

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 Tuesday, November 22, 2016 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:

Kevin Penny	Terry Tagtmeyer	Jim Michal
Dan Mills	Wayne Parrish	Luanna Naugle
Dave Ritchey		

Bob Bledsoe arrived at 4:10 p.m.

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Chief Financial Officer Bo Randolph, Member Service/IT Specialist George Ehlers and Attorney Jeff Cure.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board on October 25, 2016.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for December 15, 2016 at 3:00 p.m. in Stratton, Colorado.

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

Disbursements Report: The Disbursements Report of the Association for October 2016 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 #106, Short-Term Line of Credit; Policy #206, Director Compensation; and Policy #431, Employee Clothing. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #106, #206, and #431 are hereby approved as presented.”

Uncollectable Account Write-Offs: Mr. Churchwell presented the uncollectable account write-offs. After Discussion, the following resolution was unanimously approved:

“BE IS RESOLVED: That the uncollectable account write-offs in the amount of \$3,277.97 are approved as presented.”

2016 Capital Credit Retirements: Mr. Randolph presented a recommended capital credit general retirement for 2016. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That \$ 917,640 from the Capital Credit balance be distributed in December 2016 as a general retirement.”

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 \$ 52,757.98.”

General Manager’s Report: Mr. Churchwell presented the draft 2017 budget and reviewed proposed rate changes that were included in the 2017 draft budget. Mr. Churchwell also reported

on the following: the most recent Tri-State Board meeting; Rocky Mountain Institute; Clean Power Plan, LCEDC, and Rush Creek wind farm.

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

- a. Mr. Randolph presented a slideshow of the financial report for October 2016.
- b. Mr. Norris reported there were no First Reports of Injury and discussed one Near Miss that occurred in the past month. There were no Safety Committee activities in October. A recap was given of the safety meetings held in Stratton and Hugo.
- c. Mr. Norris reported on several projects that the line crews have been working on including transmission line maintenance, power bank maintenance and Cheyenne Wells substation modifications. Mr. Norris also reviewed outages that occurred in October.
- d. Mr. Ehlers referenced his report in the Board packet which summarized activities of Member Services and IT for October. Mr. Ehlers announced that application deadlines for the Glen Eden camp, Washington D.C. youth trip, and scholarships are quickly approaching.

CREA Report: Mr. Mills referenced his report in the packet and reported on recent CREA Board of Directors meetings.

WUE Report: Mr. Mills referenced his report in the packet and noted that WUE sales continue to be strong and the protective equipment testing facility continues to stay extremely busy.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed fiduciary training that was conducted during the last Tri-State Board of Directors meeting and gave an update on the Tri-State contract committee.

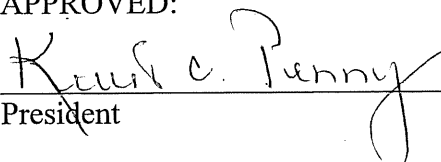
Executive Session: At 8:40 p.m. it was unanimously approved to enter Executive Session to discuss 2017 salaries and wages. Mr. Churchwell and Mr. Cure were included in the Executive Session. The Board exited Executive Session at 9:25 p.m.

2017 Salaries and Wages: After Executive Session the following resolution was unanimously approved:

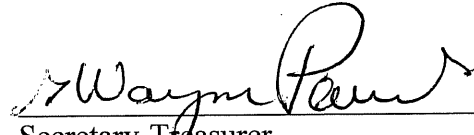
“BE IT RESOLVED: That the salary and wage increases presented by the General Manager are hereby approved.”

Adjournment: Mr. Penny declared the meeting adjourned at approximately 9:30 p.m.

APPROVED:



President



Secretary-Treasurer