



RURAL
MISSOURI

Sac Osage Electric Cooperative

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

June 2016

News

Visit us on the Web - www.sacosage.com

Official Notice

2016 Annual Meeting of the Members

Tuesday, June 14, 2016

FEATURED ENTERTAINMENT

Randy Newman aka Doofus



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

The 2016 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 14, 2016, 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 1, 2 and 3. 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 14, 2016
(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 2015 Annual Meeting Minutes

The 2015 Annual Meeting of the Members of Sac Osage Electric Cooperative, Inc. was held Tuesday, June 9, 2015, 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 "Circle S Opry". Following the Pledge of Allegiance, the National Anthem and the prayer of invocation, Neale Johnson, 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 233 registered members were required for a quorum. A total of 401 members had registered, so the meeting proceeded.

The Inspectors of Election/Credentials Committee Members were introduced and administered an oath. Candidates for the three positions on the board were introduced: District 7: Jim Murray, District 8: Jan Neale and District 9: Neale Johnson. Mr. Hoberock stated that according to the Bylaws unopposed candidates

are automatically elected without a vote; therefore, Jim Murray, Jan Neale and Neale Johnson were declared elected.

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.

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	\$36,768,584
Investments and Other Property	\$7,692,981
Current Assets	\$3,322,242
Deferred Debits	\$1,093,121
Total Assets	\$48,876,928

LIABILITIES & CAPITAL:

Capital Equities	\$21,697,758
Total Long-Term Liabilities & Obligations	\$24,387,087
Current Liabilities	\$3,699,670
Deferred Credits	\$92,413
Total Liabilities & Capital	\$49,876,928

Consolidated Statement

REVENUES:

Operating, Capital & Other Revenues	\$18,082,354
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EXPENSES AND OTHER DEDUCTIONS:

Purchased Power Expense	\$8,862,766
Operating & Maintenance Expenses	\$3,047,679
Accounting and Collection Expenses	\$588,095
Other Customer Expenses	\$146,382
Administrative & General Expenses	\$1,334,728
Depreciation	\$1,520,370
Taxes and Provision for Taxes	\$6,237
Interest on Long-Term Debt	\$1,239,577
Other Interest Expense	60
Total Expenses & Other Deductions	\$16,745,894
Net Margin	\$1,336,460

2016 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 "Randy Newman"
- 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 1

My name is Tim Minehardt and I am again seeking your vote in District One of the Sac Osage Electric Board of Directors. I am employed with 3M Company in Nevada, MO. My family has lived in this area for many generations. I enjoy spending time with my best friend, who also happens to be my wife, Stacy, and our four sons. 4-H projects, hunting and fishing are at the top of our list of hobbies and things to do.



Tim Minehardt

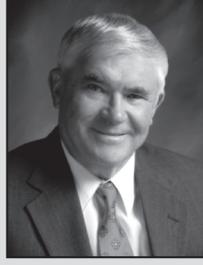
Faith is a cornerstone in our lives. We are proud members of Speedwell Southern Baptist Church. During my second term as a board member, I have learned a great deal about the operation of the Cooperative. I became a certified Credential Cooperative Director in 2009. I appreciate the confidence that has been placed in me and your comments and concerns are important to me. I will continue to be a good steward of the members' dollars, while also keeping in mind that when the lights are off, no one is happy. We must always strive to provide the best quality service at the lowest possible cost.

District 2

My name is George (Tony) Underwood; I have been a long time resident in the Jerico

Springs area where my wife Thelma and I presently raise cattle and farm. We have two sons and three grandchildren.

I attended University of Missouri Columbia. I taught school for Stockton R-1 Schools for a year and then started a Home Building Company, which I ran until 1983. At that time, I joined Carpenters Local 311 in Joplin, MO and worked as a carpenter and supervisor until retirement in 2004.



Tony Underwood

I am an active Farm Bureau Member and serve on the Cedar County Farm Bureau Board. I also have past experience as a Road District overseer, University of Missouri Extension Council, Stockton R-1 Board Member and Little League Baseball Coach.

During the past three years as a Director for Sac Osage Electric Cooperative I have taken all the director courses required to become a Certified Credentialed Director. As a director I will continue to strive having reliable electric power source at affordable rates available for today and for the future. Thank you for your trust and support.

District 3

Don (Donnie) Levi is a seventh generation Cedar Countian who owns and operates a farm near Stockton. A Stockton High School graduate, Don earned both an undergraduate degree in agriculture and a law degree from the University of Missouri. He holds a doctoral degree in agricultural economics and taught college classes for more than 30 years. His research credits include a study of agricultural cooperatives.



Don Levi

Don taught Agricultural Law at the University of Missouri, Texas A&M University and Missouri State University. He currently serves on the Caplinger Mills Cemetery Board and formerly served on both the Cedar County Farm Bureau Board of Directors and the Cedar County Extension Council. He is an active member of the Stockton United Methodist Church and is a former chair of their Church Council.

For the last nine years Don has been a director for the Sac Osage Electric Cooperative. He has earned his CCD (Certified Credentialed Director) and Board Leadership Certificate by completing various educational classes. He represents Sac Osage on the state-wide Association of Missouri Electric Cooperatives Board of Directors and is also serving on the statewide AMEC Executive Committee.

Don and his wife Chris have been married 49 years. They have two daughters and three grandchildren.





News

~ Serving our members' needs since 1940 ~

2016 ANNUAL MEETING PRESIDENT'S REPORT

On behalf of the Board of Directors, management and staff, we invite you to attend the 77th annual meeting of the Sac Osage Electric Cooperative. The cooperative has had another busy and successful year as we all strive to be good stewards of what has been entrusted to us by the members. The cooperative continues to be run efficiently and responsibly thanks to our dedicated staff and management. Our employees exemplify what it means to be committed to your company and take pride in all that they do to provide dependable electrical service to all cooperative members.

Noteworthy achievements for the past year include:

In 2015, the cooperative implemented the prepaid metering option to members and the program continues to be successful as it gains acceptance. Usage of the prepaid option increases monthly as members recognize how this allows them to monitor and budget their electrical usage.

The cooperative continues to aggressively pursue right-of-way clearing for our system. The progress of this program has significantly reduced the number of outages experienced over the past year. Right-of-way clearing will be a year-round ongoing process.

The GPS mapping of our entire electrical system has been completed. This program gives management the ability to locate and identify problems more quickly and monitor the integrity of the over 2400 miles of line that Sac-Osage maintains.

The cooperative continues to upgrade infrastructure and is currently in a three year project of replacing all of our customer meters with more efficient and dependable models.

All of us will benefit from these and other improvements to our system. The future for all co-operatives will certainly hold challenges and opportunities as our nation deals with cybersecurity, grid disruption, governmental regulation, distributed generation, net

metering, renewable power generation, energy storage and smart home technologies. Some or all of these issues could result in changes to the cooperative model as we know it. An important role of electrical cooperatives is helping members meet their energy goals. Sac Osage will strive to assist its consumers achieve their goals while still providing reliable, affordable electrical energy.

On a final note, the board would like to encourage members to participate in our Operation Round-Up by rounding-up your monthly electricity bill to the next full dollar. This would cost a member less than \$12.00 a year and all of the proceeds are donated to charities that benefit our service areas. As our slogan states, "Owned by Our Members, Committed to Our Communities."

We look forward to seeing and visiting with you at our annual meeting on June 14th, with the business meeting beginning at 6:30 p.m. at the cooperative headquarters on Highway 54.



Neale Johnson

Thank You,

Neale W. Johnson President

2016 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 2016 budget focused on managing a 4% rate increase passed along by AECI and KAMO Power on April 1, 2016. Fortunately, in 2016, our power bills will see a decrease in kW base demand, leaving us with only a \$266,190 net budgeted increase in power costs, which hopefully will be absorbed by the 9.3% retail rate increase implemented on April 1, 2015.

The 2016 Construction Work Plan calls for estimated total spending of \$3,058,545 for: new extensions; a 3-phase to 3-phase conversion on the Cedar Springs #8 feeder; a single-phase to 3-phase conversion on the Arcola #8 feeder, increased replacement of bad poles identified during GIS mapping,

and miscellaneous distribution equipment, just to name a few of the challenges with which your Cooperative has to contend. We are also in the second year of our 3-year Automatic Meter Reading (AMR) system upgrade, with costs in 2016 of \$387,761.

To reduce damage to our lines caused by storms, management increased the contract right-of-way clearing budget by \$56,506 in 2016 over last year's budget, bringing the annual contracted amount to \$1,016,506. In an effort to reduce re-growth in the right-of-ways, the board has approved spraying the Arnica substation at an estimated cost of \$41,000.

Our independent auditor, Kevin Kelso, from Mission, Kansas, recently reported to the board that all 2015 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 2015 in an acceptable financial position.

The total margins to be allocated to our 2015 member consumers were \$1,336,460.97, which will help finance future cooperative capital improvements. These margins will be eventually be returned based upon the amount of electricity each member purchased in 2015. During the year ending December 31, 2015, total refunds authorized to patrons amounted to \$500,000.

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



Jan Neale

audit by calling the office during normal business hours.

Please join us Tuesday, June 14, 2016 at the Annual Meeting of the Members for good food and entertainment, participate in the business meeting, and maybe even leave with one of the several prizes to be given away. We look forward to seeing you there.

See you at the Annual Meeting!