

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

A regular meeting of the Board of Directors of K.C. Electric Association, Inc. was held in Hugo, Colorado on Tuesday, November 25, 2014 at the hour of 3:00 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	Luanna Naugle
Bob Bledsoe	Wayne Parrish	Marvin Thaller
Dan Mills	Dave Ritchey	

Also present were General Manager Tim Power, Chief Financial Officer Ron Baxa, Member Service Specialist Ben Orrell, and Attorney Jeff Cure.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board on October 28, 2014.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for December 16, 2014 at 3:30 p.m. in Stratton, Colorado.

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

Director Recognition: Mr. Penny recognized Mr. Tagtmeyer, Mr. Jim Michal, and Mr. Thaller for earning their CCD (Credentialed Cooperative Director) certificates through NRECA. Mr. Tagtmeyer also received his BLC (Board Leadership Certificate) through NRECA.

Disbursements Report: The Disbursements Report of the Association for October 2014 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: Mr. Power presented a comment letter from NRECA to send to the EPA regarding its proposed regulations on existing power plants. After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to send the letter as presented to the EPA on behalf of the Association.”

Operational Policies: Up for review were Policy #106, Short-Term Line of Credit; Policy #430, Safety Glasses; and Policy #431, Employee Clothing. Mr. Power asked that Policy #430 not be reviewed at this time. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #106 and #431 are hereby approved as presented.”

Sensus Servers: Mr. Power gave an update on negotiations with NRTC/Sensus for future hosting considerations.

Pole Trailer and Pole Puller: Mr. Penny discussed the bids for a new pole trailer and pole puller. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a new Altec pole trailer from CZ Engineering for \$13,525 and a new pole puller from Tiiger for \$3,324.”

Work Plan Environmental Report: Mr. Power explained RUS’s request to have the environmental report approved separately from the work plan. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the environmental report for the 2014-2017 work plan is hereby approved.”

Uncollectible Account Write-Offs: Mr. Baxa presented the uncollectible account write-offs. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the uncollectible account write-offs in the amount of \$16,618.48 are approved as presented.”

2014 Capital Credit Retirements: Mr. Baxa presented a recommended capital credit general retirement amount for 2014. After discussion, the following resolution was unanimously passed:

“BE IT RESOLVED: That \$1,250,000 from the Capital Credit balance be distributed in December 2014 as a general retirement.”

2015 Salaries & Wages: Was moved to later in the meeting.

Policy #206 – Director Compensation: Was moved to later in the meeting.

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 \$10,289.57.”

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

“BE IT RESOLVED: That the Inventory of Work Orders #409 in the amount of \$957,256.98 and #410 in the amount of \$302,050.61 are hereby approved.”

Executive Session: At 4:25 p.m. it was unanimously approved to enter Executive Session to discuss 2015 Salaries & Wages and Policy #206 – Director Compensation. Mr. Cure and Mr. Power were included in Executive Session. The Board exited Executive Session at 6:00 p.m.

2015 Salaries & Wages: After Executive Session, the following resolution was unanimously approved:

“BE IT RESOLVED: That the salary and wage increases presented by the General Manager are hereby approved.”

Policy #206 – Director Compensation: After Executive Session, the following resolution was approved, with Ms. Naugle as a dissenting vote:

“BE IT RESOLVED: That Policy #206 is hereby approved as amended, to take effect January 1, 2015.”

General Manager’s Report: Mr. Power reported on the following: the most recent Tri-State rate committee, where on-peak and off-peak usage patterns were discussed, as well as Tri-State’s new TR-1 rate; personnel changes at the Association; how the Association’s line extension policy change has benefited the Association; and the possibility of changing power suppliers. Mr. Power then began a discussion about the proposed 2015 budget. Mr. Baxa explained various budget numbers and answered questions from the Board.

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

- a. Mr. Baxa provided a brief summary of the financial report for October.
- b. Mr. Power referenced the Safety Report in the Board packet, which showed there were no First Reports of Injury or Near Misses, and no Safety Committee activities in October. A recap of a safety meeting in Stratton was also referenced in the packet.
- c. For the Operations report, Mr. Power referenced the Operations Report in the Board packet and discussed a few outages during the month.
- d. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for October. He also updated the Board on applications for the Youth Tour and Youth Camp.

CREA Report: Mr. Mills referenced the CREA Report in the Board packet, which gave an election recap.

WUE Report: Mr. Mills referenced the WUE Report in the Board packet.

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

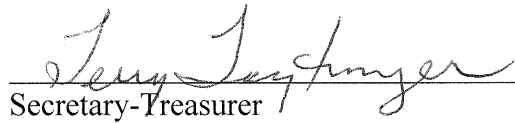
Miscellaneous Business: None.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 8:05 p.m.

APPROVED:



President



Secretary-Treasurer