

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, July 22, 2014 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	Luanna Naugle	Wayne Parrish
Robert Bledsoe	Marvin Thaller	
Dave Ritchey	Terry Tagtmeyer	

Also present were General Manager Tim Power, Chief Financial Officer Ron Baxa, Operations Manager Darrin Laverenz, Member Services Specialist Ben Orrell, Operations Superintendent Paul Norris, Attorney Jeff Cure, and Association employees Sue Dutro, Riley Shaffer, and Jacob Smith.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board on June 24, 2014.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for August 26, 2014 at 4:00 p.m. in Stratton, Colorado.

Public Comments: Mr. Laverenz introduced Mr. Shaffer and Mr. Smith, the Association's two newest linemen. After introductions, the two men returned to work.

Disbursements Report: The Disbursements Report of the Association for June 2014 was reviewed and, after the Board had an opportunity to review and ask questions, Mr. Penny declared the Disbursements Report as an informational item requiring no Board action.

Emergency Items: The Board then discussed and voted on the voting representative and alternate voting representative for Basin Electric, voting representative for CoBank, and the alternate voting representative for NRECA. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Wayne Parrish serve as the voting representative and Dave Ritchey as the alternate voting representative for Basin Electric; Bob Bledsoe serve as the voting representative for CoBank; and Marvin Thaller serve as the alternate voting representative for NRECA.”

Member Comments: Megan Hohl of Osborne's Supermarket in Hugo then arrived and asked the Board to address why it chose not to station linemen in Hugo. The Board explained the logistics, safety, and cost aspects of their decision. Ms. Hohl also asked if the Board planned to move the headquarters out of Hugo. The Board explained there were no plans to do so.

Policies #416-420: Up for review was Policy #416, Jury Duty; Policy #417, Hours of Work and Overtime; Policy #418, Cessation of Benefits Upon Termination of Employment; Policy #419, Medical Insurance for Employees Qualifying for Long Term Disability Insurance; and Policy #420, Apprentice Training Program. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #416 through #420 are approved as presented.”

Generator for Hugo Office: Mr. Laverenz presented bids for a 60 kW natural gas generator with an automatic transfer switch. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is authorized to purchase the specified Kohler generator from Hitchcock, Inc. for \$20,001.”

CARE Donation and CARE Auction Donation Requests: The Board continued its discussion from the June board meeting regarding making a donation from the Association to CARE. It also discussed what the Association donated to the CARE Auction in 2013. After discussion, the following resolution was approved with one dissenting vote (Luanna Naugle):

“BE IT RESOLVED: That the Association will donate \$2,000 to CARE and a \$500 gift certificate from the Kansas City Steak Company for the CARE Auction in 2014.”

Emergency Items: Mr. Laverenz then discussed some curb work that needed to be addressed at the Stratton office location. When the city of Stratton presents a plan to remedy the situation with a specific request of the Association, the Board will respond accordingly.

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 \$76,595.07.”

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

“BE IT RESOLVED: That the Inventory of Work Orders #406 in the amount of \$210.45 and #407 in the amount of \$79,515.96 are hereby approved.”

General Manager’s Report: General Manager Power reported on the following: (1) The Association’s participation as a beta tester for a software program called qX; (2) The status of the upcoming cost of service study; and (3) The projected NRECA insurance and pension billing rates.

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

- a. Mr. Baxa discussed the upcoming statewide accountants’ meeting and thanked Ms. Dutro and others in the Hugo office for their help in preparing for the meeting. He also presented a slideshow of the financial report for June 2014.
- b. Mr. Norris reported that there was one First Report of Injury and no Near Misses in June. There were no Safety Committee activities to report. A recap was given of the safety meeting held in Hugo.
- c. Mr. Laverenz referenced his report in the packet and discussed an outage which occurred in June due to a snake in a substation. He also explained that the Operations department will be building snake fences at a few substations in the near future.

Member Comments: Rebecca Kraxberger then arrived and thanked the Association for selecting her to travel to Washington D.C. on the NRECA Youth Tour. She provided a summary of her trip and answered questions from the Board.

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

- a. Mr. Laverenz continued his report and discussed a second outage which occurred in June due to a tractor hitting a pole.
- b. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for June 2014.

CREA Report: Mr. Mills was absent and no report was available.

WUE Report: Mr. Mills was absent and no report was available.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the X-Prize Foundation and its carbon capture challenge and various personnel changes on the Tri-State board.

Miscellaneous Business: Mr. Power and Mr. Laverenz then discussed plans to keep members informed of estimated restoral times during long or large-scale outages. They explained that they were not ready to implement the plan, but anticipated they will be in the near future.

At 7:05 p.m. it was unanimously approved to enter Executive Session to discuss personnel issues. Mr. Cure, Mr. Power, and Mr. Laverenz were included in Executive Session. The Board exited Executive Session at 7:25 p.m.

Adjournment: Mr. Penny declared the meeting adjourned at 7:25 p.m.

APPROVED:

Robert C. Bledsoe  
Vice President

Terry Jay Frazier  
Secretary-Treasurer