

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 Stratton, Colorado on Tuesday, June 28, 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	Marvin Thaller
Robert Bledsoe	Dan Mills	Wayne Parrish
Dave Ritchey	Luanna Naugle	Jim Michal

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Chief Financial Officer Bo Randolph, Member Service Specialist Ben Orrell, Member Services Manager/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 May 24, 2016.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for July 26, 2016 at 4:00 p.m. in Hugo, Colorado.

Public Comments: None.

Disbursements Report: The Disbursements Report of the Association for May 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.

Board Officers and Delegates: Mr. Penny appointed Mr. Cure as temporary chair of the meeting. Mr. Cure conducted the nomination and election of the Board President. Mr. Cure requested nominations for President. Mr. Penny, Mr. Bledsoe and Mr. Parrish were nominated to serve as Board President, Mr. Bledsoe removed his name from the election. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Kevin Penny is elected to serve as the President of the Board of Directors of K.C. Electric for a term of one year.”

Mr. Cure relinquished the temporary chair position and returned the meeting to Mr. Penny. Mr. Penny called for nominations to fill the position of Vice President. Mr. Mills and Mr. Michal were nominated for Vice President. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Dan Mills is elected to serve as the Vice President of the Board of Directors of K.C. Electric for a term of one year.”

Mr. Penny then called for nominations to fill the position of Secretary/Treasurer. Mr. Thaller, Mr. Michal, Mr. Ritchey, Mr. Parrish and Ms. Naugle were nominated for Secretary/Treasurer. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Wayne Parrish is elected to serve as the Secretary/Treasurer of the Board of Directors of K.C. Electric for a term of one year.”

President Penny then called for nominations to fill the position of Assistant Secretary/Treasurer. Mr. Ritchey, Mr. Michal and Mr. Thaller were nominated as Assistant Secretary/Treasurer. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Dave Ritchey is elected to serve as the Assistant Secretary/Treasurer of the Board of Directors of K.C. Electric for a term of one year.”

Mr. Penny then called for nominations to fill the position of director representative for Tri-State G&T. Mr. Bledsoe and Mr. Parrish were nominated as director representative for Tri-State G&T. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Bob Bledsoe is elected to serve as the director representative to serve on Tri-State G&T’s board of directors for a term of one year.”

Mr. Penny then called for nominations to fill the position of director representative for CREA and WUE. Mr. Mills and Mr. Parrish were nominated as director representative for CREA and WUE. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Dan Mills is elected to serve as the director representative to serve on CREA and WUE’s board of directors for a term of one year.”

Mr. Penny then called for nominations to fill the position of alternate director representative for Tri-State G&T. Mr. Thaller, Mr. Parrish and Mr. Tagtmeyer were nominated as alternate director representative for Tri-State G&T. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Terry Tagtmeyer is elected to serve as the Association’s alternate director representative to serve on Tri-State G&T’s board of directors for a term of one year.”

Mr. Penny then called for nominations to fill the position of alternate director representative for CREA and WUE. Mr. Ritchey, Mr. Michal, Mr. Thaller and Ms. Naugle were nominated as the alternate director representative for CREA and WUE. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Michal is elected to serve as the Association’s alternate director representative to serve on CREA and WUE’s board of directors for a term of one year.”

Mr. Penny then called for nominations to fill the position of Board representative of the Association’s Safety Committee. Mr. Michal, Mr. Thaller, Mr. Ritchey and Ms. Naugle were nominated as the Board representative for the Association’s Safety Committee. After the votes were cast the following resolution was unanimously approved:

“BE IT RESOLVED: That Marvin Thaller is elected to serve as the Board representative of the Association’s Safety Committee for a term of one year.”

Operational Policies: Up for review were Policy #412, Standby Duty; Policy #413, Funeral Leave; Policy #414, Holidays; and Policy #415, Sick Leave. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #412, #413, #414, and #415 are approved as presented.”

Approval of IVUE Document Vault: Mr. Churchwell presented a quote from NISC for IVUE’s digital imaging solution document vault and two Fujitsu scanners. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase document vault and two Fujitsu scanners from NISC for \$ 12,160.”

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 \$ 26,150.66.”

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

“BE IT RESOLVED: That the inventory of Work Orders #422 in the amount of \$ 129,169.36 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: The most recent Tri-State Board meeting, NRECA’s new CEO, discussed options for spare equipment that we would like to sale, gave a short presentation on succession planning, recapped K.C.’s 2016 Annual Meeting, and discussed upcoming CREA and NRECA meetings.

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

- a. Mr. Randolph presented a slideshow of the financial report for May 2016.
- b. Mr. Norris reported there were no First Reports of Injury or Near Misses. A recap was given of the safety meetings held in Hugo and Stratton.
- c. Mr. Norris reported on recent system damage incurred due to wind storms and gave an update on the progression of the Saddle Horn project and the line rebuild east of Kit Carson.
- d. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for May 2016. The December Board meeting will be held on the Thursday the 15th

CREA Report: Mr. Mills reported on the recent CREA board meeting which included discussions on cost containment which will help to keep CREA membership dues as low as possible. Mr. Mills also discussed upcoming CARE candidate interviews.

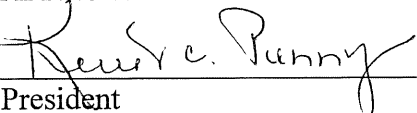
WUE Report: Mr. Mills noted that WUE continues to have very strong sales and their rubber goods testing facility continues to stay busy.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and noted Tri-State Board of Directors recently conducted a strategic planning session and have begun utilizing their commercial paper program and have borrowed long term funds at reasonable rates.

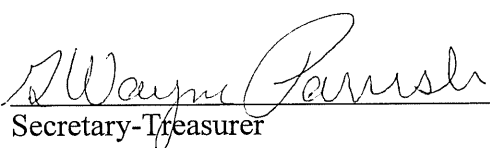
Miscellaneous Business: None.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 8:25 p.m.

APPROVED:



President



Secretary-Treasurer