

MINUTES OF THE REGULAR ANNUAL MEETING
OF THE BOARD OF DIRECTORS
AND MEMBERS OF K.C. ELECTRIC ASSOCIATION

A regular annual meeting of K.C. Electric Association was held in Flagler, Colorado on Thursday June 1, 2017 at the hour of 7:00 p.m.

Welcome: The members were welcomed and the meeting was called to order by President Kevin Penny.

Pledge of Allegiance and National Anthem: The membership was led in the Pledge of Allegiance and National Anthem sung by Barb Rueb.

Introduction of Directors: Mr. Penny introduced the directors of K.C. Electric, Vice President Dan Mills, Secretary/Treasurer Wayne Parrish, Assistant Secretary/Treasurer Dave Ritchey, Director Jim Michal, Director Terry Tagtmeyer, Director Marvin Thaller, Director Luanna Naugle, Director Robert Bledsoe, and himself, President Kevin Penny.

Introduction of Employees: Mr. Penny asked K.C. employees to assemble in front of the crowd for introductions. Mr. Churchwell introduced the employees and Mr. Penny presented a Board resolution of appreciation to the employees for their exemplary service in restoring power after the March 24 storm.

Quorum: Mr. Penny reported 103 members were in attendance and that a quorum had been met.

Proof of Publication: Mr. Penny requested a motion to dispense with the reading of the Proof of Publication. Upon a motion and a second, the following resolution passed:

“BE IT RESOLVED: That the reading of the Proof of Publication is hereby dispensed with and the assembly does hereby accept and approve such.”

Approval of Minutes: Mr. Penny requested a motion to approve the minutes as mailed. Upon a motion and a second, the following resolution passed:

“BE IT RESOLVED: That the Minutes of the Regular Annual Meeting of the Board of Directors and Members of K.C. Electric Association held on Thursday, June 2, 2016 in Stratton Colorado at 7:00 p.m. are hereby approved.”

Introduction of Nominees: Mr. Penny informed the assembly there were no contested races for the Board election this year. K.C. attorney Mr. Jeff Cure explained K.C. bylaw 3.1(g) which specifies if the number of qualified candidates nominated for election as a director in each district is less than or equal to the number of vacancies in each district, then the election of directors shall automatically be dispensed with and the nominees shall be deemed elected. Mr. Cure explained K.C.’s Board Election Policy including the election committee, election process, ballot procedure, and ballot tabulation. Incumbent directors who will serve another three-year term are

- From Kit Carson County – Kevin Penny and Dan Mills
- From Cheyenne County – Robert Bledsoe

Introduction of Election Committee: Mr. Cure introduced the 2017 election judges which included Troy McCue, Tom Bredehoft, Archie Cloud, Jeff Cure, and George Ehlers.

Introduction of Guests: Mr. Penny introduced the following guests in attendance:

- Brad Nebergall – Senior Vice President Energy Management, Tri-State G&T
- Mike Frailey – Relationship Manager, Tri-State G & T
- Kent Singer – CEO, Colorado Rural Electric Association
- Jack Johnston – CEO, Southeast Colorado Power Association
- Telly Stanger – CMSO, Southeast Colorado Power Association
- Bill Cochell – COO, Southeast Colorado Power Association
- Scott Larsen – CFO, Southeast Colorado Power Association

- Lawrence Brase – Board of Directors Secretary/Treasurer, Southeast Colorado Power Association
- Joe Martin – Board of Directors President, Mountain View Electric Association
- Mike Prom – CEO, Western United Electric Supply Corporation

General Manager's Report: Mr. Penny introduced and asked General Manager David Churchwell to address the assembly. Mr. Churchwell presented the operating statements from 2015 and 2016. He also discussed, among other things, capital credit retirement of the Association for 2016, K.C.'s 2016 safety record, K.C.'s safety awareness program, construction work plan projects, future Tri-State power plant and mine closures and Colorado legislative activity.

Youth Trip Recipients: Mr. Penny introduced the following youth tour recipients:

- Ms. Wynn Marshall of Burlington High School – Washington D.C. youth tour
- Mr. Marshall Hornung of Stratton High School – Glen Eden leadership camp

Scholarship Recipients: Mr. Penny introduced the following scholarship recipients:

- Ms. Jade Witzel of Stratton High School - \$1,000 from Basin Electric
- Mr. Tyler Craig of Bethune High School - \$500 from Tri-State G&T
- Ms. Katherine Liptrap of Genoa/Hugo High School - \$500 from Tri-State G&T
- Mr. Justis Marshall of Burlington High School - \$1,000 from K.C. Electric
- Mr. Nathan Oestman of Flagler High School - \$1,000 from K.C. Electric

Ms. Marshall, Ms. Witzel, Mr. Craig, Ms. Liptrap, and Mr. Oestman were in attendance to be recognized for their awards.

Entertainment: Mr. Penny introduced Mr. Brad Richmond as this evening's entertainment.

President's Report: Mr. Penny discussed the evolution of irrigation in K.C.'s service territory as well as current and future challenges facing irrigators and K.C. Electric.

Director Service Awards: The following director service award was presented:

- Mr. Marvin Thaller, 10 years

Employee Service Awards: The following employee service awards were presented:

- Ms. Jodi Withington, 5 years
- Mr. Loudon Hornung, 10 years
- Ms. Kristie Constance, 15 years
- Mr. Paul Norris, 25 years
- Ms. Dee Ann Blevins, 30 years

March Storm Presentation: Mr. Norris discussed the March 24 storm that damaged K.C.'s distribution and transmission system.

Unfinished Business: None.

New Business: None.

Question and Answer Session: Mr. Penny opened up the meeting to questions from the members in attendance. There were no questions.

2018 Annual Meeting: Mr. Penny announced the next Regular Annual Meeting of the Board of Directors and Members of K.C. Electric will be June 7, 2018 to be held at Stratton High School in Stratton, Colorado.

Grand Prize: A name was drawn from the membership at large for the opportunity to win the grand prize of \$1,500. The member selected was not present, so five \$100 winners was drawn from the registered members in attendance.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 9:15 p.m.