

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 23, 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
Luanna Naugle		

Dave Ritchey arrived at 4:03 p.m.

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Chief Financial Officer Bo Randolph, Member Services Manager/IT Specialist George Ehlers, CREA Executive Director Kent Singer and Attorney Jeff Cure.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board on July 26, 2016.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for September 27, 2016 at 4:00 p.m. in Hugo, Colorado.

Public Comments: Mr. Kent Singer gave an update on Colorado Rural Electric Association and discussed upcoming state elections. The Board thanked Mr. Singer for the update and for attending our Board of Directors meeting.

Disbursements Report: The Disbursements Report of the Association for July 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:

Cheyenne Wells Office Heat Pump Replacement: Mr. Churchwell presented a quote from SS Heating & A/C LLC for replacing the heat pump at our Cheyenne Wells office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to hire SS Heating & A/C LLC to replace the heat pump at the Cheyenne Wells office for \$ 4,618.63.”

PVREA Rate Reduction Letter of Support: Mr. Churchwell discussed a request by PVREA seeking K.C.’s support in requesting that Tri-State Generation and Transmission consider further options to reduce their upcoming rate increase. After discussion, the following resolution was unanimously approved. Director Bob Bledsoe recused himself from this item due to conflict of interest.

“BE IT RESOLVED: That Mr. Churchwell is authorized to submit a letter to Tri-State Generation and Transmission requesting further options be evaluated to reduce their upcoming rate increase.”

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 resolution was unanimously approved:

“BE IT RESOLVED: That Policies #421, #422, #423 and #424 are approved as presented.”

CARE 527 Contribution: Mr. Churchwell presented a letter from CARE requesting the Board to consider donating to the CARE 527 membership account. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Association will donate \$ 2,000 to the CARE 527 membership account for 2016 and will annually review CARE 527 contributions.”

Approval to Renew NRECA 2017 Insurance Program: Mr. Churchwell presented the NRECA insurance renewal rates for 2017. After discussion, the following resolution was unanimously approved:

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

Hugo Roof Repair: Mr. Churchwell presented a quote from GW Insulation to recoat the roof at the Hugo office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to hire GW Insulation to recoat the damaged area of the Hugo roof for \$5,950 and determine if the low spots on the roof can be fixed.”

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

“BE IT RESOLVED: The Inventory of Work Orders #423, in the amount of \$ 137,801.49, are 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 \$ 20,167.93.”

General Manager’s Report: Mr. Churchwell reported on the following: The most recent Tri-State Board meeting, CREA managers meeting, Rush Creek Wind Farm and RUS LEP requirements.

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

- a. Mr. Randolph presented a slideshow of the financial report for July 2016 and presented the 2015 CFC KRTA’s.
- b. Mr. Norris reported there were no First Reports of Injury and one Near Miss in July. A recap was given of the safety meetings held in Hugo and Stratton. Mr. Norris presented the Safety Improvement Plan that was developed by the Safety Committee.
- c. Mr. Norris reported on the progression of the line rebuild east of Kit Carson and the town of Stratton conversion.
- d. Mr. Ehlers referenced his report in the Board packet which summarized activities of Member Services and Information Technologies for July 2016.

CREA Report: Mr. Mills reported on the upcoming board meeting and discussed the upcoming CREA fall meeting and energy innovations summit.

WUE Report: Mr. Mills referenced his report in the packet and noted that sales continue to be stable.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and noted that the contract committee has reconvened as well as the rate committee. Mr. Bledsoe also reported that the Tri-State Board of Directors are considering changing the format of their meetings for 2017.

Miscellaneous Business: None.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 8:00 p.m.

APPROVED:

*Keith C. Penny*  
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President

*Wayne Penn*  
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Secretary/Treasurer