

MINUTES OF REGULAR MONTHLY MEETING  
OF  
THE BOARD OF DIRECTORS OF K.C. ELECTRIC ASSOCIATION

A regular meeting of the Board of Directors of K.C. Electric Association was held in Hugo, Colorado on Thursday, January 26<sup>th</sup>, 2016 at the hour of 4:30 p.m. The meeting was called to order by President Kevin Penny. The following Members were present and constituted a quorum:

Kevin Penny	Terry Tagtmeyer	Marvin Thaller
Dan Mills	Robert Bledsoe	Dave Ritchey
Wayne Parrish	Luanna Naugle	Jim Michal

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Member Service Specialist Ben Orrell, Chief Financial Officer Bo Randolph, Data Processing Supervisor Kristie Constance and Attorney Jeff Cure.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board of Directors on December 17, 2015.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for February 23, 2016 at 4:00 p.m. in Stratton, Colorado.

Public Comments: There were no public comments at this time.

Disbursements Report: The Disbursements Report of the Association for December 2015 was reviewed and, after the Board had an opportunity to review and ask questions, President Penny declared the Disbursements Report as an informational item requiring no Board action.

Emergency Items: Mr. Churchwell presented an amendment to the current contract we have with our auditor Dreyer & Kelso, P.C., P.A. due to a business name change. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the contract amendment with Kevin S. Kelso, CPA, P.C., P.A. is approved as presented.

Operational Policies: Up for review were Policy #403, Physical Examinations; Policy #404, Employment of Relatives; Policy #405, Vacations; and Policy #406, Financing Employee Purchases. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policy #403, #404, #405 and #406 are approved as presented.”

RUS Loan Resolution: Mr. Churchwell presented a resolution authorizing the execution of the FFB note, the Reimbursement Note, and the Loan Contract for the Colorado 39-Z8 Kit Carson Rural Utilities Service loan. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That resolution authorizing the execution of the FFB note, the Reimbursement Note, and the Loan Contract with Rural Utilities Service for loan Colorado 39-Z8 is approved as presented.”

Approval of Scholarship Winners: The Scholarship Committee of the Board presented a list of proposed students to receive scholarships. After discussion the following resolution was unanimously approved:

“BE IT RESOLVED: That the following students shall be awarded the specified scholarships; Elizabeth Grimes of Arriba-Flagler High School shall be awarded the Basin

Scholarship of \$1,000; Torri Thompson of Stratton High School and Justin McCaffrey of Arickaree High School shall each be awarded a K.C. Electric Association Scholarship in the amount of \$1,000; and Jansen Penny of Burlington High School and Kaeli Humphrey of Genoa-Hugo High School shall each be awarded a Tri-State Scholarship in the amount of \$500.”

Approval of New Rates: The proposed electric rates for 2016 have been discussed at previous Board of Director meetings and workshops. After an extensive discussion the following resolution was approved:

“BE IT RESOLVED: That the proposed electric rates are approved for implementation on March 1, 2016.”

Approval of Election Committee: Mr. Orrell presented a list of individuals to be considered by the Board to serve on the 2016 election Committee. After discussion the following resolution was unanimously approved:

“BE IT RESOLVED: Archie Cloud, Troy McCue, Randy Peterson, Ben Orrell and Jeff Cure will service on the Election Committee for 2016.”

Hugo Cleaning Contract: Mr. Churchwell presented a contract for renewal of services from January 2016 through December 2016 for Melissa Monks to clean the Hugo office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: The contract for Melissa Monks is hereby approved for janitorial services to be performed in 2016.”

Special Equipment Summary: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Special Equipment Summary is hereby approved in the amount of \$ 22,607.15.”

Inventory of Work Orders: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Inventory of Work Orders #420 in the amount of \$ 253,202.88 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, Tri-State Managers meeting, CREA Managers meeting, personnel changes, RUS, CFC and gave an update on the Clean Power Plan.

Staff Reports: The staff made the following reports and answered Board questions:

- a. Mr. Randolph presented a slideshow of the financial report for December 2015.
- b. Mr. Norris reported there were no First Report of Injury and no Near Misses in the past month. A recap was given of the safety meeting and the safety committee meeting held in Stratton. K.C. employees worked 2015 without a lost time injury.
- c. Mr. Norris discussed maintenance and construction projects completed in December and the progress of the new compressor station north of Stratton.
- d. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for December.

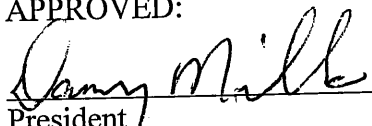
CREA Report: Mr. Mills referenced his report in the packet and invited everyone to attend the CREA annual membership meeting which will be held in February.

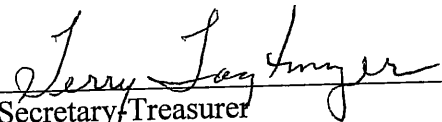
WUE Report: Mr. Mills referenced his report in the packet and reported that progress continues to be made on the facility expansion in New Mexico and the rubber glove testing facility in Brighton has been completed and is operational.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and told the Board that he participated in the Tri-State Board of Directors strategic planning session in January. The Tri-State annual meeting will be held in April.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 8:00 p.m.

APPROVED:

UP   
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President

  
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Secretary/Treasurer