

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, April 26th, 2016 at the hour of 4:10 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 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 March 22, 2016.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for May 24, 2016 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 March 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: Mr. Churchwell presented one emergency item to be placed on the agenda.

Time-Of-Use Wind Tariff: Mr. Churchwell presented a new tariff for the wind class which included a Time-Of-Use component. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Wind Power Sales Time of Use Service tariff 10A is hereby approved.”

Operational Policies: Up for review were Policy #112, Insurance; Policy #407, Confidentiality of Personnel Files, Employees Rights, and HIPAA; Policy #408, Military Leave of Absence; and Policy #517, Acceptance of Credit Card Payments. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #112, #408, #409 are approved as presented.”

Approval of New Agreement for Electric Service and Membership: Mr. Churchwell presented a revised agreement for electric service and membership. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the revised Agreement for Electric Service and Membership is hereby approved.”

Exterior Painting Hugo Office: Mr. Churchwell presented a quote to paint the exterior of the Hugo office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to hire Gene Amann to paint the exterior of the Hugo office for \$ 3,840.”

Approval of Long Term Borrowing: Mr. Churchwell presented information on K.C.'s current debt and equity levels. After extensive discussion the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to submit the required documents to RUS to draw down \$ 2,555,000 from our Z8 loan.”

Special Equipment Purchase: 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 \$ 24,922.69.”

General Manager's Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, Tri-State Managers meeting, Tri-State Annual Meeting, CREA Managers meeting, 2015 Audit, and the applicant search to fill our Member Services Manager/IT position.

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

- a. Mr. Randolph presented a slideshow of the financial report for March 2016.
- 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 meetings held in Stratton and Hugo. Mr. Norris discussed the recent unannounced RESAP inspection conducted by CREA staff and employees from PVREA and HEA.
- c. Mr. Norris discussed maintenance and construction projects completed in March and the progress of the line rebuild project for the new compressor station north of Stratton. Mr. Norris discussed the progression of the voltage conversion in the town of Stratton.
- d. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for March. Mr. Orrell discussed K.C.'s upcoming 70th Annual Meeting and the preparations involved.

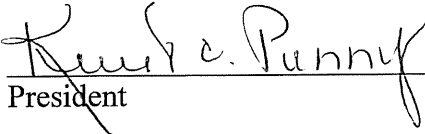
CREA Report: Mr. Mills referenced his report in the packet and discussed recent legislative activities that CREA staff and Board are monitoring.

WUE Report: Mr. Mills referenced his report in the packet and reported that sales are steady and the facility expansion in New Mexico is complete and should be operational by the end of April.

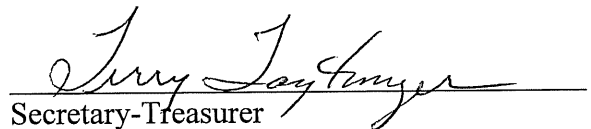
Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and reported on the Tri-State annual meeting held recently in Broomfield.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 8:38 p.m.

APPROVED:



President



Secretary-Treasurer