



RURAL  
**MISSOURI**

Sac Osage Electric Cooperative

P.O. Box 111, 4815 E HWY 54  
El Dorado Springs, MO 64744  
Telephone: 800-876-2701

June 2015

# News

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Official Notice

## 2015 Annual Meeting of the Members

**Tuesday, June 9, 2015**

### FEATURED ENTERTAINMENT

Circle S Opry



**Take Notice!**  
**This year's Business Meeting will start at 6:30 p.m.**

The 2015 Annual Meeting of the Members Sac Osage Electric Cooperative, Inc., will be held at the Sac Osage Electric Headquarters, 4815 E. HWY 54, El Dorado Springs, Missouri, at 6:30 p.m., Tuesday, June 9, 2015, to take action upon the following matters:

- 1). Report of officers, directors and committees;
- 2). Such other business as may properly come before the meeting or any adjournment thereof.

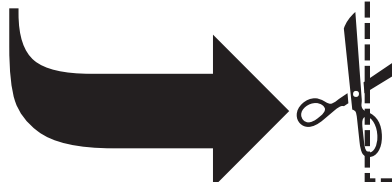
There was one (1) nominee from district 7, 8 and 9. According to the Bylaws, Article IV, Section 4, if only one (1) person is nominated for the position of director in any district, ballots shall not be mailed and the person nominated shall be deemed elected at the Annual Meeting of the Members. Any director elected without opposition shall commence serving immediately after the election results are announced at the annual meeting of the members. The director biographical sketches are located inside the back cover of the Rural Missouri.

By order of the Board of Directors of Sac Osage Electric Cooperative, Inc.  
Jan Neale, Secretary

**Registration Card**  
**SOEC's Annual Meeting**  
**Tuesday, June 9, 2015**  
*(must be present to win prizes)*



Be sure to cut out and bring this registration card to the Annual Meeting to receive door prizes and meal.





## Summary of 2014 Annual Meeting Minutes

The 2014 Annual Meeting of the Members of Sac Osage Electric Cooperative, Inc. was held Tuesday, June 10, 2014, at the offices of the Cooperative, 4815 East Highway 54, El Dorado Springs.

Tables for member registration were open from 5:00 p.m. to 6:30 p.m. Names of those who registered were entered into a drawing for prizes to be awarded later in the meeting.

Entertainment was provided by "Randy Newman". Following the Pledge of Allegiance, the National Anthem and the prayer of invocation, Brad Thompson, President of the Board, called the meeting to order. He announced Chris Hoberock, attorney, was appointed by the board to conduct the business portion of the meeting. Mr. Hoberock announced that 232 registered members were required for a quorum. A total of 385 members had registered, so the meeting proceeded.

The Inspectors of Election/Credentials Committee Members were introduced and administered an oath. Candidates for the two positions on the board were introduced: District 4: Raymond Huesmann and District 6: Ronald (Gene) Brockus. Mr. Hoberock stated that according to the Bylaws unopposed candidates are automatically elected without a vote; therefore, Raymond Huesmann and

Ronald (Gene) Brockus were declared elected. In District 5, the position held by Brad Thompson, no one filled for election to that District. Therefore, pursuant to Article IV, Section 7 of the Bylaws of the Cooperative, the vacancy for the position will be filled by the Board of Directors.

Proposal to amend Article IV, Section 2 of the Cooperative's Bylaws to term limits of the Board of Directors from three (3) to five (5) the consecutive terms that a member of the Board of Director can serve. 189 votes were cast in favor of the proposal and 185 votes were cast against the proposal.

Upon motion, second, and voice vote, the Minutes of the 2014 Annual Meeting were approved. Copies of the minutes were available at the meeting to any member.

Members heard reports from the Cooperative's President, Treasurer and General Manager. During the business meeting the floor was opened for any unfinished business and or new business. No member requested recognition for unfinished business or new business.

Following the adjournment of the meeting, additional drawings were made for cash gifts and other prizes.



### Consolidated Balance Sheet

#### ASSETS:

Net Plant in Service	\$35,651,020
Investments and Other Property	\$7,313,058
Current Assets	\$3,417,313
Deferred Debits	\$1,252,277
Total Assets	\$47,633,668

#### LIABILITIES & CAPITAL:

Capital Equities	\$20,731,893
Total Long-Term Liabilities & Obligations	\$24,204,229
Current Liabilities	\$2,628,561
Deferred Credits	\$68,985
Total Liabilities & Capital	\$47,633,668

### Consolidated Statement

#### REVENUES:

Operating, Capital & Other Revenues	\$17,877,499
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#### EXPENSES AND OTHER DEDUCTIONS:

Purchased Power Expense	\$8,721,480
Operating & Maintenance Expenses	\$2,918,983
Accounting and Collection Expenses	\$612,527
Other Customer Expenses	\$129,213
Administrative & General Expenses	\$1,420,043
Depreciation	\$1,474,309
Taxes and Provision for Taxes	\$7,289
Interest on Long-Term Debt	\$1,271,208
Total Expenses & Other Deductions	\$16,555,052
Net Margin	\$1,322,447

### 2015 Annual Meeting Program Schedule

5:00 - 6:30 Registration of Members  
Free Sandwiches, Chips, and Drinks

Free Schwan's Ice Cream Sandwiches

Door Prizes & Children's Prizes

5:15 - 6:15 Entertainment "Circle S Opry"

6:30 p.m. Business Meeting Call to Order

Children's Prize Drawings

National Anthem

Invocation

General Manager's Report

Adjournment

Grand Prizes: Large Flat Screen TV, Apple iPad, Kindle, Garmin GPS and other prizes.





## Candidates for Sac Osage Electric Cooperative Board of Directors

### District 7

I have been a long-time resident of the Iconium area, where I presently have a small cow/calf operation. My wife and I have been members of the Sac Osage Electric Cooperative for 44 years. I am honored to be your District 7 Board member, where I have served as both President and Vice-President. I also represent the Sac Osage Electric Cooperative on the KAMO Power Board of Trustees in Vinita, Oklahoma, where I currently serve as Chairman of the Technical Advisory Committee.



Jim Murray

I have completed the Credentialed Cooperative Director training program and also attended advanced board leadership classes. The Cooperative faces many challenges in the coming years as the cost of doing business continually rises. As your director, my objective will be to provide safe, reliable, and affordable electricity for our membership. I appreciate your trust in me as your Board member this year, after all, it's our cooperative.

### District 8

I, along with my husband retired dentist Dr. Bill Neale, have lived in the area since 1960. We have been members of Sac Osage Electric since 1966. We have two adult married sons and four grandchildren. I have an Associate's degree in dental hygiene and retired from practice in 1987. Both my husband and I have been involved in civic and church activities during the time we have lived here. Bill is presently serving as the Cedar County Coroner. I have served as President on various boards locally and as well as the Missouri State Hospital Auxiliary Board from 1995-1996.



Jan Neale

During my first term as a board member, I learned a great deal about the operation of Sac Osage Electric through classes taught in Jefferson City. Upon completing the courses and achieving successful exam scores, I became a Certified Credential Director. Through these classes and the experiences I have gained in the board room during my third term have helped me gain greater confidence that I can continue to serve the members of my district well. I better understand the complexities of the electric distribution industry and appreciate working with the Board of Directors and employees in serving our members with safe and reliable electricity.

It would be a privilege to serve the members of District 8. I appreciate the confidence that you have placed in me in the past, and I continue to ask for your comments and your support.

### District 9

My name is Neale Johnson and I am a life-long resident of Cedar County and live near Caplinger Mills. I attended elementary school in Caplinger Mills and graduated from Stockton High School in 1965. After graduating from Drury College, I attended the University of Missouri-Kansas City School of Dentistry receiving a Doctor of Dental Surgery degree. I retired from the practice of general dentistry in Stockton in 2007. My wife Frances and I have two children and five grandchildren. Community service has been an important aspect of my life and I have been fortunate to serve on the boards or committees of a number of civic, professional, business and church organizations.



Neale Johnson

I have served on the board of directors at Sac Osage Electric Cooperative since 2010 and am seeking another term representing District 9. In 2011, I completed my Credentialed Cooperative Director training and have continued my education through courses and meetings relevant to board leadership and the electric cooperative business model. All of our board members are dedicated to seeing Sac Osage Electric succeed and prosper for the good and welfare of our cooperative members and employees. Certainly there are many challenges ahead for electric cooperatives. Some of those issues are related to governmental regulation, infrastructure reliability, sustainable and renewable energy sources and maintaining a cost effective energy rate. It is the board's responsibility to meet those challenges in an effective energy rate. It is the board's responsibility to meet the challenges in an effective and pro-active way. With your support, I will work to help achieve these goals for the members and employees of Sac Osage Electric Cooperative. Thank You.





## News

~ Serving our members' needs since 1940 ~

### 2015 ANNUAL MEETING PRESIDENT'S REPORT



Neale Johnson

The Board of Directors, management and employees invite you to attend the 76th annual meeting of Sac Osage Electric Cooperative. It is our privilege to serve and work for the members of our cooperative. At last year's annual meeting the Board of Directors recommended a change in the by-laws to extend director term limits from three terms to five terms which would then allow a director to serve up to 15 years on the board with district membership approval. We were pleased that the recommended change was passed. The change was in the best interest of the cooperative both from a standpoint of retaining experienced directors and by saving the cooperative significant time and money in new director training. Other events of the last year included the election of Ray Huesemann from Osceola as the director for District 4 and the appointment of Gary Ashby from Nevada to fill the vacancy as a director for District 5. These gentlemen are great assets to our board. Jim Davis has completed his first full year in his new role as our general manager. We feel very fortunate to have such an experienced, knowledgeable and dedicated individual leading the cooperative's day to day operations.

It is the goal of the Board of Directors and management to provide the cooperative members with dependable power delivered at the best possible rate. In our endeavor to achieve those goals, the board has been working diligently for the past year with our general manager and his staff on several areas. Right-of-way clearing has been at the top of our priorities this year. Nothing does more to maintain the integrity of our system than to have the lines clear of tree limbs and debris. Miles of lines have been cleared over the past year and this project will continue until all of our substations have been cleared. Ice storms and other weather related conditions will always be a threat to our system but those threats will be greatly reduced as a result of this project. Also the Board and management have been fiscally responsible in researching and doing due diligence on refinancing options for the cooperative's loans. The board voted unanimously to pursue refinancing options which project an overall savings of up to \$1.9 million over the life of the loans. The Board and management will continue be good stewards of the cooperative's resources and be accountable to the membership.

Other notable achievements of the past year include:

-The pre-paid metering option has been implemented this spring and has been well received. We have many members who have elected to participate and enjoy the benefits of this program. This option allows members to monitor and budget their electrical usage on a daily basis. Please contact the business office if you would like additional information.

- Upgrades to the cooperative's technology continue with enhanced software, servers and backup data storage. KAMO Electric provided much of this technology free of charge.

- GPS mapping of our entire electrical system is going extremely well and will provide valuable information for maintaining the integrity of our system. The cooperative anticipates the completion of the project this year.

The Board recognizes the importance of the employees of Sac Osage Electric Cooperative. We commend them for their dedication and commitment and for the hours they spend in all types of conditions to provide us with the excellent service that we enjoy. The Board members and staff

will all be in attendance at the annual meeting so please take the opportunity to come by so we can meet you personally.

On behalf of the Board, we thank the members of Sac Osage Electric Cooperative for their continued interest and support. Please plan to attend the annual meeting on Tuesday evening June 9th at 6:00 PM at the cooperative headquarters on 54 highway. The meeting is one of the highlights of the year for us and we look forward to a pleasant and enjoyable evening.

Thank you,

Neale W. Johnson President

### 2015 ANNUAL MEETING TREASURER'S REPORT

It has been my pleasure serving you as Sac Osage Electric Cooperative's secretary-treasurer for the past year. One of the duties of your Board is to assist management in the budget-making process. Developing the 2015 budget was particularly difficult as we were faced with a power supply cost increase of over \$430,000, upgrading our Automatic Meter Reading (AMR) system, and accelerating our right-of-way clearing program, just to name a few of the challenges with which your Cooperative has to contend. After long and careful deliberation, the Board concluded that the only way to fund these and the many additional requirements of the Cooperative, while remaining fiscally sound, was to raise rates approximately nine percent.

Please rest assured that we do everything possible to provide you, our member, the best service at the lowest practical cost.

Our independent auditors, Schmidt and company, from Lee's Summit, Missouri, recently reported to the board that all 2014 financial activities and records complied with generally accepted accounting practices. The audit revealed no misstatements of information and all recorded transactions met RUS rules and regulations. Therefore, I am pleased to report that the cooperative ended 2014 in an acceptable financial position.

The total margins to be allocated to our 2014 member consumers were \$1,322,447.01, which will help finance future cooperative capital improvements. These margins will be returned

based upon the amount of electricity each member purchased in 2014. During the year ending December 31, 2014, total refunds of capital to patrons amounted to \$394,589.42.

Additional information regarding the balance sheet and statement of revenue and expenses may be found in this issue of the Rural Missouri. Also, you may request an official copy of the audit by calling the office during normal business hours.

Please join us Tuesday, June 9, at the Annual Meeting of the Members for good food and entertainment, participate in the business meeting, and

maybe leave with one of the several prizes to be given away. We look forward to seeing you there.



Jan Neale

See you at the Annual Meeting!