

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, August 26, 2014 at the hour of 4:00 p.m. The meeting was called to order by Vice President Robert Bledsoe. The following Members were present and constituted a quorum:

Robert Bledsoe	Terry Tagtmeyer	Marvin Thaller
Dan Mills	Wayne Parrish	
Dave Ritchey	Jim Michal	

Also present were General Manager Tim Power, Chief Financial Officer Ron Baxa, Member Service Specialist Ben Orrell, Operations Superintendent Paul Norris, Attorney Jeff Cure, and employee Ron Wolfrum. Director Luanna Naugle arrived at 4:03 p.m.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board on July 22, 2014.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for September 23, 2014 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 July 2014 was reviewed and, after the Board had an opportunity to review and ask questions, Mr. Bledsoe declared the Disbursements Report an informational item requiring no Board action.

Emergency Items: None.

Executive Session: At 4:15 p.m., it was unanimously approved to enter Executive Session to discuss the Association's IRS Form 990 filing with Mr. Bourk Dreyer of Dreyer & Kelso. Mr. Cure, Mr. Power, and Mr. Baxa were included in Executive Session. The Board exited Executive Session at 4:30 p.m.

Public Comments: Mr. Joel Bladow, Senior Vice President of Transmission for Tri-State G&T, made a presentation to the Board regarding a large storm-caused outage near Burlington in late June. Mr. Bladow explained the sequence of events and adjustments Tri-State has now taken to help respond quicker in the future. The Board thanked Mr. Bladow for his presentation.

Operational Policies: Up for review were Policy #421, Leave of Absence - Medical; Policy #422, Inclement Weather; Policy #423, Travel; and Policy #424, Employee Attendance at Meetings. After discussion, the following resolutions were unanimously approved:

“BE IT RESOLVED: That Policy #423 be amended to better explain that a maximum of \$45 is allowed per full day of travel for an employee's meals and that Policies #421 through #424 are approved as presented and amended.”

Long-Term Borrowing: Mr. Power and Mr. Baxa recommended Board approval to borrow the remaining funds from the Association's RUS/FFB Y8 loan in the next month or two. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is authorized to borrow the remaining amount in its RUS/FFB Y8 loan (approximately \$1.923 million) for a term which matches the longest maturity of the Association's current RUS/FFB loans (approximately 14 years) in the next couple months.”

Unit #8 Replacement: Mr. Power explained this is the GM's vehicle and he asked the Board to provide him with the same authority it did in 2010 to shop for a vehicle with a budget limit. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the GM “go shopping” for a vehicle, with a budget limit of \$30,000 after trade-in of his current vehicle.”

Approval to Renew NRECA Insurance Programs for 2015: Mr. Power and Mr. Baxa presented the NRECA Insurance renewal rates for 2015. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the proposed NRECA insurance plans are hereby renewed with the same coverage currently in place at the proposed rates provided by NRECA.”

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 \$134,422.63.”

General Manager’s Report: Mr. Power reported on the following: a recent statewide managers’ meeting held in Sterling; a disconnect for non-pay of a State of Colorado emergency response tower; and an offer by CREA’s Kent Singer to attend a future Association board meeting to talk on any pertinent issue. After discussion, the Board asked Mr. Power to see if Mr. Singer could attend an upcoming board meeting to discuss board meeting agendas and related issues.

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

- a. Mr. Baxa recapped the recent statewide accountants’ meeting hosted by the Association in Stratton. The Board then asked Mr. Power to acknowledge the employees responsible for planning and running the meeting with some token of thanks from the Board. Mr. Baxa also presented a slideshow of the financial report for July 2014 and referred the Board to a page in the packet highlighting fee changes in the near future.
- b. Mr. Norris reported there were no First Reports of Injury, Near Misses, or Safety Committee activities in July. A recap was given of the safety meetings held in Hugo and Stratton. The following resolution was unanimously approved:

“BE IT RESOLVED: That the safety report is hereby approved.”

- c. For the Operations report, Mr. Norris reported on contractor work being finished up and a few outages during the month.
- d. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for July 2014.

CREA Report: Mr. Mills reported there had not been a full CREA board meeting since June.

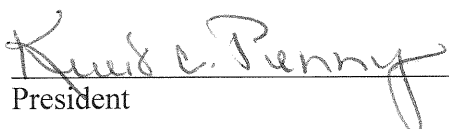
WUE Report: Mr. Mills noted that WUE continues to have very strong sales and recently held its annual fish fry.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and noted Tri-State approved the refinancing of its debt to pay off its RUS loans. He also noted that management has recommended no rate increase for 2015. Also, management is working on possible mediation with the New Mexico coops which would require those coops to pay back \$7 million to Tri-State through their current rates while in mediation.


Miscellaneous Business: At 6:35 p.m. it was unanimously approved to enter Executive Session to discuss personnel issues. Mr. Power was included in Executive Session. The Board exited Executive Session at 6:48 p.m.

Adjournment: Mr. Bledsoe declared the meeting adjourned at approximately 6:50 p.m.

APPROVED:



President



Secretary-Treasurer