenses)	(172,991)	1,417,321	436,335
Other Margins	<u>6,683</u>	<u>76,689</u>	<u>133,042</u>
TOTAL MARGINS	\$(166,308)	\$1,494,010	\$569,377