

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 Stratton, Colorado on Tuesday, October 27, 2015 at the hour of 4:00 p.m. The meeting was called to order by President Kevin Penny. The following Members were present and constituted a quorum:

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

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Chief Financial Officer Bo Randolph, Member Service Specialist Ben Orrell and Attorney Jeff Cure participated via telephone.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board on September 22, 2015.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for November 24, 2015 at 4:00 p.m. in Hugo, Colorado.

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

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

Emergency Items: None.

Operational Policies: Up for review were Policy #510, Equal Employment Opportunity; Policy #511, Sexual Harassment; Policy #512, Drug-Free Workplace; Policy #513, Scholarship Program; Policy #514, Retirement of Capital Credits of a Deceased Member; and Policy #515, Identity Theft Protection. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #510, #511, and #512 will no longer be membership policies, and Policies #513, #514 and #515 are hereby approved as presented.”

Arriba Franchise Agreement: The Board discussed the Arriba Franchise agreement which will be voted on at the Town of Arriba’s November 9th Board meeting.

Board Election Policy: Mr. Cure presented a draft Board Election Policy for Board members to consider.

Bylaw Revision: Mr. Cure presented draft bylaw changes that will be needed if the Board decides to change the Board Election Policy.

Executive Session: At 5:00 P.M. it was unanimously approved to enter Executive Session to discuss a personnel issue and Tri-State. Mr. Churchwell and Mr. Cure were included in the Executive Session. The Board exited Executive Session at 5:37 P.M.

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 \$ 105,267.47.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting; NRECA’s Region VII Meeting in Salt Lake City; Tri-State Managers meeting; CREA Fall meeting; Cost of Service Study and the Clean Power Plan. At the conclusion of the

General Managers report the Board scheduled a special Board meeting to review the Cost of Service Study. The special Board meeting will be held on November 11th in Stratton beginning at 2:00 P.M.

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

- a. Mr. Randolph handed out group benefit open enrollment forms to the Board. Mr. Randolph also presented a slideshow of the financial report for September.
- b. Mr. Norris reported there were no First Reports of Injury or Near Misses in the past month. There were no Safety Committee activities in September. A recap was given of the safety meeting held in Stratton.
- c. For the Operations report, Mr. Norris reported on several line rebuild projects that the line crews have been working on and reviewed outages that occurred in September.
- d. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for September. Mr. Orrell announced application deadlines for the youth tour and Washington D.C. trip are quickly approaching.

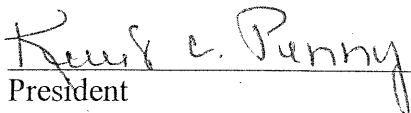
CREA Report: Mr. Mills reported on a recent CREA Board meeting and indicated that K.C. would have a CREA dues increase in 2016.

WUE Report: Mr. Mills referenced his report in the packet and noted that WUE continues to have strong sales and continues to work on developing a New Mexico warehouse facility.

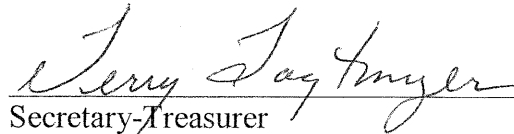
Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:35 p.m.

APPROVED:



President



Secretary-Treasurer