

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 was held in Stratton, Colorado on Thursday, December 15, 2016 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	Marvin Thaller
Dan Mills	Jim Michal	Dave Ritchey
Wayne Parrish	Luanna Naugle	

Bob Bledsoe arrived at 3:15 p.m.

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Member Services/IT Specialist George Ehlers, Chief Financial Officer Bo Randolph, 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 November 22, 2016.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for January 24, 2017 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 December 2016 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: None.

Operational Policies: Up for review were Policy #200, Director Search and Selection to Fill Unexpired Term; Policy #201, Board of Directors' Standards of Conduct; Policy #202, Reimbursement of Directors' Expenses and Per Diem Allowance; and Policy #432, Expense Account Verification. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policy #200, #201, #202 and #432 are approved as presented.”

2017 Office Cleaning Contract: Mr. Churchwell presented contracts for renewal of services from January 2017 through December 2017 for approval. The contracts were for Jody Sharp to clean the Cheyenne Wells office, Kristy Richie to clean the Stratton office and Melissa Monks to clean the Hugo office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the contracts for Jody Sharp, Kristy Richie and Melissa Monks are hereby approved for janitorial services to be performed in 2017.”

Approval of Electric Rates: Mr. Churchwell and Mr. Randolph presented the proposed electric rates for 2017. After an extensive discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the proposed electric rates are approved for implementation on February 1, 2017.”

2017 Operating and Capital Budget Approval: Mr. Churchwell presented the final version of the 2017 Operating and Capital Budget to the Board. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the 2017 Operating and Capital Budget is hereby approved.”

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 \$ 54,077.42.”

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

“BE IT RESOLVED: That the inventory of work orders #425, in the amount of \$ 204,953.56, and # 426, in the amount of \$ 2,149.02 are hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, CREA Managers meeting, Colorado Energy Office workshop, and the 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 November 2016.
- b. Mr. Norris reported there were no First Reports of injury and no Near Misses in the past month. A recap was given of the safety meetings held in Stratton and Hugo as well as an update on the progression of our Safety Improvement Plan.
- c. Mr. Norris discussed maintenance and construction projects completed in November. Mr. Norris also reviewed outages that occurred in November.
- d. Mr. Ehlers referenced his report in the Board packet which summarized activities of Member Services and IT for November. The scholarship and youth tour application deadlines are quickly approaching. The Board will select the winners at the January Board meeting.

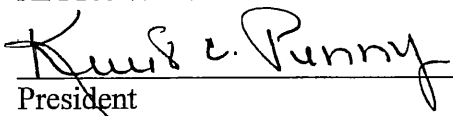
CREA Report: Mr. Mills referenced his report in the packet and reported on CREA’s annual membership meeting which will be held in February.

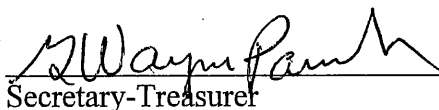
WUE Report: Mr. Mills referenced his report in the packet and reported that sales continue to be strong and are being driven by residential and industrial growth on the front range.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the Tri-State capital credit refund and a strategic planning session that will be held during the January Tri-State Board of Directors meeting.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 5:15 p.m.

APPROVED:

  
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President

  
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Secretary-Treasurer