

Colorado 39 - Kit Carson  
K.C. Electric Association, Inc.

MINUTES OF REGULAR MONTHLY MEETING

OF

THE BOARD OF DIRECTORS OF K.C. ELECTRIC ASSOCIATION, INC.

The regular monthly meeting of the Board of Directors of K.C. Electric Association, Inc., a Colorado cooperative corporation, was held pursuant to a previous executive order of President Kevin Penny, such order being ratified and approved by the Members of the Board of Directors, in the Stratton office of the Association in Stratton, Colorado, on Tuesday, June 28, 2011 at the hour of 4:00 p.m. This meeting was held in accordance with the Call and Waiver of Notice which is attached hereto and specifically made a part of these Minutes together with the Certificate of Posting of Regular Meeting in the offices of the Association. The meeting was called to order by President Kevin Penny who did request Secretary-Treasurer Terry Tagtmeyer to call the roll of the Members of the Board of Directors. Thereupon, Mr. Tagtmeyer did call the roll of the Members of the Board of Directors and did report that the following Members were present:

Luanna Naugle	Kevin Penny
Robert Bledsoe	Dan Mills
James Lewis	Terry Tagtmeyer
Marvin Thaller	Dave Ritchey
James Michal	

Mr. Tagtmeyer also reported that General Manager Timothy Power, Member Services Manager Ben Orrell, Operations Manager Larry Shutte, Office Manager Chance Briscoe, and Line Superintendent Paul Norris of staff, and Richard D. Thomas, Attorney for the Association, were also present.

Thereupon, President Penny did declare a quorum of Directors present, the meeting duly called and duly convened in accordance with the Bylaws of the Association and in accordance with the previous executive order of President Penny as heretofore entered, and did declare the meeting was ready to proceed with all the business to be brought before a regular monthly meeting of the Members of the Board of Directors of the Association as provided for in the Bylaws, the Call and Waiver of Notice, the Notice of Regular Meeting, and the meeting Agenda. Thereupon, President Penny did order the meeting to proceed in accordance with the meeting Agenda which was prepared, posted, and previously mailed to each of the Members of the Board of Directors as provided for by statute and the Bylaws of the Association. Secretary-Treasurer Terry Tagtmeyer requested Mr. Thomas to record the Minutes of this meeting.

1. Consider Minutes of the Regular Monthly Meeting of the Board of Directors held on Tuesday, May 24, 2011: President Penny requested Secretary-Treasurer Terry Tagtmeyer to read the Minutes of the regular monthly meeting of the Board of Directors held on Tuesday, May 24, 2011, at 4:00 p.m. in the Hugo office of the Association in Hugo, Colorado. Thereupon, and upon motion by Mr. Mills and seconded by Mr. Tagtmeyer, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That the Minutes of the regular monthly meeting of the Members of the Board of Directors of K.C. Electric Association, Inc., held in the Hugo office of the Association in Hugo, Colorado on Tuesday, May 24, 2011, at 4:00 p.m., copies of which were mailed to each of the Members of the Board of Directors, are, by these presents, ratified and approved.”

President Penny did request Terry Tagtmeyer, as Secretary-Treasurer of the Association, to make the May 24, 2011, Minutes of the regular monthly meeting of the Board of Directors a part of the permanent records of this Association.

2. Consider Next Meeting Date: President Penny informed the Members of the Board of Directors that the next scheduled monthly meeting date of the Board of Directors is Tuesday, July 26, 2011, at 4:00 p.m. in the Hugo office of the Association in Hugo, Colorado. After this matter was fully discussed by the Board of Directors, President Penny, by executive order, ratified and approved by the Board of Directors did declare that the next regular monthly meeting of the Board of Directors of K.C. Electric Association, Inc., will be held on Tuesday, July 26, 2011, at 4:00 p.m., in the Hugo office of the Association in Hugo, Colorado.

3. Consider Public Presentations and Member Comments:

a. Security and Response Services Presentation, President Penny introduced to the Board of Directors, Mr. Tom Radenz and Mr. Randy Brewster of Security and Response. Mr. Radenz the SRS Coordinator made a slide presentation and discussed their services. No Board action was taken.

b. There were no public comments or member comments. President Penny ordered the meeting to continue in accordance with the meeting agenda.

4. Presentation of Check Register for May 2011: President Penny called the Board's attention to the Check Register for May 2011, as set forth under tab 1 of the meeting packet. After the monthly Check Register for May 2011 had been fully reviewed, item by item and then as a whole by the Board of Directors and after staff had answered all questions of the Board of Directors regarding items set forth in the Check Register, President Penny, by executive order, ratified and approved by the Board of Directors, did declare that the consideration of the monthly Check Register for the month of May 2011 was an information item only and that no further Board action was necessary regarding the Check Register for May 2011.

5. Board Actions from May 2011 to be Reaffirmed: There being no prior action of the Board of Directors to be affirmed and ratified, President Penny ordered the meeting to proceed in accordance with the meeting agenda.

6. Consider Emergency Additions and Announcements: President Penny requested any emergency additions to the meeting agenda and/or announcements. There being no emergency additions to the meeting agenda and/or announcements,

President Penny ordered that the meeting will proceed in accordance with the meeting agenda.

7. Consider Special Equipment Purchases: President Penny informed the Board of Directors that there was no special Equipment Purchases to report and he ordered the meeting to proceed in accordance with the meeting agenda.

8. Consider Operational Policies #121 and #138: Mr. Power and Mr. Briscoe discussed fully the policies #121 and #138 with the Board of Directors and thereafter, upon motion by Mr. Thaller and seconded by Mr. Michal, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That policy #121 is approved, effective this date June 28, 2011, and

WHEREAS, an Interconnection of Distributed Resources Policy (#121) has been developed that satisfies Rural Utilities Service requirements under 7 CFR 1730, Subpart C-Interconnection of Distributed Resources.

WHEREAS, the Board of Trustees of K.C. Electric has reviewed the Interconnection of Distributed Resources Policy;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of K.C. Electric hereby approves and accepts the Interconnection of Distributed Resources policy and be it further resolved the policy #138 as changed is accepted and approved effective this date, June 28, 2011.

9. Consider Inventory of Work Orders: President Penny called the Board’s attention to the Inventory of Work Orders for May as set forth in the meeting packet under tab 2 for the total amount of \$83,227.87. After the Work Order on RUS Form 219 was fully reviewed by the Board of Directors, upon motion by Mr. Mills and seconded by Mr. Ritchey, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That the Work Order for May 2011 in the total amount of Eighty three thousand two hundred twenty seven and 87/100 Dollars (\$83,227.87) is approved and staff is authorized to pay the same. All of such funds are eligible for loan fund designation.”

10. General Manager’s Report for June 2011: President Penny requested General Manager Tim Power to give his General Manager’s Report for June 2011. Thereupon, General Manager Tim Power gave a brief report to the Board of Directors on the following topics:

- a. Tri-State Managers Meeting Update.
- b. AMI Pilot Update.

After General Manager Power had completed his General Manager’s Report for the June operations of the Association, President Penny by executive order, ratified and approved by the Board of Directors did accept the General Manager’s Report for June 2011 and did declare that no further Board action was necessary regarding the General Manager’s Report for June 2011.

11. Consider the Financial Report for May 2011: President Penny requested Office Manager Briscoe to give the May 2011 Financial Report to the Board of Directors. Office Manager Briscoe called the Board's attention to the May 2011 Notes to Form 7 Income Statement as set forth under tab 3 of the meeting packet, paying particular attention to the following:

Operating Revenue (Line 1) – Revenue for May was below budget by \$364,000. While Residential and Commercial Revenue were both a little over, Irrigation was under budgeted revenue by \$422,000. Year to date Revenue was up \$1,107,000 over last year and \$293,000 over budget.

Cost of Purchased Power (Line 3) – Cost of Purchased Power was below budget in May by \$405,000. Though mills per kwh in May were about 70, historically in May they have been higher.

Operational Expenses (Lines 4-10) – The total of Operation Expenses in May were \$345,000, which was \$36,000 over budget. About \$20,000 of this overage was due to accounting for Tantalus AMI costs and the balance is associated with outages during the month of May.

Depreciation, Interest and Other (Lines 12-18) – Depreciation and Interest Expenses are on target with budget expectations.

Operating Margin (Line 20) – Even though revenue was substantially under budget and operational expenses were higher than budget, the reduced mills per kwh of power cost resulted in an Operating Margin of \$55,000, which was \$10,000 above budget for May.

Non-Operating Revenue and Expenses (Lines 21-27) - None-Operating margins were slightly less than budget due to a lower amount of Interest Income recognized in May. However, year to date Interest Income is higher than budget by \$8,000.

Total Margin (Line 28) – The net result was a Total Margin in May of \$58,528 which was \$6,780 above the budgeted Margin of \$51,748. The year to date Margin was \$855,552. Year to date the margin is \$140,509 over 2010 and \$145,461 over budget.

After Mr. Briscoe had completed his Financial Report for May 2011, President Penny by executive order, ratified and approved by the Board of Directors did accept the Financial Reports and did declare that no further Board action was necessary regarding these reports.

12. Consider Board Reorganization for year 2011-2012: President Penny did declare that the first item to come before the Board of Directors for the year 2011-2012 was the matter of reorganizing the Board of Directors of K.C. Electric Association, Inc.

Thereupon, President Penny did acknowledge the election of Robert Bledsoe to the Board of Directors from Cheyenne County, Colorado, and the election of Dan Mills and Kevin Penny from Kit Carson County, Colorado, to the Board of Directors, each to serve for a term of three (3) years or until their successors are duly nominated, elected, and qualified, each term beginning as of this date, June 28, 2011.

Thereupon, President Penny did ask Dan Mills, Robert Bledsoe, Kevin Penny, and each of them if they did accept the positions on the Board of Directors of K.C. Electric Association, Inc. to which they and each of them had been elected.

Thereupon, Dan Mills, Robert Bledsoe, and Kevin Penny did accept the position to which they had been elected on the Board of Directors of K.C. Electric Association, Inc., each to serve for a period of three (3) years beginning as of this date, June 28, 2011, or until their successors are duly nominated, elected, and qualified.

President Penny declared that the next item to be considered by the Board of Directors of K.C. Electric Association, Inc., was the election of officers from the Members of the Board of Directors, each to serve for a term of one (1) year beginning this date, June 28, 2011, or until their successors are duly nominated, elected, and qualified.

President Penny declared that the next item to be considered is the election of the President of the Board of Directors for the ensuing year 2011-2012. Thereupon, President Penny, by executive order, ratified and approved by the Board of Directors, did appoint Richard D. Thomas, Attorney for the Association, as temporary chair of the meeting to conduct the nomination, election and qualification of a Member of the Board of Directors of the Association for the office of President of the Board of Directors for the ensuing year 2011-2012, beginning this date June 28, 2011.

Thereupon, Richard D. Thomas did accept the appointment as the temporary chairman of the meeting to conduct the election of a Member of the Board of Directors to be President of the Board of Directors for the ensuing year 2011-2012. Thereupon, President Penny turned the meeting over to Mr. Thomas as the temporary chairman to conduct the election to fill the office of President of the Association.

Mr. Thomas accepted the office of temporary chairman to conduct the election of the President of the Board of Directors and did declare that nominations were open for candidates from the Board of Directors to fill the office of President of the Association to serve for a term of one (1) year beginning as of this date June 28, 2011 and ending when their successor in office is duly nominated, elected and qualified.

Mr. Thomas, as the temporary chairman did declare that nominations for candidates from the Board of Directors were open to fill the office of the President of the Association to serve for ensuing one (1) year 2011-2012 beginning this date June 28, 2011 or until his or her successor is duly nominated, elected and qualified.

Thereafter, Mr. Mills did nominate Mr. Kevin Penny for the office of President of the Board of Directors of K.C. Electric Association, Inc., to serve for the ensuing year 2011-2012, beginning this date June 28, 2011 and ending when his successor in office is duly nominated elected and qualified. Mr. Ritchey seconded the nomination. Mr. Thomas again requested other nominations from the Board of Directors to fill the office of President of the Board of Directors of K.C. Electric Association, Inc. There being no additional nominations to fill the office of the President of the Association Mr. Thomas requested a motion that nominations cease and that a unanimous vote be cast for Mr. Penny for President of the Board of Directors. Upon motion by Mr. Bledsoe and seconded by Mr. Tagtmeyer the following resolution was unanimously passed and adopted by the Board of Directors:

“BE IT RESOLVED: That nominations for candidates to fill the position of the office of President of the Board of Directors of K.C. Electric Association, Inc. do cease and that a unanimous vote be cast for Mr. Kevin Penny to fill the office of this Association for the ensuing year

2011 to 2012, beginning this date June 28, 2011, or until his successor in office is duly nominated, elected and qualified.”

Thereupon, Mr. Thomas did cast a unanimous vote for Mr. Penny to serve as President of the Board of Directors for the ensuing year 2011 to 2012 beginning this date June 28, 2011, and ending when his successor is duly nominated, elected and qualified. Mr. Thomas asked Mr. Penny if he accepted the office of President of K.C. Electric Association, Inc. Mr. Penny did accept the office of President of the Association.

Mr. Thomas declared that Mr. Penny was the duly nominated, elected and qualified President of K.C. Electric Association, Inc. for the ensuing one (1) year 2011-2012 or until his successor is duly nominated, elected and qualified. Thereupon, Mr. Thomas returned the meeting to President Elect Mr. Kevin Penny.

President Penny did then call for nominations for candidates from the Board of Directors to serve as the Vice President of K.C. Electric Association, Inc., and the Board of Directors to serve for the ensuing year 2011-2012 or until his or her successor is duly nominated, elected, and qualified. Thereupon, Mr. Mills did nominate Mr. Robert Bledsoe as a candidate to serve as Vice President of K.C. Electric Association, Inc., and the Board of Directors to serve for the ensuing one (1) year 2011-2012 or until his successor is duly nominated, elected and qualified. Mr. Thaller did second the nomination.

President Penny called for additional nominations of candidates for the office of Vice President of K.C. Electric Association, Inc., and the Board of Directors. There being no further nominations for the office of Vice President of the Board of Directors and of K.C. Electric Association, Inc., President Penny called for a motion that nominations for Vice President of K.C. Electric Association, Inc., and the Board of Directors cease and that he be authorized and directed to cast a unanimous vote for Mr. Robert Bledsoe to serve as Vice President of K.C. Electric Association, Inc., to serve for the ensuing one (1) year 2011-2012, or until his successor is duly nominated, elected, and qualified. Thereafter, upon motion by Mr. Ritchey seconded by Mr. Lewis, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That nominations for the office of Vice President of K.C. Electric Association, Inc., cease and President Penny is directed to cast a unanimous vote for Mr. Robert Bledsoe to serve as Vice President of the K.C. Electric Association, Inc., and the Board of Directors to serve for one (1) ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified.”

Thereupon, President Penny did order that nominations for Vice President of K.C. Electric Association, Inc., cease and did thereafter cast a unanimous vote for Mr. Bledsoe to serve as Vice President of K.C. Electric Association, Inc., for the ensuing one (1) year 2011-2012, beginning as of this date, June 28, 2011, or until his successor is duly nominated, elected, and qualified.

President Penny did ask Mr. Bledsoe if he accepted the office to which he had been elected. Mr. Bledsoe did accept the office of Vice President of K.C. Electric Association, Inc., to which he had been elected to serve for ensuing one (1) year 2011-2012, or until his successor is duly nominated, elected, and qualified.

Thereupon, President Penny did declare that Mr. Bledsoe is the duly nominated, elected, and qualified Vice President of K.C. Electric Association, Inc., and the Board of Directors of the Association to serve for the ensuing year 2011-2012, beginning as of this date, June 28, 2011, or until his successor is duly nominated, elected and qualified.

President Penny did then call for nominations from the Board of Directors to serve as the Secretary-Treasurer of the Association and of the Board of Directors of K.C. Electric Association, Inc., for the ensuing year 2011-2012, or until his or her successor is duly nominated, elected, and qualified.

Thereupon, Mr. Ritchey did nominate Mr. Tagtmeyer to serve as Secretary-Treasurer of K.C. Electric Association, Inc., to serve for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified. Mr. Michal seconded the nomination.

President Penny called for additional nominations of candidates for the office of Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors. There being no further nominations for the office of Secretary-Treasurer of the Board of Directors and of K.C. Electric Association, Inc., President Penny called for a motion that nominations for Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors cease and that he be authorized and directed to cast a unanimous vote for Mr. Tagtmeyer to serve as Secretary-Treasurer of the Board of Directors and of K.C. Electric Association, Inc., to serve for the ensuing year, 2011-2012, or until his successor is duly nominated, elected, and qualified. Thereafter, upon motion by Mr. Ritchey and seconded by Mr. Bledsoe, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That nominations for the office of Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors of the Association cease and President Penny is directed to cast a unanimous vote for Mr. Tagtmeyer to serve as Secretary-Treasurer of the K.C. Electric Association, Inc., and the Board of Directors to serve for the ensuing one (1) year, 2011-2012, or until his successor is duly nominated, elected, and qualified.”

Thereupon, President Penny did order that nominations for Secretary-Treasurer of K.C. Electric Association, Inc., cease and did thereafter cast a unanimous vote for Mr. Tagtmeyer to serve as Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors to serve for the ensuing one (1) year, 2011-2012, beginning as of this date, June 28, 2011, or until his successor is duly nominated, elected and qualified.

President Penny did then ask Mr. Tagtmeyer if he accepted the office to which he had been elected. Mr. Tagtmeyer did accept the office to which he was elected to serve for the ensuing one (1) year, 2011-2012, or until his successor is duly nominated, elected, and qualified.

President Penny did declare that Mr. Tagtmeyer was the duly elected and qualified Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors of K.C. Electric Association to serve for the ensuing one (1) year 2011-2012, beginning as of this date, June 28, 2011, or until his successor is duly nominated, elected, and qualified.

President Penny did then call for nomination of candidates from the Board of Directors for the office of Assistant Secretary-Treasurer of the Association and the Board of Directors of K.C. Electric Association, Inc., to serve for the ensuing year 2011-2012, or until his or her successor is duly nominated, elected, and qualified.

Thereupon, Mr. Bledsoe did nominate Mr. Mills to serve as Assistant Secretary-Treasurer of the Association and the Board of Directors to serve for the ensuing one (1) year 2011-2012 or until his successor is duly nominated, elected, and qualified. Mr. Ritchey seconded the nomination.

President Penny called for additional nominations for the office of Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors of the Association to serve for the ensuing year 2011-2012, or until his or her successor is duly nominated, elected, and qualified. There being no further nomination, President Penny requested a motion that nominations for the office of Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors to serve for the ensuing one (1) year 2011-2012, or until his or her successor is duly nominated, elected, and qualified cease and that a unanimous vote be cast for Mr. Mills as the Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors. Thereupon, and upon motion by Mr. Tagtmeyer and seconded by Mr. Lewis, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That nomination cease for candidates for Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and of the Board of Directors and that a unanimous vote be cast for Mr. Dan Mills to serve as the Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors of K.C. Electric Association, Inc., to serve for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified.”

Thereupon, President Penny did order that nominations for the office of Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors of the Association cease and thereupon he did cast a unanimous vote for Mr. Dan Mills to serve as Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors of the Association for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified.

President Penny did ask Mr. Mills if he accepted the office to which he had been elected. Mr. Mills accepted the office of Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and of the Board of Directors for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified.

Thereupon, President Penny did declare that Mr. Mills was the duly nominated, elected, and qualified Assistant Secretary-Treasurer of K.C. Electric Association, Inc., and the Board of Directors to serve for the ensuing year 2011-2012, beginning as of this date, or until his successor is duly nominated, elected, and qualified.

President Penny did then call for nominations for candidates for a Director to CREA. Thereupon, Mr. Ritchey did nominate Mr. Dan Mills from the Board of Directors to serve for a term of one (1) year, being the ensuing year 2011-2012, for the Director on the CREA Board of Directors or until his successor is duly nominated, elected, and qualified. Mr. Lewis did second the nomination.

President Penny did then call for additional nominations from the Board of Directors for CREA Director. There being no further nominations, President Penny requested a motion that nominations for CREA Director cease and that he be directed to cast a unanimous vote for Dan Mills as CREA Director. Thereupon, Mr. Thaller did move that nominations for CREA Director cease and that President Penny cast a unanimous vote for Dan Mills as CREA Director for the ensuing year 2011-2012 or until his successor is duly elected and qualified. Mr. Michal seconded the nomination. Thereupon, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That nominations for the CREA Director cease and President Penny shall cast a unanimous vote for Dan Mills for the Director of CREA to serve for the ensuing year 2011-2012, or until his successor is duly nominated, elected and qualified.”

Thereupon, President Penny did declare that nominations for CREA Director cease and did thereafter cast a unanimous vote for Dan Mills for CREA Director. President Penny asked Mr. Mills if he accepted the office of CREA Director; Mr. Mills did accept the office of CREA Director to which he had been elected. President Penny did declare that Dan Mills was the Director of CREA for the ensuing year 2011-2012 or until his successor is duly nominated, elected and qualified.

President Penny then called for nominations for candidates for Director to Western United Electric Supply Corporation. Thereupon, Mr. Thaller nominated Mr. Dan Mills to serve as Director of Western United Electric Supply Corporation for the ensuing year 2011-2012, or until his successor is duly nominated, elected and qualified. Mr. Lewis seconded the motion.

President Penny requested additional nomination, there being no other nominations, President Penny requested a motion that the nomination cease and that he be directed to cast a unanimous vote for Dan Mills as the Director to Western United Electric Supply Corporation.

Thereupon, Mr. Tagtmeyer did move that nominations cease and that President Penny cast a unanimous vote for Dan Mills as Director for Western United Electric Supply Corporation. Mr. Thaller seconded the motion. Thereupon, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That nominations cease for Director of Western United Electric Supply Corporation and that President Penny cast a unanimous vote for Dan Mills as the Director of Western United Electric Supply Corporation to serve for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified.”

Thereupon, President Penny did order that nominations for the Director of Western United Electric Supply Corporation cease and thereafter he cast a unanimous vote for Dan Mills as the Director of Western United Electric Supply Corporation and did ask Mr. Mills if he accepted the office of Director to Western United Electric Supply Corporation to which he had been elected for the ensuing year 2011-2012, or until his successor had been duly nominated, elected and qualified. Mr. Mills did accept the office to which he had been elected. President Penny declared that Dan Mills was the Director of Western United Electric Supply Corporation for the ensuing year 2011-2012 or until his successor is duly nominated, elected and qualified.

President Penny did then call for nominations from the Board of Directors for a Director to Tri-State Generation & Transmission Association. Thereupon, and upon motion by Mr. Michal and seconded by Mr. Tagtmeyer, Mr. Robert Bledsoe was nominated to serve as a Director from K.C. Electric Association, Inc., to serve as a Director to Tri-State Generation & Transmission Association Board of Directors for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified.

President Penny called for additional nominations of candidates for Tri-State Generation & Transmission Association Director from K.C. Electric Association, Inc. There being no further nominations, President Penny did request a motion that nominations cease for Director on the Board of Directors of Tri-State Generation & Transmission Association and that a unanimous vote be cast for Mr. Robert Bledsoe.

Upon motion by Mr. Mills and seconded by Mr. Thaller, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That nominations cease for candidates for Tri-State Director from K.C. Electric Association, Inc., and that a unanimous vote be cast for Mr. Robert Bledsoe to serve as Tri-State Director from K.C. Electric Association, Inc., for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified.”

Thereupon, President Penny did order that nominations for Director to the Tri-State Generation & Transmission Association Board of Directors cease and did thereafter cast a unanimous vote for Mr. Robert Bledsoe to serve as the Tri-State Director from K.C. Electric Association, Inc., for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified. President Penny did then declare that Mr. Robert Bledsoe had been elected as Director to Tri-State from K.C. Electric Association, Inc.

President Penny did then ask Mr. Robert Bledsoe if he accepted the position to which he had been elected. Mr. Bledsoe did accept the position of Director to the Tri-State Generation & Transmission Association from K.C. Electric Association, Inc., to serve for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified.

President Penny did then declare that Mr. Robert Bledsoe was the duly nominated, elected, and qualified Director to serve on the Board of Directors of Tri-State Generation & Transmission Association from K.C. Electric Association, Inc., for the ensuing year 2011-2012, beginning as of this date or until his successor is duly nominated, elected, and qualified.

President Penny then called for nominations for a candidate to serve as a Member from the Board of Directors of K.C. Electric Association, Inc., on the Safety Council of the Association for the ensuing year 2011-2012, or until his or her successor is duly nominated, elected, and qualified.

Thereupon, Mr. Mills did nominate Mr. Lewis to serve as the Member on the Safety Council of the Association from the Board of Directors of the Association for the ensuing year 2011-2012, or until his successor is duly nominated, elected, and qualified. Mr. Mills seconded the nomination. President Penny called for any further nominations for candidates to serve on the Safety Council from the Board of Directors. There being no further nominations, upon motion by Mr. Tagtmeyer and

seconded by Mr. Michal, the following resolution was unanimously passed and adopted by the Members of the Board of Directors:

“BE IT RESOLVED: That nominations for candidate for the Member to serve on the Safety Council from the Board of Directors cease and that a unanimous vote be cast for James Lewis to serve on the Safety Council from the Board of Directors for the ensuing year 2011-2012 or until his successor is duly nominated, elected, and qualified.”

Thereupon, President Penny did order the nominations of a Director to serve on the Safety Council cease and did thereafter cast a unanimous vote for James Lewis to serve on the Safety Council of the Association. President Penny asked Mr. Lewis if he accepted his position on the Safety Council of the Association to which he had been elected. Mr. Lewis did accept the membership on the Safety Council of the Association. Thereupon, President Penny did declare that James Lewis was the member of the Safety Council for the ensuing year 2011-2012 or until his successor is duly nominated, elected, and qualified.

President Penny, by executive order, ratified and approved by the Board of Directors, did declare that the Board of Directors of K.C. Electric Association, Inc. had now been duly organized in accordance with the provisions of the Bylaws of this Association and was ready to transact business in accordance with the meeting agenda for this meeting.

13. Safety and Loss Control Report for May 2011: President Penny requested Mr. Norris to present his Safety and Loss Control Report for May 2011 to the Board of Directors. Mr. Norris called the Board’s attention to the Safety and Loss Control Report for May 2011, as set forth under tab 4 of the meeting packet and thereupon discussed the following with the Members of the Board of Directors:

Accident Report:

None

Loss Prevention Activities:

5-3-11 – A safety meeting was held at Stratton. After a general safety discussion Mike Weideman recertified employees on the forklift. First Aid Kits were updated and CDL driver records were reviewed and updated. Rubber gloves and sleeves were changed out.

5-5-11 – Mike Weideman presented the topic of “Back Safety” for the Hugo office safety Meeting.

Loss Control Committee Activities:

5-10-11 – The Safety Committee met at the Stratton office.

After Mr. Norris had completed his Safety and Loss Control Report for May 2011, President Penny, by executive order, ratified and approved by the Board of Directors, did accept the Safety and Loss Control Report for May 2011, and did declare that no further Board action was necessary regarding this report.

14. Operations (Work) Report for the month of May 2011: President Penny requested Mr. Shutte to present his Operations (Work) Report for the month of May 2011. Mr. Shutte called the Board's attention to the Operations (Work) Report for the month of May 2011, as set forth in the meeting packet under tab 5 and thereafter discussed the Operations (Work) Report item by item and then as a whole.

After Mr. Shutte had completed his Operations (Work) Report, President Penny, by executive order, ratified and approved by the Board of Directors, did accept the Operations (Work) Report and did declare that no further Board action was necessary regarding the Operations (Work) Report.

15. Member Services Report for June 2011: President Penny requested Mr. Orrell to present his Member Services Report for June 2011 to the Board of Directors. Mr. Orrell called the Board's attention to the Member Services Report of June 2011, as set forth under tab 6 of the meeting packet, and thereafter discussed the Member Services Report with the Board item by item and then as a whole.

After Mr. Orrell had completed his report President Penny, by executive order, ratified and approved by the Members of the Board of Directors, did accept the Member Services Report and did declare that no further Board action was necessary regarding this report.

16. Consider Reports on CREA and Western United: President Penny requested Mr. Mills to present his report on CREA and Western United Electric Supply Corporation. Mr. Mills called attention to the following items set forth under tab 7 of the meeting packet.

- a. Colorado's Congressional Delegation Key to Helping Keep Electric Bills Affordable,
- b. CREA News and Information,
- c. General Operation of CREA, and Member Co-ops.

Western United Electric Supply Corporation

- a. General Report - financially Western United is in a very good position,
- b. Accounts receivable is a little extreme,
- c. Manager doing best job.

After Mr. Mills had reported on the Operation of CREA and Western United for the month of June 2011, President Penny, by executive order, ratified and approved by the Board of Directors, did accept the reports and declared that no further Board action was necessary regarding these reports.

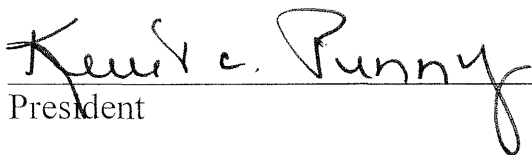
16. Tri-State Report for July 2011: President Penny requested Mr. Bledsoe to report on the Operation of Tri-State for the month of June 2011. Mr. Bledsoe called the Board's attention to his report as set forth under tab 9 of the meeting packet. Mr. Bledsoe discussed his report item by item and then as a whole.


After Mr. Bledsoe had completed his report, President Penny by executive order, ratified and approved by the Board of Directors did accept the Report of the

Operations of Tri-State presented by Mr. Bledsoe and did declare that no further Board action was necessary regarding this report.

17. Miscellaneous Business: President Penny called for any and all other business that may come before a regular monthly meeting of the Board of Directors. There being no further business to come before this meeting, President Penny, by executive order, ratified and approved by the Board of Directors, did adjourn this meeting at 7:40 p.m. on Tuesday, June 28, 2011, until the next regular monthly meeting to be held in Hugo, Colorado, on Tuesday, July 26, 2011, at 4:00 p.m.

APPROVED:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary-Treasurer